

Commercial Insurance Policy

Norwich Union Bonus hereby agrees with the Insured named in the schedule who has made to *Norwich Union Bonus* a proposal and declaration which shall be the basis of this contract and having paid or agreed to pay the premium *Norwich Union Bonus* will by payment or at its option by reinstatement or repair indemnify the Insured to the extent hereafter described in respect of loss or destruction or damage accident or injury occurring during the *period of insurance* subject to the terms exceptions and conditions contained herein or endorsed hereon

For and on behalf of *Norwich Union Bonus*

A handwritten signature in black ink, appearing to read 'Patrick Snowball', with a long horizontal stroke extending to the right.

Patrick Snowball
Chief Executive, Norwich Union Insurance

Important

This Policy is a legal contract and it is important that you examine it carefully to make sure that it meets your requirements. If it does not, or if your insurance requirements change, please let your insurance adviser know right away

You are reminded of the need to tell us immediately of any facts or changes which we would take into account in our assessment or acceptance of this insurance as failure to disclose all relevant facts may invalidate your policy, or may result in the policy not operating fully

Contents

This booklet should be read in conjunction with your current Schedule which indicates precise details of your insurance protection

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General Conditions

1 Policy Voidable

This policy shall be voidable in the event of misrepresentation misdescription or non-disclosure in any material particular

(b) whereby the risk of loss or destruction or damage is increased or

(c) whereby the interest of the Insured ceases except by will or operation of law

2 Observance

Observance of the terms of this policy relating to anything to be done or complied with by the Insured is a condition precedent to any liability of the *company* except insofar as is necessary to comply with the requirements of any legislation enacted in Great Britain Northern Ireland the Channel Islands or the Isle of Man relating to compulsory insurance of legal liability to *employees*

unless such alteration be admitted by memorandum signed by or on behalf of the *company*

5 Average

Wherever a sum insured is stated to be Subject to Average if at the time of any loss or destruction or damage such sum insured on any item/column of the property insured is less than the total value of such property the Insured shall be considered as being his own Insurer for the difference and shall bear a rateable share of the loss accordingly

3 Statutory Requirements Maintenance and Reasonable Precautions

The Insured at his own expense shall

(a) take all reasonable precautions to prevent or diminish loss destruction or damage or any occurrence or cease any activity which may give rise to liability under this policy and to maintain all buildings furnishings ways works machinery plant caravans and vehicles in sound condition

6 Cancellation

The *company* may at any time by giving thirty days notice in writing to the Insured at the last known address terminate this policy or any section(s) hereof as from the expiration of such thirty days provided the *company* shall in that event return to the Insured a proportionate part of the premium for the unexpired time of the policy or section(s)

(b) exercise care in the selection and supervision of *employees*

(c) as soon as possible after discovery cause any defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require

7 Index Linking (applicable to Material Damage Business Interruption Loss of Book Debts Trade All Risks Frozen Foods and Goods in Transit if insured)

Renewal

Where it is stated in the schedule that index linking applies the amounts insured will for renewal purposes be adjusted to take into account movements in the appropriate index shown below

(d) comply with all statutory requirements and other safety regulations imposed by any authority

(e) keep books with a complete record of purchase and sales

Building and Tenants Improvements Items

The General Building Cost Index issued by the Building Cost Information Service of the Royal Institute of Chartered Surveyors

4 Alteration

This policy shall be avoided with respect to any alteration after the commencement of this insurance

Other items

The Producer Price Index for Home Sales of Manufactured Products issued by the Department of Trade and Industry

(a) by removal or

General Conditions (continued)

Claims

For Claims settlement purposes (except Business Interruption) the adjustments outlined above will continue during the

(a) ***period of insurance***

- (b) period of repair replacement or reinstatement provided that such work is carried out and completed without undue delay

*NOTE: In the event of either or both of the above indices not being available the **company** may select alternative measures at its discretion*

8 Discharge of Liability

The **company** may at any time pay the Limit of Indemnity or the sum insured (after the deduction of any sum already paid) or any lesser amount for which a claim can be settled and shall be under no further liability except for the payment of costs and expenses incurred prior to the date of payment

9 Excess

The **company** shall not be liable for the amount of the Excess stated in the schedule in respect of each and every loss as ascertained after the application of all other terms and conditions of this policy

It is a condition precedent to any liability of the **company** that the Insured shall not effect insurance in respect of the Excess

10 Identification

The policy specification appendices and schedules shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of the policy specification appendices or schedules shall bear the same meaning wherever it may appear

11 Warranties

Every warranty shall from the time that the warranty attaches apply and continue to be in force during the whole currency of this policy Non-compliance with any such warranty insofar as it increases the risk shall be a bar to any claim provided that whenever this policy is renewed a claim occurring during the renewal period shall not be barred by reason of a warranty not having been complied with at any time before the commencement of such period

12 Adjustment of Premium

If the premium has been calculated on estimates given by the Insured the Insured shall keep an accurate record containing all relevant particulars which shall be available to the **company** for inspection

Within one month of the expiry of each **period of insurance** the Insured shall supply to the **company** an accurate statement in the form required so that the premium for that period can be calculated and the difference paid by or allowed to the Insured

Should the Insured fail to supply such a statement within one month of the expiry of the **period of insurance** the **company** shall be entitled if it so wishes to charge an additional premium in respect of that **period of insurance**

13 Instalment Condition

- (a) If the **company** has agreed to accept payment of the first or any renewal premium or endorsement premium of this policy by instalments and a previously unpaid instalment is not paid when the demand for it is presented by the **company** for the second time all cover under this policy will be cancelled with effect from (and including) the due date of the first unpaid instalment

When cover is cancelled any current Motor Employers Liability or other certificate(s) of insurance must be returned immediately to the **company**

- (b) The fact that the **company** has demanded or collected premium under the terms of the **company's** Premium Instalment Agreement will not

- (i) be treated as or constitute a waiver of or otherwise affect any rights the **company** may have to avoid the insurance contract from inception or from renewal or to terminate cover for whatever reason howsoever arising out of or in connection with the insurance contract or

General Conditions (continued)

- (ii) amount to any ratification or affirmation of any insurance contract nor
 - (iii) otherwise affect the *company's* rights to rely upon the terms exceptions and condition of the policy and any of its sections
- (c) The *company* retains the right to deduct any outstanding premium under the *company's* Premium Instalment Agreement up to the date of cancellation of the policy or to deduct any premium payable by the Insured under this policy from any sums due to the Insured in respect of any valid outstanding claim
- (d) The *company's* right to cancel the policy under the terms of this instalment condition shall not be affected by any other cancellation condition in this policy

Claims Conditions

1. If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this policy or if any loss destruction or damage be occasioned by the wilful act or with the connivance of the Insured all benefit under this policy shall be forfeited
2. On the discovery of any circumstance or event which may give rise to a claim under this policy the Insured shall
 - (a) notify the *company* in writing immediately
 - (b) give immediate notice to the Police Authority in respect of loss destruction or damage caused by malicious persons or thieves if insured by this policy
 - (c) carry out and permit to be taken any action which may be reasonably practicable to prevent further loss destruction or damage and to minimise or check any interruption of or interference with the *business* or to avoid or diminish the loss
 - (d) as soon as possible after discovery cause any defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require
 - (e) within 30 days (7 days in the case of loss destruction or damage caused by riot civil commotion strikers locked-out workers persons taking part in labour disturbances or malicious persons if insured by this policy) after the circumstances or event or of the expiry of the Indemnity Period or such further time as the *company* may allow at the Insured's expense deliver to the *company*
 - (1) full information in writing of the claim
 - (2) details of any other insurance relating to the claim
 - (3) all such business books documents proofs information explanation and other evidence as may be reasonably required all of which information and details may be produced by the Insured's professional accountants or auditors who are regularly acting as such their report being prima facie evidence of such information and details
 - (4) if demanded a statutory declaration of the truth of the claim and of any matter connected with it
3. No claim under this policy shall be payable unless the terms of Claims Condition 2 have been complied with
4. If the *company* elects or becomes bound to reinstate or replace any property the Insured shall at his own expense produce and give to the *company* all such plans documents books and information as the *company* may reasonably require

The *company* shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the sum insured thereon
5. (a) On the happening of any loss destruction or damage in respect of which a claim is or may be made under this policy the *company* and every person authorised by the *company* may without thereby incurring any liability and without diminishing the right of the *company* to rely upon any conditions of this policy enter take or keep possession of the building or premises where the loss destruction or damage has happened and may take possession of or require to be delivered to them any of the property hereby insured and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner This condition shall be evidence of the leave and licence of the Insured to the *company* so to do If the Insured or anyone acting on his behalf shall not comply with the requirements of the

Claims Conditions (continued)

company or shall hinder or obstruct the *company* in doing any of the above-

mentioned acts then all benefit under this policy shall be forfeited The Insured

shall not in any case be entitled to abandon any property to the *company* whether taken possession of by the *company* or not

- (b) No admission offer promise payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the *company* which shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute any claim in the name of the Insured for its own benefit and shall have full discretion in the conduct of any proceedings and in the settlement of any claim

The Insured shall give all such assistance as the *company* may require

6. Any claimant under this policy shall at the *company's* request and expense do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the *company* for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the *company* shall be or would become entitled or subrogated upon the *company* paying for or making good any loss under this policy whether such acts and things shall be or become necessary or required before or after the *company* indemnifies the Insured
7. Every letter claim writ summons and process in connection with the event shall be forwarded to the *company* immediately on receipt The Insured shall also give the *company* written notice immediately the Insured has knowledge of any prosecution or inquest in connection with any occurrence which may give rise to liability under this policy
8. (a) Not applicable to Personal Accident and Money Section 2 - Assault and Liability

If at the time of any claim there is any other insurance covering the Insured's interest in the property lost destroyed or damaged the *company's* liability under this policy shall be limited to its rateable proportion of such claim
If any such insurance is subject to any condition of average this policy if not already subject to any condition of

average shall be subject to average in like manner

If any other insurance effected by or on behalf of the Insured is expressed to cover any of the property hereby insured but is subject to any provision whereby it is excluded from ranking concurrently with this policy either in whole or in part or from contributing rateably to the loss destruction or damage the *company's* liability shall be limited to such proportion of the loss destruction or damage as the sum hereby insured bears to the value of the property

- (b) Applicable only to Liability

If at the time of any occurrence event or claim covered by this insurance there is or but for the existence of this policy would be any other policy of indemnity or insurance in favour of or effected by or on behalf of the Insured applicable to such occurrence event or claim the *company* shall not be liable under this policy to indemnify the Insured in respect of such occurrence event or claim except as far as concerns any excess beyond the amount which would have been payable under such other insurance had this policy not been effected

9. Not applicable to Liability Personal Accident and Personal Injury (Robbery)

If any difference shall arise as to the amount to be paid under this policy (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions Where any difference is by this condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the *company*

Claims Conditions (continued)

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10. Applicable only to Personal Accident Personal Injury (Robbery) and Annual Travel
All certificates information and evidence

required by the *company* shall be furnished free of expense to and in the form prescribed by the *company* The Insured Person shall as often as required submit to medical

examination on behalf of and at the *company's* expense in connection with any claim The *company* shall in the event of the death of an insured person be entitled to have a post mortem examination at its own expense The *company* shall not be affected by notice of any trust charge lien assignment or other dealing with this Section and the receipt of the Insured or the Insured's personal representative for any compensation payable hereunder shall in all cases be an effectual discharge to the *company*
The Insured Person or the Insured Person's personal representative shall have no right to claim from or sue the *company*
If the Insured comprises more than one party having an interest in the Insured Person the Benefit shall represent the total amount payable in respect of that Insured Person for all interests covered by this insurance

11. Applicable only to Goods in Transit

The merchandise or package in respect of which any claim is made shall be retained together with the packing by the Consignee or the Insured in the same state as delivered insofar as may be possible for the inspection by the *company* or any person duly authorised by the *company*

The Insured shall render assistance to the *company* in providing any claim against Carriers or others for any loss for which the *company* shall be liable hereunder at the cost of the *company* If requested by the *company* the Insured shall execute an assignment of the Claim against the Carriers or others to the *company* so as to enable the *company* to make the claim in its own name Any compensation recoverable from the Carriers or others for any loss or damage shall belong to the *company* except when the nett amount so recovered be more than the sum paid by the *company* as compensation the excess shall belong to the Insured

Upon the payment of any claim hereunder the property in respect of which payment is made shall belong to the *company*

General Exceptions

1. This policy does not cover death or disablement loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
 - (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
 - (c) war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
 - (b) goods held in trust or on commission documents manuscripts business books computer systems records explosives or video tapes or cassettes for sale or hire
 - (c) property in transit
 - (d) patterns models moulds plans and designs
- unless specifically mentioned
4. This policy does not cover loss destruction damage or consequential loss
 - (a) in England Wales and Scotland but not the territorial seas adjacent thereto as defined in the Territorial Sea Act 1987 by fire or explosion occasioned by or happening through or in consequence directly or indirectly of Terrorism

except to the extent stated in the SPECIAL PROVISION - Terrorism detailed below

(b) in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of

(i) civil commotion

(ii) Terrorism

NOTE:

(1) When related to Liability Section 2 - Employers Liability paragraphs (a) and (b) shall only apply in respect of Bodily Injury to any **employee** when the Insured under a contract or agreement has undertaken

(i) to indemnify another party or

(ii) to assume the liability of another party

in respect of such Bodily Injury

(2) Paragraph (c) shall not apply to Liability Section 2 - Employers Liability

2. This policy does not cover loss destruction or damage directly caused by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds

3. *Not applicable to Liability Section*

This policy does not cover

- (a) **money** credit cards securities of any description jewellery precious stones precious metals bullion bonds furs curiosities rare books or works of art

Definition

For the purposes of this Policy Terrorism shall mean any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence

In any action suit or other proceedings where the **company** alleges that by reason of this definition any loss destruction damage or consequential loss is not covered by this Policy (or is covered only up to a specified limit of liability) the burden of proving that such loss destruction damage or consequential loss is covered (or is covered beyond that limit of liability) shall be upon the Insured/Policyholder

General Exceptions (continued)

This overriding exclusion applies to ALL sections of the Policy (other than those sections or covers detailed below) and to any extensions thereof whether such extensions be issued before or after this overriding exclusion except only if an extension be issued hereafter which expressly cancels this overriding exclusion

This overriding exclusion does not apply to the following sections of covers if they are included within this policy

Glass Money Goods in Transit Frozen Foods Employers Liability Public Liability Products Liability Personal Accident Motor

Special Provision

Subject otherwise to the terms definitions exceptions provisions and conditions of the Policy this insurance includes loss destruction or damage in England Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 by fire or explosion occasioned by or happening through or in consequence of Terrorism as defined in the Terrorism Exclusion

provided that the liability of the *company* in respect of such loss destruction or damage shall not exceed

- (1) in respect of Blocks of Flats (not insured in the name of a private individual) and Private Dwelling Houses (not insured in the name of a private individual)
(N.B. A trustee or sole trader will not be deemed a private individual)

£2,500,000 in total for buildings
and
£2,500,000 in total for contents in the common parts of Blocks of Flats only
and
£2,500,000 in total for rent and alternative accommodation

- (2) in respect of property and business interruption other than described in (1) above
£100,000 in total for buildings
and
£100,000 in total for other property
and
£100,000 in total for business interruption
and
£100,000 in total for loss of book debts

but in any event not more than the total(s) of any lower limit(s) of liability or lower sum(s) insured stated in the Schedule

For the purpose of this Special Provision where a block of flats is partly used for retail or other commercial purposes

if at least 80% is occupied residentially the £2,500,000 limits shall apply to the residential portion and the £100,000 limits shall apply to the remainder if less than 80% is occupied residentially the £100,000 limits apply overall

For the purposes of this Special Provision Blocks of Flats and Private Dwelling Houses shall mean land and buildings comprising of self contained dwelling unit(s) but excluding dwelling unit(s) used in connection with any commercial or industrial property

Any provision in this policy which provides for any sum insured or limit of liability to be automatically reinstated following a loss shall not apply to losses covered by this Special Provision

The cover by this Special Provision applies in total to the following insurances only

To all property/material damage business interruption and book debts insurances which are effective within this policy
AND which include effective perils/contingencies/covers for fire and explosion
AND which are subject to the Terrorism Exclusion

Long Term Undertaking

(Only applicable if stated in the schedule)

In consideration of a discount of five per cent off the net Premium being allowed until the date stated in the schedule the Insured undertakes to offer annually for three years the insurance under this policy on the terms and conditions in force at the expiry of each *period of insurance* and to pay the premiums annually in advance it being understood that

- (a) the *company* shall be under no obligation to accept an offer made in accordance with the above mentioned undertaking
- (b) the Sum Insured may be proportionately reduced at any time to correspond with any reduction in value or in the *business*

The above-mentioned undertaking applies to any policy or policies which may be issued by the *company* in substitution of this policy and the same discount of five per cent shall be allowed off the net Premium on any substituted policy or policies issued by the *company* as aforesaid

Payment of the first or renewal premium due at the effective date shall be deemed acceptance by the Insured of this clause

Provided always that nothing herein contained shall prejudice the right of the *company* to cancel this policy or any of its sections in accordance with the Conditions hereof

General Definitions

The following definitions apply in all Sections of this policy unless otherwise stated

Each time one of the words below is used it will have the same meaning wherever it appears in the policy or schedule

To help identify these words they will appear in **bold italics** in the policy wording

Each Section also has additional definitions and these words will have the same meaning wherever they appear in the appropriate Section of the policy or on the schedule relating to the appropriate Section

To help identify these words they will appear in **bold italics** in the appropriate Section of the policy wording

The Company/Norwich Union Bonus

The **company** and/or **Norwich Union Bonus** means CGU Bonus Limited registered office Pitheavlis Perth Scotland PH2 0NH registered in Scotland No 8140

The Premises

The **premises** as stated in the schedule

The Business

The **business** as stated in the schedule

Employee

Employee means any person who is

1. under a contract of service or apprenticeship with the Insured
2. supplied under a Youth Training Scheme or Job Training Scheme or similar Government Scheme

while working under the control of the Insured in connection with the **business**

Person Employed

Person employed means any **employee** and any person who is

1. a labour master or supplied by a labour master
2. employed by labour only sub-contractors
3. self-employed
4. hired to or borrowed by the Insured

5. supplied to the Insured for the purposes of work experience under the Education (Work Experience) Act 1973 or subsequent legislation of similar intent

6. a prospective **employee** who is undergoing practical work experience whilst being assessed by the Insured as to his or her suitability for employment

7. a voluntary helper

while working under the supervision and control of the Insured in connection with the **business**

8. an outworker or homeworker employed under a contract to personally execute any work in connection with the **business** while he or she is engaged in that work

Money

Money shall mean coin bank and currency notes postal and money orders bankers' drafts cheques giro cheques travellers cheques crossed warrants bills of exchange securities for money postage revenue national insurance and holiday with pay stamps stamped national insurance and holiday with pay cards national savings certificates war bonds premium savings bonds franking machine impressions credit company sales vouchers luncheon vouchers trading stamps VAT invoices travel vouchers travel tickets and airline tickets

Period of Insurance

Period of insurance means from the Effective Date shown in the schedule until Midnight on the Expiry Date shown in the schedule

The **period of insurance** includes any subsequent period for which the **company** may accept payment for renewal of this policy

If any of the *property insured* described in the schedule suffers DAMAGE at the *premises* by any of the Covers listed below and stated as applicable in the schedule the *company* will in accordance with the provisions of the insurance pay to the Insured the amount of loss or at its option reinstate or replace such property provided that the *company's* liability in any one *period of insurance* shall not exceed in the whole the total sum insured or in respect of any item its sum insured or any other stated limit of liability

For the purpose of this Section DAMAGE shall mean loss or destruction of or damage to the *property insured*

Covers

1. FIRE but excluding DAMAGE caused by

- (a) explosion resulting from fire
- (b) earthquake subterranean fire riot civil commotion
- (c)
 - (i) its own spontaneous fermentation or heating (other than DAMAGE to wood blocks coal or coke) or
 - (ii) its undergoing any heating process or any process involving the application of heat

LIGHTNING

EXPLOSION

- (i) of boilers
- (ii) of gas

used for domestic purposes only but excluding DAMAGE caused by earthquake or subterranean fire

2. EXPLOSION excluding DAMAGE

- (a) caused by or consisting of the bursting of a boiler economizer or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured

- (b) in respect of and originating in any vessel machinery or apparatus or its contents belonging to or under the control of the Insured which requires to be examined to comply with any Statutory Regulations unless such vessel machinery or apparatus shall be the subject of a policy or other contract providing the required inspection service

- (c) by fire resulting from explosion

- (d) by explosion

- (i) of boilers
- (ii) of gas

used for domestic purposes only

- (e) by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

3. AIRCRAFT or other aerial devices or articles dropped therefrom excluding DAMAGE

- (a) by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

- (b) by fire

4A. RIOT CIVIL COMMOTION STRIKERS LOCKED OUT WORKERS or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation excluding DAMAGE

- (a) arising from confiscation requisition or destruction by order of the government or any public authority

- (b) arising from cessation of work

- (c) by fire caused by Strikers Locked Out Workers or persons taking part in labour disturbances or malicious persons

Material Damage (continued)

- 4B. RIOT CIVIL COMMOTION STRIKERS LOCKED OUT WORKERS or persons taking part in labour disturbances or MALICIOUS PERSONS excluding
- (a) DAMAGE arising from confiscation requisition or destruction by order of the government or any public authority
 - (b) DAMAGE arising from cessation of work
 - (c) DAMAGE by fire caused by Strikers Locked Out Workers or persons taking part in labour disturbances or malicious persons
 - (d) as regards DAMAGE (other than by fire or explosion) directly caused by malicious persons not acting on behalf of or in connection with any political organisation
 - (i) DAMAGE by theft
 - (ii) DAMAGE in respect of any building which is empty or not in use
5. EARTHQUAKE OR SUBTERRANEAN FIRE
6. FIRE only resulting from the property's own SPONTANEOUS FERMENTATION OR HEATING
- 7A. STORM excluding
- (a) DAMAGE by
 - (i) the escape of water from the normal confines of any natural or artificial water course lake reservoir canal or dam
 - (ii) inundation from the seawhether resulting from storm or otherwise
 - (b) DAMAGE attributable solely to change in the water table level
 - (c) DAMAGE by lightning frost subsidence ground heave or landslip
 - (d) DAMAGE in respect of movable property in the open fences and gates
- 7B. STORM OR FLOOD excluding
- (a) DAMAGE attributable solely to change in the water table level
 - (b) DAMAGE by lightning frost subsidence ground heave or landslip
 - (c) DAMAGE in respect of movable property in the open fences and gates
8. ESCAPE OF WATER FROM ANY TANK APPARATUS OR PIPE excluding
- (a) DAMAGE by water discharged or leaking from any automatic sprinkler installation in the *premises*
 - (b) DAMAGE in respect of any building which is empty or not in use
- 9A. IMPACT by any road vehicle or animal not belonging to or under the control of the Insured or any occupier of the *premises* or their respective *employees*
- 9B. IMPACT by any road vehicle (including Fork Lift Trucks) or animal
10. ACCIDENTAL ESCAPE OF WATER FROM ANY AUTOMATIC SPRINKLER INSTALLATION in the *premises* not caused by
- (a) freezing whilst the building insofar as it is in the Insured's ownership or tenancy is empty or not in use
 - (b) explosion earthquake subterranean fire or heat caused by fire
11. ANY OTHER ACCIDENT excluding
- (1) DAMAGE by any of
 - (a) the Covers
 - (b) the causes expressly excluded from the Coversspecified in the paragraphs 1-10 or 12-14 (whether or not insured)

Material Damage (continued)

- (2) DAMAGE caused by or consisting of
- (a) inherent vice latent defect gradual deterioration wear and tear its own faulty or defective design or materials
 - (b) faulty or defective workmanship operational error or omission on the part of the Insured or any *person employed*
- but this shall not exclude subsequent DAMAGE which itself results from a cause not otherwise excluded
- (3) DAMAGE caused by or consisting of
- (a) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects
 - (b) change in temperature colour flavour texture or finish
 - (c) the deliberate act of a supply undertaking in withholding the supply of water gas electricity fuel or telecommunication services
- DAMAGE consisting of
- (d) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economizers superheaters pressure vessels or any range of steam and feed piping in connection therewith
 - (e) mechanical electronic or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates
- but this shall not exclude
- (i) such DAMAGE not otherwise excluded which itself results from any other accidental loss destruction or damage
- (ii) subsequent DAMAGE which itself results from a cause not otherwise excluded
- (4) loss or destruction or damage caused by pollution or contamination
- (5) DAMAGE caused by or consisting of
- (a) normal settlement or bedding down of new structures
 - (b) acts of fraud or dishonesty
 - (c) disappearance unexplained or inventory shortage misfiling or misplacing of information
- (6) destruction of or damage to a building or structure caused by its own collapse or cracking
- (7) DAMAGE in respect of movable property in the open fences and gates caused by wind rain hail sleet snow flood or dust
- (8) DAMAGE resulting from its undergoing any process of production packing treatment testing commissioning servicing or repair
- (9) loss or destruction of or damage to
- (a) vehicles licensed for road use (including accessories thereof) caravans trailers railway locomotives rolling stock watercraft or aircraft
 - (b) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
 - (c) glass (other than fixed glass) china earthenware marble or other fragile or brittle objects
- (10) DAMAGE occasioned by nationalisation confiscation requisition seizure or destruction by the government or any public authority

Material Damage (continued)

12. A BREAKAGE OF GLASS (including the cost of boarding up necessarily incurred) including any lettering and artwork thereon at the *premises* being the property of the Insured or for which the Insured is responsible all being plain sheet or plain plate glass unless stated otherwise in the schedule
- B (1) DAMAGE to the contents of display windows
- (2) The expense of removal and reinstatement of obstructions to the replacement of glass
- (3) DAMAGE to window and door frames
- provided that
- (i) such DAMAGE or expense follows upon breakage of glass for which there is a valid claim under Contingency A
- (ii) the *company's* liability under B(1) B(2) and B(3) shall not in the aggregate exceed £500
- C Breakage of fixed wash hand basins lavatory bowls bidets shower trays and baths
- excluding
- (1) Breakage of Glass
- (a) in light fittings signs vehicles vending machines or stock in trade
- (b) in any building which is empty or not in use
- (c) caused by workmen effecting alterations or repairs on the *premises*
- (d) in transit or while being fitted
- (e) consequent upon settlement or expansion or contraction of frames or fittings in buildings under construction and during a period of six months after the date of completion of the buildings
- (f) which is cracked or broken at the commencement of the *period of insurance*
- (2) DAMAGE to lettering and artwork unaccompanied by any breakage of glass
- (3) any consequence of fire or explosion
13. THEFT or attempt thereat (including DAMAGE to the building(s) in furtherance of theft for which the Insured is responsible) excluding DAMAGE
- (1) which does not involve
- entry to or exit from a building by forcible and violent means or
 - actual or threatened assault or violence
- (2) from any part of the building not occupied by the Insured for the purpose of the *business*
- (3) from the open or from any outbuildings not communicating with the main building or from any garden yard enclosure or compound
- (4) of property in transit
- (5) of *money* and securities of any description
- (6) to any showcase coin or token operated gaming amusement or vending machine or to the contents thereof
14. SUBSIDENCE or GROUND HEAVE of any part of the site on which the property stands or LANDSLIP excluding
- (A) DAMAGE to yards car-parks roads pavements walls gates and fences unless also affecting a building insured hereby

Material Damage (continued)

<p>(B) DAMAGE caused by or consisting of</p> <p style="margin-left: 20px;">(i) the normal settlement or bedding down of new structures</p> <p style="margin-left: 20px;">(ii) the settlement or movement of made up ground</p> <p style="margin-left: 20px;">(iii) coastal or river erosion</p> <p style="margin-left: 20px;">(iv) defective design or workmanship or the use of defective materials</p> <p style="margin-left: 20px;">(v) fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe</p> <p>(C) DAMAGE which originated prior to the inception of this cover</p> <p>(D) DAMAGE resulting from</p> <p style="margin-left: 20px;">(i) demolition construction structural alteration or repair of any property or</p> <p style="margin-left: 20px;">(ii) groundworks or excavation</p> <p style="margin-left: 40px;">at the same premises</p> <p>Special Condition to Cover 14 Insofar as this insurance relates to DAMAGE caused by Subsidence Ground Heave or Landslip</p> <p style="margin-left: 20px;">(a) The Insured shall notify the <i>company</i> immediately they become aware of any demolition groundworks excavation or construction being carried out on any adjoining site</p> <p style="margin-left: 20px;">(b) the <i>company</i> shall then have the right to vary the terms or cancel this cover</p>	<p>A. Cover 14 (Subsidence) if insured £1,000</p> <p>B. All other Covers</p> <p style="margin-left: 20px;">(i) If Cover 11 (Any other Accident) is insured the Excess for each Cover insured except Covers 1, 2, 3, 4A, 4B (other than DAMAGE due to MALICIOUS PERSONS not acting on behalf of or in connection with any political organisation) As stated and 5 in the schedule</p> <p style="margin-left: 20px;">(ii) if Cover 11 is not insured the Excess stands as follows</p> <p>Cover</p> <p>4B DAMAGE due to MALICIOUS PERSONS not acting on behalf of or in connection with any political organisation in the schedule As stated</p> <p style="margin-left: 40px;">Other DAMAGE Nil</p> <p>7A STORM As stated in the schedule</p> <p>7B STORM or FLOOD As stated in the schedule</p> <p>8 ESCAPE OF WATER FROM ANY TANK APPARATUS OR PIPE As stated in the schedule</p> <p>9B DAMAGE by any road vehicle (including Fork Lift Trucks) not belonging to or under the control of the Insured or any occupier of the <i>premises</i> or their respective <i>employees</i> Nil</p> <p style="margin-left: 40px;">Other DAMAGE As stated in the schedule</p>
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Excess

This Section does not cover the Excess (as shown below or as otherwise specified in the schedule) being the first part of each and every loss to be borne by the Insured at each separate premises as ascertained after the application of all other terms and conditions of the insurance including Average (General Condition 5)

Material Damage (continued)

Exclusions

This Section does not cover

A Marine Policies

DAMAGE to property which at the time of the happening of the DAMAGE is insured by or would but for the existence of this insurance be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected

B Pollution and Contamination

DAMAGE caused by pollution or contamination except destruction or damage to the property insured caused by

- (1) pollution or contamination which itself result from any Cover insured (other than Cover 11)
- (2) any Cover insured (other than Cover 11) which itself results from pollution or contamination

This exclusion shall not apply where pollution or contamination is excluded elsewhere in this Section

C Consequential Loss

Consequential loss or damage of any kind or description except loss of rent when such loss is included in the cover under this policy

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in ***bold italics*** in this Section

Property Insured

- Buildings
- General Contents
- Stock
- Other property or interests

at the ***premises*** including within the open yards forming part of the ***premises*** (subject to any specific exclusions)

all as defined below or more fully described in the schedule and all being the property of the Insured or for which they are responsible but excluding

- property which is more specifically insured
 - unless specifically notified to and accepted by the ***company*** as insured
- (A) land roads pavements piers jetties
bridges culverts or excavations
- (B) livestock growing crops or trees

Buildings

- buildings (being built mainly of brick stone concrete or other non-combustible materials unless otherwise stated in the schedule)
- landlords fixtures and fittings in and on the buildings
- small outside buildings extensions annexes gangways
- walls gates and fences
- services which shall mean telephone gas and water mains electrical instruments meters piping cabling and the like and the accessories thereon extending from the buildings to the perimeter of the ***premises*** or to the public mains (including those underground)

General Contents

- machinery plant tenants improvements alterations and decorations and All Other Contents

The term "All Other Contents" includes

- (a) Documents Manuscripts and Business Books but only for the value of the materials as stationery together with the cost of clerical labour expended in writing up and not for the value to the Insured of the information contained therein

Material Damage (continued)

- (b) *persons employed* Principals' and Directors' personal effects pedal cycles tools instruments and the like to the extent that they are not otherwise more specifically insured indemnity hereunder being restricted to a maximum sum of £500 in respect of any one person

but any cover granted under this insurance for DAMAGE by Theft shall not apply to personal effects partly or wholly of precious metal jewellery watches furs contact lenses portable electronic entertainment equipment cameras *money* and securities of any description

- (c) Computer Systems Records but only for the value of the material together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expense in connection with the production of information to be recorded therein) for an amount not exceeding £25,000
- (d) Patterns models moulds plans and designs
- (e) *money* and securities of any description but for not more than £1,000 in total and subject to any specific exclusions in this insurance
- (f) wines spirits cigarettes and tobacco other than *stock* in trade but for not more than £500 in total in respect of DAMAGE by Theft (if insured)

Stock

- stock and materials in trade work in progress and finished goods

MATERIAL DAMAGE CLAUSES

THE UNDERNOTED CLAUSES ARE IN ALL CASES SUBJECT TO THE LIMITS TERMS EXCEPTIONS CONDITIONS AND ENDORSEMENTS OF THE POLICY

1. Additions

The insurance extends to include

- (a) any newly acquired and/or newly erected *buildings* and machinery insofar as the same are not otherwise insured and
- (b) alterations additions and improvements to *buildings* and machinery but not in respect of any appreciation in value

anywhere in Great Britain Northern Ireland the Channel Islands or the Isle of Man provided that

- (i) at any one situation this cover shall not exceed 10% of the total of the appropriate sums insured on *buildings* and *general contents* or £500,000 whichever is the less
- (ii) the Insured undertake to advise the *company* each half year of such additional property and to pay the appropriate additional premium thereon from the date on which the said items become the Insured's responsibility
- (iii) following advice of such additional insurance the provisions hereof are fully reinstated

2. Architects' Surveyors' and Consultants' Fees

The insurance by each item on *buildings* and *general contents* includes an amount in respect of Architects' Surveyors' Consulting Engineers' and Other Fees necessarily and reasonably incurred in the reinstatement of the *property insured* consequent upon its destruction or damage but not for preparing any claim it being understood that the amount payable for such destruction or damage and fees shall not exceed in the aggregate the sum insured by each item

Material Damage (continued)

3. Automatic Reinstatement after a Loss

In the absence of written notice by the Insured or the *company* to the contrary within 30 days of the occurrence of any DAMAGE the *company's* liability shall not be reduced by the amount of any loss and the Insured shall pay the appropriate additional premium for such automatic reinstatement of cover provided that

- (i) the Insured shall carry out any reasonable recommendations put forward by the *company* to prevent further loss
- (ii) in respect of DAMAGE by Theft (if insured) the automatic reinstatement shall apply on the first occasion only in each *period of insurance*

4. Clearing of Drains

The insurance extends to cover within the limits of the sum insured expenses necessarily incurred in clearing cleaning and/or repairing drains gutters sewers and the like for which the Insured are responsible in consequence of Covers hereby insured against

5. Contract Price

In respect only of goods sold but not delivered for which the Insured are responsible and with regard to which under the conditions of the sale the sale contract is by reason of the DAMAGE cancelled either wholly or to the extent of the DAMAGE the liability of the *company* shall be based on the contract price and for the purpose of Average the value of all goods to which this clause would in the event of DAMAGE be applicable shall be ascertained on the same basis

6. Contracting Purchaser's Interest

If at the time of DAMAGE the Insured shall have contracted to sell his interest in any building hereby insured and the purchase shall not have been but shall be thereafter completed the purchaser on completion of the purchase (if and so far as the property is not otherwise insured against such DAMAGE by him or on his behalf) shall be entitled to benefit under this policy without prejudice to the rights and liabilities of the Insured or the *company* until completion

7. Customers' Goods

The Insured having intimated to their customers that they have accepted responsibility for loss or damage to goods the property of such customers or for which the said customers may be legally responsible whether manufactured by the Insured or not upon which work is to be is being or has been done on behalf of customers by the Insured or which may be left in the Insured's hands for storage or despatch or otherwise temporarily in the Insured's custody it is hereby declared and agreed that all such goods shall be held to be insured by the items of this policy covering *stock* except insofar as they shall be more specifically otherwise insured

8. Debris Removal

The insurance by each item of *property insured* extends to include within the limits of the sum insured for each item costs and expenses necessarily incurred by the Insured with the consent of the *company* in

- (a) removing debris
- (b) dismantling and/or demolishing
- (c) shoring up or propping

of the portion or portions of the *property insured* by said item(s) destroyed or damaged by any Cover hereby insured against

The *company* will not pay for any costs or expenses

- (1) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
- (2) arising from pollution or contamination of property not insured by this policy

9. Designation

For the purpose of determining where necessary the heading under which any property is insured the *company* agrees to accept the designation under which such property has been entered in the Insured's books

Material Damage (continued)

10. Fire Extinguishing Appliances

If there are kept or situate at the within described *premises* appliances for the extinction of fire in accordance with details lodged with the *company* then the Insured hereby undertakes

- (a) to cause an inspection of the appliances to be made every week for the purpose of ascertaining that they are in all respects maintained in proper working order
- (b) to remedy promptly any defect whether disclosed by any such inspection or otherwise

Subject to the observance of the above undertaking this policy shall not be invalidated by any defect in any of the said appliances due to any circumstances unknown to or beyond the control of the Insured

11. Fire Extinguishment Expenses

This insurance includes within the limits of the sums insured and where not otherwise recoverable

- (a) extinguishment expenses reasonably incurred by the Insured in order to minimise loss
- (b) damage to lawns and gardens caused by extinguishment operations

during and/or following destruction or damage by fire at the *premises* described but not exceeding 25% of any loss settlement

12. Interest

In addition to the Insured the *company* agrees to note the interest of any party who have notified an interest in writing in the *property insured* the nature and extent of such interest to be disclosed in the event of DAMAGE

13. Motor Vehicles

Motor vehicles and their contents more specifically insured are excluded from the insurance by this policy except in respect of any amount over and above that recoverable under such more specific insurance

14. Non-Invalidation

This insurance shall not be invalidated by any act or omission or by any alteration whereby the risk of destruction or damage is increased unknown to or beyond the control of the Insured provided that immediately they become aware thereof they shall give notice to the *company* and pay an additional premium if required

15. Notice

Notice is to be given to the *company* when any building becomes unoccupied or when an unoccupied building or portion thereof is again occupied and a suitable additional premium paid if required

16. Public Authorities' Clause

Subject to the following special conditions the insurance by all items other than *stock* merchandise or Rent of this policy extends to include such additional cost of reinstatement of the lost destroyed or damaged property thereby insured as may be incurred solely by reason of the necessity to comply with Building or other Regulations under or framed in pursuance of any Act of Parliament or with Bye-Laws of any Public Authority excluding

- (a) the cost incurred in complying with any of the aforesaid Regulations or Bye-Laws
 - (i) in respect of DAMAGE occurring prior to the granting of this extension
 - (ii) in respect of loss destruction or damage not insured by the policy
 - (iii) under which notice has been served upon the Insured prior to the happening of the DAMAGE
 - (iv) in respect of undamaged property or undamaged portions of property other than foundations (unless specifically excluded) of that portion of the property destroyed or damaged

Material Damage (continued)

- (b) the additional cost that would have been required to make good the property lost destroyed or damaged to a condition equal to its condition when new had the necessity to comply with any other aforesaid Regulations or Bye-Laws not arisen
- (c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-Laws

Special Conditions

1. The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the DAMAGE or within such further time as the *company* may allow (during the said twelve months) and may be carried out upon another site (if the aforesaid Regulations or Bye-Laws so necessitate) subject to the liability of the *company* under this extension not being thereby increased
2. If the liability of the *company* under (any item of) the policy apart from this extension shall be reduced by the application of any of the terms and conditions of the policy then the liability of the *company* under this extension (in respect of any such item) shall be reduced in like proportion
3. The total amount recoverable under any item of the policy shall not exceed its sum insured
4. All the terms and conditions of the policy except insofar as they are varied hereby shall apply as if they had been incorporated herein

17. Re-Erection

The insurance within the limits of the sum insured in respect of *general contents* extends to include the cost of re-erection and fixing machinery and plant in consequence of destruction or damage by any of the Covers hereby insured against

18. Reinstatement

Subject to the following special conditions the basis upon which the amount payable in respect of *property insured* by all items other than *stock* merchandise or Rent is to be calculated shall be the reinstatement of the property lost destroyed or damaged

For this purpose "reinstatement" means

- (a) the rebuilding or replacement of property lost or destroyed which provided the liability of the *company* is not increased may be carried out
 - (i) in any manner suitable to the requirements of the Insured
 - (ii) upon another site
- (b) the repair or restoration of property damaged

in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new

Special Conditions

1. The liability of the *company* for the repair or restoration of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed
2. If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the property covered by any item subject to this memorandum exceeds its sum insured at the commencement of any DAMAGE the liability of the *company* shall not exceed that proportion of the amount of the DAMAGE which the said sum insured shall bear to the sum representing the total cost of reinstating the whole of such property at that time
3. No payment beyond the amount which would have been payable in the absence of this memorandum shall be made
 - (a) unless reinstatement commences and proceeds without unreasonable delay

Material Damage (continued)

- (b) until the cost of reinstatement shall have been actually incurred
- (c) if the **property insured** at the time of its loss destruction or damage shall be insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of reinstatement

4. All the terms and conditions of the policy shall apply

- (a) in respect of any claim payable under the provisions of this memorandum except insofar as they are varied hereby
- (b) where claims are payable as if this memorandum had not been incorporated

NB: The provisions of these Reinstatement Conditions do not apply to Persons Employed Principals' or Directors' personal effects

19. Rent

If cover under this Section is extended to include Rent such cover applies only if (any of) the said building(s) or any part thereof is unfit for occupation in consequence of its destruction or damage and then the amount payable shall not exceed such proportion of the sum insured on Rent as the period necessary for reinstatement bears to the term of Rent insured

20. Subrogation Waiver

In the event of a claim arising under this policy the **company** agrees to waive any rights remedies or relief to which it might become entitled by subrogation against

- (a) any **company** standing in the relation of Parent to Subsidiary (Subsidiary to Parent) to the Insured as defined in the Companies Act or Companies (N.I.) Order as appropriate current at the time of the DAMAGE
- (b) any **company** which is a Subsidiary of a Parent **company** of which the Insured are themselves a Subsidiary in each case within the meaning of the Companies Act or Companies (N.I.) Order as appropriate current at the time of the DAMAGE

21. Temporary Removal

- (a) Property for Cleaning or Renovation

Subject to the following provisions the **property insured** by this Section (other than **stock** or merchandise if insured hereby) is covered whilst temporarily removed for cleaning renovation repair or other similar purposes elsewhere on the same or to any other premises and in transit thereto and therefrom by road rail or inland waterway in Great Britain Northern Ireland the Channel Islands or the Isle of Man

The amount recoverable under this extension in respect of each item of the schedule shall not exceed the amount which would have been recoverable had the loss occurred in that part of the **premises** from which the property is temporarily removed nor in respect of any loss occurring elsewhere than at the said premises 10% of the sum insured by the item after deducting therefrom the value of any building (exclusive of fixtures and fittings) **stock** or merchandise insured thereby

This extension does not apply to property if and so far as it is otherwise insured nor as regards losses occurring elsewhere than at the **premises** from which the property is temporarily removed to

- (i) Motor Vehicles and Motor Chassis licensed for normal road use
- (ii) Property held by the Insured in trust other than machinery and plant

- (b) Deeds Documents and Books
Deeds and other documents (including stamps thereon) manuscripts plans and writings of every description and books (written and printed) are held covered for an amount not exceeding 10% of the total value of such property whilst temporarily removed to any premises not in the Insured's occupation and whilst in transit on land or inland waterway all in Great Britain Northern Ireland the Channel Islands or the Isle of Man

Material Damage (continued)

Computer Systems Records forming part of "All Other Contents" within the *general contents* definition are held covered for an amount not exceeding 10% of the Limit of Liability thereon whilst temporarily removed to any premises not in the Insured's occupation and whilst in transit thereto and therefrom by road rail or inland waterway in Great Britain Northern Ireland the Channel Islands or the Isle of Man

22. Workmen

Workmen may be employed effecting repairs and minor structural alterations in all or any of the *buildings* without prejudice to the insurance hereby

THE FOLLOWING CLAUSES ARE ONLY EFFECTIVE IF STATED TO BE IN FORCE ON THE SCHEDULE

23. Additional Metered Water Charges

The insurance by this Section extends to cover Additional Metered Water Charges incurred by the Insured as a result of DAMAGE by an insured Cover under this Section to the water installation at the *premises* insured by this policy

The amount payable as indemnity shall be ascertained by comparing the charge made by the water suppliers on their account for the period during which the DAMAGE occurred with the charges for the previous period adjusted for any other relevant factors affecting the Insureds consumption of water during the periods concerned

This extension is not subject to any Condition of Average within the policy

The *company* shall not be liable for more than £5000 in all in respect of any one *period of insurance*

24. Automatic Fire Alarm

In consideration of there being installed an Automatic Fire Alarm System in any of the *premises* described in this policy this insurance has been written at a reduced premium

It is a condition precedent to the *company's* liability that the Insured hereby undertake in consideration of the discount granted for the automatic fire alarm installation referred to in this Specification

- (a) to make a test every weekday (holidays excepted) for the purpose of ascertaining the condition of (i) the batteries (ii) the Brigade connection and (iii) all detector circuits
- (b) to obtain promptly a quarterly report from the Installing Engineers and to remedy any defect revealed and to file such report ready for examination by the *company's* representatives when required
- (c) to send promptly a notification to the Installing Engineers of any serious disablement disconnection or temporary disuse from any cause of the installation (except during actual testing) and to file a copy of same with a memorandum of the duration of time the installation was inoperative ready for the examination by the *company's* representatives when required
- (d) to notify immediately the *company* of the removal of any Automatic Fire Alarm Installation for which a discount has been allowed and to return a pro rata share of the discount for the unexpired time

Further the Insured shall hereby undertake that the said installation will be maintained in efficient working order

Subject to the observance of the above undertaking this Section shall not be invalidated by any defect in the said Automatic Fire Alarm System due to any circumstances unknown to or beyond the control of the Insured

25. Change of Temperature

The insurance by each item on *stock* extends to cover destruction or damage to the *property insured* caused by change of temperature resulting from the total or partial destruction or disablement of the refrigerating plant or electrical plant or apparatus used in connection therewith by any Cover hereby insured

Material Damage (continued)

26. (A) **Day One Basis (Non-Adjustable)**

The insurance by the item(s) indicated in the schedule is subject to the following

1. The Insured having stated in writing the Declared Value incorporated in each item to which this Clause applies the premium has been calculated accordingly

"Declared Value" shall mean the Insured's assessment of the cost of reinstatement of the *property insured* arrived at in accordance with paragraph (a) of the Reinstatement Clause at the level of costs applying at the inception of the *period of insurance* (ignoring inflationary factors which may operate subsequently) together with insofar as the insurance by the item provides due allowance for

- (i) the additional cost of reinstatement to comply with Public Authority requirements
- (ii) professional fees
- (iii) debris removal costs

2. At the inception of each *period of insurance* the Insured shall notify the *company* of the Declared Value of the *property insured* by each of the said item(s). In the absence of such declaration the last amount declared by the Insured shall be taken as the Declared Value for the ensuing *period of insurance*

3. Notwithstanding any general indication or endorsement to the contrary the following wordings apply to Conditions 2 and 4 of the Reinstatement Clause

2. If at the time of DAMAGE the Declared Value of the property covered by such item be less than the cost of reinstatement at the inception of the *period of insurance* then the *company's* liability for the DAMAGE shall not exceed that proportion thereof which the Declared Value bears to such cost of reinstatement

4. All the terms and conditions of the policy shall apply

- (a) in respect of any claim payable under the provisions of this memorandum except insofar as they are varied hereby
- (b) where claims are payable as if this memorandum had not been incorporated except that the sum(s) insured shall be limited to 104% of the Declared Value(s)

26. (B) **Day One Basis (Adjustable)**

The insurance by the item(s) indicated in the schedule is subject to the following

1. The Insured having stated in writing the Declared Value incorporated in each item to which this Clause applies the premium has been calculated accordingly

"Declared Value" shall mean the Insured's assessment of the cost of reinstatement of the *property insured* arrived at in accordance with paragraph (a) of the Reinstatement Clause at the level of costs applying at the inception of the *period of insurance* (ignoring inflationary factors which may operate subsequently) together with insofar as the insurance by the item provides due allowance for

- (i) the additional cost of reinstatement to comply with Public Authority requirements
- (ii) professional fees
- (iii) debris removal costs

2. At the inception of each *period of insurance* the Insured shall notify the *company* of the Declared Value of the *property insured* by each of the said item(s). In the absence of such declaration the last amount declared by the Insured shall be taken as the Declared Value for the ensuing *period of insurance*

Material Damage (continued)

3. The premium thereon is provisional. On expiry of each *period of insurance* the premium shall be adjusted by 50% of the difference between
- (i) the provisional premium at the commencement of the period and
 - (ii) the premium calculated at the terms which have applied during the period under adjustment based on the Declared Value for the subsequent *period of insurance*
4. For the purpose of paragraph 3 of this Clause only
- (i) If the policy (or any item thereof) is cancelled or not renewed the Insured shall provide the Declared Value of the *property insured* by each of the said item(s) calculated in accordance with paragraph 1 of this Clause but at the level of costs applying at the date of cancellation or non renewal
 - (ii) where property has not been reinstated following loss the Insured shall provide the Declared Value as though the property had not been damaged or destroyed
 - (iii) where a declaration of the Declared Value is not submitted to the *company* an additional premium not exceeding 7.5% of the provisional premium shall become payable
5. Notwithstanding any general indication or endorsement to the contrary the following wordings apply to Special Conditions 2 and 4 of the Reinstatement Clause
2. If at the time of DAMAGE the Declared Value of the property covered by such item be less than the cost of reinstatement at the inception of the *period of insurance* then the *company's* liability for the DAMAGE shall not exceed that proportion thereof which the Declared Value bears to such cost of reinstatement
4. All the terms and conditions of the policy shall apply
- (a) in respect of any claim payable under the provisions of this memorandum except insofar as they are varied hereby
 - (b) where claims are payable as if this memorandum had not been incorporated except that the sum(s) insured shall be limited to 102% of the Declared Value(s)
27. **Escalator**
- In consideration of the payment of an additional premium amounting to 50% of the premium produced by applying the specified percentage to the first or the annual premium as appropriate on the undernoted item (s) the sum(s) insured thereby shall during the *period of insurance* be increased each day by an amount representing 1/365th of the specified percentage increase per annum
- Item Number(s) and Specified percentage increase per annum is as stated in the schedule
- Unless specifically agreed to the contrary the provisions of this Clause shall only apply to the sums insured in force at the commencement of each *period of insurance*. At each renewal date the Insured shall notify the *company*
- (i) the sums to be insured under each item but in the absence of such instructions the sums insured by the items shall be those stated in the schedule (as amended by any endorsement effective prior to the aforesaid renewal date) to which shall be added the increases which have accrued under this Clause during the *period of insurance* up to that renewal date and
 - (ii) the specified percentage increase(s) required for the forthcoming *period of insurance* but in the absence of instructions to the contrary prior to renewal date the existing percentage increase shall apply for the *period of insurance* from renewal
- All the conditions of the policy except insofar as they may be hereby expressly varied shall apply as if they had been incorporated herein

Material Damage (continued)

28. Foundations

In respect of any sum insured on *buildings* hereof subject to any Condition of Average those portions of the foundations and incombustible floors of buildings (other than machinery foundations) more than 8 cms below the level of floors of the lowest storeys (whether such floors constitute the flooring of the basements or otherwise) are excluded from this insurance except where such portions are within a radius of 60 cms around and below any structural column or similar superstructure support

29. Loss of Keys

In the event of the keys of the *premises* being stolen from the *premises* or from the private residence of any owner director partner manager or *employee* authorised to hold such keys the *company* shall indemnify the Insured up to a maximum amount of £500 in any one *period of insurance* in respect of the costs incurred as a direct result of the necessary replacement of locks at the *premises* but excluding the locks of any safe or strongroom if the keys are left at the *premises* when it is closed for business

30. Metal Workers

The insurance on *general contents* and *stock* extends to apply

- (a) to any machine maker's engineer's founder's or other metal worker's premises
- (b) to any customer's agent's supplier's and/or exhibition premises
- (c) to any sub-contractor's premises

all in Great Britain Northern Ireland the Channel Islands or the Isle of Man but excluding any portion of premises occupied by the Insured subject to a maximum liability of 10% of the sum(s) insured applicable to *general contents* and *stock* as stated in the schedule or £100,000 whichever shall be the less in respect of the Extension and in respect of any one location

31. Mortgagees

The act or neglect of any Mortgagor or occupier of any building hereby insured whereby the risk of DAMAGE is increased without the authority or knowledge of any Mortgagee shall not prejudice the interest of the latter party (parties) in this insurance provided they shall notify the *company* immediately on becoming aware of such increased risk and pay additional premium if required

32. Sprinkler Installations and Fire Extinguishing Appliances Maintenance

In consideration of there being installed Automatic Sprinklers and Fire Extinguishing Appliances in the *premises* described in this schedule (details of which are lodged with the *company*) this insurance has been written at a reduced premium

It is warranted that the Insured will maintain the said Automatic Sprinklers and Fire Extinguishing Appliances in full working order during the currency of this insurance and hereby undertake to

- (a) make a test every week for the purposes of ascertaining that the Alarm Gong is in working order and that the Stop Valves controlling the individual Water Supplies and the Installation are fully open
- (b) make quarterly or half-yearly tests if required by the *company* to do so for the purpose of ascertaining that each water supply is in order and record the particulars of each test
- (c) make a test at least once a week for the purposes of ascertaining the condition of
 - (i) the Brigade connection and
 - (ii) the batteries in respect of each approved system for the transmission of alarm signals from sprinkler installations to a Fire Brigade
- (d) make a test every weekday (holidays excepted) for the purposes of ascertaining the condition of the circuit between the alarm switch and the control unit

Material Damage (continued)

-
- (e) remedy promptly any defect revealed by such tests

Subject to the observance of the above undertaking this Section shall not be invalidated by any defect in any of the said Automatic Sprinklers and Fire Extinguishing Appliances due to any circumstances unknown to or beyond the control of the Insured

33. **Stock Declaration**

The insurance by the Item(s) indicated in the schedule is subject to the following memorandum

The first and annual premiums are provisional and on the expiry of each *period of insurance* the actual premium shall be ascertained in the manner hereinafter provided

The value of the property on the last day of each calendar month or each quarter as agreed with the *company* shall be declared in writing by the Insured to the *company* within thirty days thereafter and if a declaration be not so given the Insured shall be deemed to have declared the maximum sum insured as the value

On the expiry of each *period of insurance* the actual premium shall be calculated on the average amount insured i.e. the total of the sums declared divided by the number of declarations. If the actual premium be greater than the first premium (or in the second and subsequent periods of insurance than the annual premium) the Insured shall pay the difference if it be less the difference shall be repaid to the Insured but such repayment shall not exceed one-third of the first or annual premium respectively

In consideration of the insurance not being reduced by the amount of any loss the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the *period of insurance*

It is a condition precedent to the *company's* liability that every insurance on the property be identical in wording with this insurance

34. **Triennial Valuation**

The Insured undertakes to provide the *company* at inception and triennially thereafter with the separate values of

- (i) *buildings* and *general contents* in each building or group of buildings forming a separate risk as indicated by the *company*
- (ii) (a) *stock* in each building or group of buildings forming a separate risk as indicated by the *company*
- (b) *stock* in the open (if insured)

at the stocktaking on which the last preceding annual statement of the Insured's accounts were based

The rate for the insurance shall be suitably revised if the figures furnished differ from those which last entered into the determination of the average rate

Material Damage (continued)

INTRUDER ALARM CONDITION

(Applicable only if shown in the schedule)

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section to help identify these words they appear in ***bold italics*** in this Section

Intruder Alarm System

The component parts detailed in the alarm specification which has been agreed by the ***company*** including the means of communication used to transmit signals

Alarmed Premises

The ***premises*** or those portions of the ***premises*** protected by the ***intruder alarm system***

Authorised Person

The Insured or any person or keyholding company authorised by the Insured available at all times to accept notification of faults or alarm signals relating to the ***intruder alarm system*** attend and allow access to the ***alarmed premises***

It is a condition precedent to the ***company***'s liability in respect of DAMAGE that whenever the premises are closed for business or left unattended that

- 1 The ***alarmed premises*** are protected by an ***intruder alarm system*** installed as agreed with the ***company***
- 2 The ***intruder alarm system*** shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance with the installing company or such other company as agreed with the ***company***
- 3 No modification to or substitution of
 - (a) any part of the ***intruder alarm system***
 - (b) the procedures agreed with the ***company*** for Police or any other response to any activation of the ***intruder alarm system***
 - (c) the maintenance contractshall be made without the written agreement of the ***company***
- 4 The ***alarmed premises*** shall not be let without at least one ***authorised person*** therein
 - (a) unless the ***intruder alarm system*** is set in its entirety
 - (b) if the Police have withdrawn their response to alarm callsunless specifically agreed with the ***company***
- 5 All keys to the ***intruder alarm system*** are removed from the ***alarmed premises*** when the ***premises*** are left unattended
- 6 The ***authorised person*** and keyholders

maintain secrecy of codes for the operations of the ***intruder alarm system*** and no details of same are left on the ***premises***

- 7 The Insured shall appoint at least two keyholders and lodge written details (which must be kept up to date) with the alarm company and the Police]
- 8 In the event of notification of any activation of the ***intruder alarm system*** or interruption of the means of communication during any period that the ***intruder alarm system*** is set then (unless alternative procedures have been agreed with the ***company*** in writing) a keyholder shall attend the ***premises*** as soon as reasonably possible following notification and shall not leave them without at least one ***authorised person*** therein until the provisions of paragraph 4 have been complied with
- 9 In the event of the Insured receiving any notification
 - (a) that Police response to alarm signals/calls from the ***intruder alarm system*** may be withdrawn or the level of response reduced or delayed
 - (b) from a Local Authority or Magistrate imposing any requirements for abatement of a nuisance
 - (c) from the installing company or other such company as agreed by the ***company*** that the ***intruder alarm system*** cannot be returned to or maintained in full working order the Insured shall advise the ***company*** as soon as possible and in any event not later than 10.00a.m. on the ***company***'s next working day and comply with all subsequent requirements stipulated by the ***company***

Material Damage (continued)

- 10 Where Police response to alarm signals/calls from the *intruder alarm system* has been withdrawn or the level of response reduced or delayed the Insured shall take all appropriate steps to have Police response fully restored at the earliest possible date shall obtain written confirmation to this effect from the Police and shall advise the *company* of the date upon which full response is restored

SPECIAL PROVISIONS

It is a condition precedent to the *company's* liability that prior to the agreement of the alarm specification and maintenance contract arrangements by the *company* the Insured shall comply with all the requirements detailed herein in the same manner as if the specification and maintenance arrangement had been agreed by the *company*

Material Damage (continued)

Special Conditions

The following Conditions are applicable only if the letter set against them appears on the schedule

A. Waste Condition

It is a condition precedent to the *company's* liability that all oily and/or greasy waste and used cleaning cloths which remain in the *buildings* overnight be kept in metal receptacles with metal lids and removed from the building at least once a week

B. Waste Condition

It is a condition precedent to the *company's* liability that all combustible trade waste and refuse be removed from the *buildings* every night

C. Waste Condition

It is a condition precedent to the *company's* liability that all combustible trade waste and refuse be swept up daily and kept in bags or bins and removed from the *buildings* at least once a week

D. Waste Condition

It is a condition precedent to the *company's* liability that all sawdust shavings and other refuse be removed from the *buildings* every night

E. Waste Condition

It is a condition precedent to the *company's* liability that any combustible trade waste including oily and/or greasy wipes and cloths which remain in the *buildings* overnight be kept in metal receptacles having metal lids

F. Fire-Proof Doors Condition

It is a condition precedent to the *company's* liability that all fire-proof doors and shutters be kept closed except during working hours and be kept in efficient working order during the currency of this Section

G. Portable Space Heater Condition

It is a condition precedent to the *company's* liability that any portable space heater

- (i) will not be sited in passageways and other places where they are liable to be overturned or subject to mechanical damage
- (ii) will not be sited in areas where flammable atmospheres are habitually or intermittently present
- (iii) will not be sited on combustible floors or surfaces
- (iv) will be kept clear of combustible materials and be provided with a guard to maintain a clear space of at least 1m

H. Premises Inspection Condition

It is a condition precedent to the *company's* liability that an examination of the *buildings* for smouldering matches tobacco or other material be carried out at the close of each day the *buildings* are in use for business purposes and that signed reports be made daily by an *employee* detailed to make the examination and for such reports to be checked at least once a week by the management

J. Frying and Cooking Equipment Condition

It is a condition precedent to the *company's* liability that

- (i) all frying and cooking equipment including flues and exhaust ducting shall be securely fixed and free from contact with combustible materials
- (ii) all flues exhaust ducting grease traps and filters shall be cleaned at least once a month

If any building or other property used by the Insured at the *premises* for the purpose of the *business* be lost destroyed or damaged by any of the Covers specified in the schedule and in consequence the business carried on by the Insured at the *premises* be interrupted or interfered with then the *company* will pay to the Insured in respect of each item in the schedule the amount of loss resulting from such interruption or interference provided that

1. at the time of the happening of the loss destruction or damage there shall be in force an insurance covering the interest of the Insured in the property at the *premises* against such loss destruction or damage and that
 - (i) payment shall have been made or liability admitted therefor or
 - (ii) payment would have been made or liability admitted therefor but for the operation of a proviso in such insurance excluding liability for losses below a specified amount
2. the liability of the *company* under this Section shall not exceed
 - (i) in the whole the total sum insured or in respect of any item its sum insured or any other limit of liability stated in the schedule at the time of the loss destruction or damage
 - (ii) the sum insured remaining after deduction for any other interruption or interference consequent upon loss destruction or damage occurring during the same *period of insurance* unless the *company* shall have agreed to reinstate any such sum insured

Additional Definition

Each time the additional definition below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in *bold italics* in this Section

Consequential Loss

Consequential loss shall mean loss resulting from interruption of or interference with the *business* carried on by the Insured at the *premises* in consequence of loss or destruction of or damage to property used by the Insured at the *premises* for the purpose of the *business*

Covers

1. FIRE but excluding *consequential loss* caused by
 - (a) explosion resulting from fire
 - (b) earthquake subterranean fire riot civil commotion
 - (c)
 - (i) its own spontaneous fermentation or heating (other than wood blocks coal and coke) or
 - (ii) its undergoing any heating process or any process involving the application of heat

LIGHTNING

EXPLOSION

- (a) of boilers used for domestic purposes only
- (b) of any other boilers or economizers on the *premises*
- (c) of gas used for domestic purposes only

but excluding *consequential loss* caused by earthquake or subterranean fire

2. EXPLOSION excluding *consequential loss*
 - (a) caused by the bursting of any vessel machine or apparatus (not being a boiler or economizer on the *premises*) in which internal pressure is due to steam only and belonging to or under the control of the Insured
 - (b) caused by fire resulting from explosion
 - (c) caused by explosion
 - (i) of boilers used for domestic purposes only
 - (ii) of any other boilers or economizers on the *premises*
 - (iii) of gas used for domestic purposes only

Business Interruption (continued)

- (d) by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
- 3. AIRCRAFT or other aerial devices or articles dropped therefrom excluding **consequential loss**
 - (a) by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
 - (b) by fire
- 4A. RIOT CIVIL COMMOTION STRIKERS LOCKED OUT WORKERS or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation excluding **consequential loss**
 - (a) arising from confiscation requisition or destruction by order of the government or any public authority
 - (b) arising from cessation of work
 - (c) by fire caused by Strikers Locked out Workers or persons taking part in labour disturbances or malicious persons
 - (d) arising from deliberate erasure loss distortion or corruption of information on computer systems or other records programs or software
- 4B. RIOT CIVIL COMMOTION STRIKERS LOCKED OUT WORKERS or persons taking part in labour disturbances or MALICIOUS PERSONS excluding **consequential loss**
 - (a) arising from confiscation requisition or destruction by order of the government or any public authority
 - (b) arising from cessation of work
 - (c) by fire caused by Strikers Locked out Workers or persons taking part in labour disturbances or Malicious Persons
 - (d) caused (other than by fire or explosion) by Malicious Persons (not acting on behalf of or in connection with any political organisation) in respect of any building which is empty or not in use
- (e) arising from deliberate erasure loss distortion or corruption of information on computer systems or other records programs or software
- 5. EARTHQUAKE or SUBTERRANEAN FIRE
- 6. Fire only resulting from the property's own SPONTANEOUS FERMENTATION OR HEATING
- 7A. STORM excluding **consequential loss**
 - (a) caused by
 - (i) the escape of water from the normal confines of any natural or artificial water course lake reservoir canal or dam
 - (ii) inundation from the sea
whether resulting from storm or otherwise
 - (b) attributable solely to change in the water table level
 - (c) caused by lightning frost subsidence ground heave or landslip
 - (d) in respect of movable property in the open fences and gates
- 7B. STORM OR FLOOD excluding **consequential loss**
 - (a) attributable solely to change in the water table level
 - (b) caused by lightning frost subsidence ground heave or landslip
 - (c) in respect of movable property in the open fences and gates

Business Interruption (continued)

8. ESCAPE OF WATER FROM ANY TANK APPARATUS OR PIPE excluding *consequential loss*
- (a) caused by water discharged or leaking from any automatic sprinkler installation in the *premises*
 - (b) in respect of any building which is empty or not in use
- 9A. IMPACT by any road vehicle or animal not belonging to or under the control of the Insured or any occupier of the *premises* or their respective *employees*
- 9B. IMPACT by any road vehicle (including Fork Lift Trucks) or animal
10. ACCIDENTAL ESCAPE OF WATER FROM ANY AUTOMATIC SPRINKLER INSTALLATION in the *premises* not caused by
- (a) freezing whilst the building insofar as it is in the Insured's ownership or tenancy is empty or not in use
 - (b) explosion earthquake subterranean fire or heat caused by fire
11. ANY OTHER ACCIDENT excluding
- (1) *consequential loss* by any of
 - (a) the Covers
 - (b) the causes expressly excluded from the Coversspecified in the paragraphs 1-10 or 12-14 (whether or not insured)
 - (2) *consequential loss* caused by or consisting of
 - 1 inherent vice latent defect gradual deterioration wear and tear its own faulty or defective design or materials
 - 2 faulty or defective workmanship operational error or omission on the part of the Insured or any *person employed*but this shall not exclude subsequent *consequential loss* which itself results from a cause not otherwise excluded
- (3) *consequential loss* caused by or consisting of
- 1 corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects
 - 2 change in temperature colour flavour texture or finish
 - 3 the deliberate act of a supply undertaking in withholding the supply of water gas electricity fuel or telecommunication services
 - 4 joint leakage failure of welds cracking fracturing collapse or overheating of boilers economizers superheaters pressure vessels or any range of steam and feed piping in connection therewith
 - 5 mechanical electronic or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates
- but this shall not exclude
- (a) such *consequential loss* not otherwise excluded which itself results from any other accidental loss destruction or damage
 - (b) subsequent *consequential loss* which itself results from a cause not otherwise excluded
- (4) loss resulting from pollution or contamination
- (5) *consequential loss* caused by or consisting of
- 1 normal settlement or bedding down of new structures
 - 2 acts of fraud or dishonesty

Business Interruption (continued)

- 3 disappearance unexplained or inventory shortage misfiling or misplacing of information
- 4 erasure loss distortion or corruption of information on computer systems or other records programs or software
- (6) loss resulting from destruction of or damage to a building or structure used by the Insured at the *premises* caused by its own collapse or cracking
- (7) *consequential loss* in respect of movable property in the open fences and gates caused by wind rain hail sleet snow flood or dust
- (8) *consequential loss* resulting from its undergoing any process of production packing treatment testing commissioning servicing or repair
- (9) *consequential loss* in respect of
- 1 vehicles licensed for road use (including accessories thereof) caravans trailers railway locomotives rolling stock watercraft or aircraft
- 2 property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
- 3 glass (other than fixed glass) china earthenware marble or other fragile or brittle objects
- (10) *consequential loss* occasioned by nationalisation confiscation requisition seizure or destruction by the government or any public authority
12. A BREAKAGE OF GLASS (including the cost of boarding up necessarily incurred) including any lettering and artwork thereon at the *premises* being the property of the Insured or for which the Insured is responsible all being plain sheet or plain plate glass unless stated otherwise in the schedule
- B (1) Damage to the contents of display windows
- (2) The expense of removal and reinstatement of obstructions to the replacement of glass
- (3) Damage to window and door frames
- C Breakage of fixed wash hand basins lavatory bowls bidets shower trays and baths
- excluding *consequential loss* in respect of
- (1) Breakage of Glass
- (a) in light fittings signs vehicles vending machines or stock in trade
- (b) in any building which is empty or not in use
- (c) caused by workmen effecting alterations or repairs on the *premises*
- (d) in transit or while being fitted
- (e) consequent upon settlement or expansion or contraction of frames or fittings in buildings under construction and during a period of six months after the date of completion of the buildings
- (f) which is cracked or broken at the commencement of the *period of insurance*
- (2) Damage to lettering and artwork unaccompanied by any breakage of glass
- (3) any consequence of fire or explosion
13. THEFT or attempt thereat excluding *consequential loss*
- (1) which does not involve
- entry to or exit from a building by forcible and violent means
- or
- actual or threatened assault or violence
-

Business Interruption (continued)

14. SUBSIDENCE OR GROUND HEAVE of any part of the site on which the property stands or LANDSLIP excluding
- (A) *consequential loss* to yards car-parks roads pavements walls gates and fences unless also affecting a building insured hereby
- (B) *consequential loss* caused by or consisting of
- (i) the normal settlement or bedding down of new structures
 - (ii) the settlement or movement of made up ground
 - (iii) coastal or river erosion
 - (iv) defective design or workmanship or the use of defective materials
 - (v) fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe
- (C) *consequential loss* which originated prior to the inception of this cover
- (D) *consequential loss* resulting from
- (i) demolition construction structural alteration or repair of any property or
 - (ii) groundworks or excavation
- at the same premises

Special Condition to Cover 14

Insofar as this insurance relates to *consequential loss* caused by Subsidence Ground Heave or Landslip

- (a) the Insured shall notify the *company* immediately they become aware of any demolition groundworks excavation or construction being carried out on any adjoining site
- (b) the *company* shall then have the right to vary the terms or cancel this cover

Special Conditions to Business Interruption

1. **Alteration**
The insurance by this Section shall be avoided if
- (a) the *business* be wound up or carried on by a liquidator or permanently discontinued
- or
- (b) the Insured's interest ceases otherwise than by death
- at any time after the commencement of this insurance unless its continuance be admitted by memorandum signed by or on behalf of the *company*
2. **Automatic Reinstatement after a Loss**
In the absence of written notice by the Insured or the *company* to the contrary the *company's* liability shall not be reduced by the amount of any loss the Insured undertaking to pay the appropriate additional premium for such automatic reinstatement of cover

Exclusion

Pollution and Contamination

The *company* shall not be liable for loss resulting from pollution or contamination but this shall not exclude *consequential loss* caused by

- (1) pollution or contamination which itself results from any Cover insured (other than Cover 11)
- (2) any Cover insured (other than Cover 11) which itself results from pollution or contamination

This exclusion shall not apply where pollution or contamination is excluded elsewhere in this Section

Business Interruption (continued)

CLAUSES

THE UNDERNOTED CLAUSES ARE OPERATIVE UNLESS OTHERWISE STATED AND ARE SUBJECT OTHERWISE TO THE LIMITS TERMS EXCEPTIONS CONDITIONS AND DEFINITIONS OF THE SECTION

1. Departmental

If the *business* be conducted in departments the independent trading results of which are ascertainable the provisions of clauses (a) and (b) of the item on gross profit or revenue shall apply separately to each department affected by the *incident*

2. Payments on Account

Payments on account will be made at the discretion of the *company* during the Indemnity Period if desired

3. Temporary Removal

Loss as insured by Item 1 resulting from interruption of or interference with the *business* in consequence of loss destruction or damage

(a) to computer systems or other records

or

(b) to machinery and plant (but not motor vehicles) removed for cleaning renovation repair or other similar purposes

whilst temporarily removed from the *premises* and in transit by road rail and inland waterway to and from the *premises* shall be deemed to be an *incident* provided that the *company's* liability shall not exceed 10% of the total of the sum insured (or 133.33% of the Estimated Amount) by Item 1 of the schedule or £250,000 whichever is the less

THE UNDERNOTED CLAUSES ARE OPERATIVE ONLY IF SPECIFICALLY MENTIONED IN THE SCHEDULE AND IN ALL CASES ARE SUBJECT OTHERWISE TO THE LIMITS TERMS EXCEPTIONS AND CONDITIONS OF THIS POLICY

4. Contract Sites

Loss as insured by Item 1 resulting from interruption of or interference with the *business* in consequence of loss destruction or damage at any situation in Great Britain Northern Ireland the Channel Islands or the Isle of Man not in the occupation of the Insured where the Insured is carrying out a contract shall be deemed to be an *incident* provided that the *company's* liability under this clause in respect of any one occurrence shall not exceed

(a) the percentage of the total of the sum insured (or 133.33% of the Estimated Amount) by Item 1 of the schedule

or

(b) the amount

shown in the schedule as the limit

5. Prevention of Access

Loss as insured by Item 1 resulting from interruption of or interference with the *business* in consequence of loss destruction or damage to Property in the vicinity of the *premises* loss destruction of or damage to which shall prevent or hinder the use of the *premises* or access thereto whether the *premises* or property of the Insured therein shall be damaged or not but excluding loss of or destruction or damage to property of any supply undertaking from which the Insured obtains electricity gas water or telecommunications services which prevents or hinders the supply of such services to the *premises*

shall be deemed to be an *incident* (provided that the *company's* liability under this clause in respect of any one occurrence shall not exceed the sum insured (or 133.33% of the Estimated Amount) by Item 1 or any limit of liability shown in the schedule)

Business Interruption (continued)

6. Specified Customers

Loss as insured by Item 1 resulting from interruption of or interference with the **business** in consequence of loss destruction or damage at the **premises** of customers as detailed in the schedule shall be deemed to be an **incident** provided that the **company's** liability under this clause in respect of any one occurrence shall not exceed

(a) the percentage of the total of the sum insured (or 133.33% of the Estimated Amount) by Item 1 of the schedule

or

(b) the amount

shown in the schedule as the limit

7. Specified Suppliers

Loss as insured by Item 1 resulting from interruption of or interference with the **business** in consequence of loss destruction or damage at the premises of suppliers as detailed in the schedule shall be deemed to be an **incident** provided that the **company's** liability under this clause in respect of any one occurrence shall not exceed

(a) the percentage of the total of the sum insured (or 133.33% of the Estimated Amount) by Item 1 of the schedule

or

(b) the amount

shown in the schedule as the limit

8. Transit

Loss as insured by Item 1 resulting from interruption of or interference with the **business** as a consequence of loss destruction or damage to Property of the Insured whilst in transit by road rail or inland waterway in Great Britain or Northern Ireland shall be deemed to be an **incident** provided that

(a) The **company's** liability under this clause in respect of any one occurrence shall not exceed

(i) the percentage of the total of the sum insured (or 133.33% of the Estimated Amount) by item 1 of this schedule

or

(ii) the amount

shown in the schedule as the limit

(b) no liability shall attach in respect of any loss arising from delay or loss of use of the conveying road or rail vehicle or waterborne craft

9. Unspecified Suppliers and Storage Sites

Loss as insured by Item 1 resulting from interruption of or interference with the **business** in consequence of loss destruction or damage at the premises of any of the Insured's suppliers manufacturers or processors of components goods or materials (but excluding the premises of any public supply undertaking from which the Insured obtains electricity gas or water) and premises not in the occupation of the Insured where property of the Insured is stored all in Great Britain Northern Ireland the Channel Islands or the Isle of Man provided that the **company's** liability under this clause in respect of any one occurrence shall not exceed

(a) the percentage of the total sum insured (or 133.33% of the Estimated Amount) by Item 1 of the schedule

or

(b) the amount

shown in the schedule as the limit but in no case exceeding £250,000

10. Public Utilities

Loss as insured by Item 1 resulting from interruption of or interference with the **business** in consequence of loss destruction or damage to

Property at any

(a) generating station or sub-station of the public electricity supply undertaking

Business Interruption (continued)

(b) land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith

(c) water works or pumping station of the public water supply undertaking

as stated in the schedule as being applicable

from which the Insured obtains electricity gas or water shall be deemed to be an **incident** provided that the **company's** liability under this clause in respect of any one occurrence shall not exceed the sum insured (or 133.33% of the Estimated Amount) by Item 1 or any limit of liability shown in the schedule

11. Public Utilities

Any loss as insured by Item 1 resulting from interruption of or interference with the **business** in consequence of the Contingencies specified below and which are stated as being effective in the schedule shall be deemed to be an **incident** provided that after the application of all other terms conditions and provisions of the policy the liability under this memorandum in respect of any one occurrence shall not exceed

(a) the percentage of the total of the sums insured (or 133.33% of the Estimated Amount) by Item 1 of the policy

or

(b) the amount

shown in the schedule against such Contingencies as the limit

The Contingencies

The accidental failure of

- A. the public supply of electricity at the terminal ends of the supply undertaking's service feeders at the **premises**
- B. the public supply of gas at the supply undertaking's meters at the **premises**
- C. the public supply of water at the supply undertaking's main stop cock serving the **premises**

Limit

as specified in the schedule

in Great Britain or Northern Ireland

but excluding any failure

(i) which does not involve a cessation of supply for at least the period of time stated in the schedule as the time franchise

(ii) due to an Excluded Cause

Excluded Causes

(1) Loss resulting from failure caused by

(i) the deliberate act of any supply undertaking or by the exercise by any such undertaking of its power to withhold or restrict supply or service

(ii) strikes or any labour or trade dispute

(iii) drought

(iv) other atmospheric or weather conditions but this shall not exclude failure due to damage to equipment caused by such conditions

(2) Loss resulting from loss destruction or damage occasioned by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power nationalisation confiscation requisition seizure or destruction by the government or any public authority

(3) Loss resulting from loss destruction or damage occasioned by or happening through or occasioning loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any **consequential loss** directly or indirectly caused by or contributed to by or arising from

Business Interruption (continued)

- (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- (ii) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- (4) Loss resulting from loss destruction damage or *consequential loss*
- (a) in England Wales and Scotland but not the territorial seas adjacent thereto as defined in the Territorial Sea Act 1987 by fire or explosion occasioned by or happening through or in consequence directly or indirectly of *terrorism*
- except to the extent stated in the SPECIAL PROVISION - Terrorism (See page GC8)
- (b) in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of
- (i) riot civil commotion and (except in respect of loss destruction or damage by fire or explosion) strikers locked out workers or persons taking part in labour disturbances or malicious persons
- (ii) *terrorism*
- In any action suit or other proceedings where the *company* alleges that by reason of this definition any loss destruction damage or *consequential loss* is not covered by this policy (or is covered only up to a specified limit of liability) the burden of proving that such loss destruction damage or *consequential loss* is covered (or is covered beyond that limit of liability) shall be upon the Insured
- Except as expressly varied hereby the insurance by this extension is subject to all the terms and conditions of this Section and of the policy
- 91 **Unspecified Customers Extension**
Loss as insured by Item 1 resulting from interruption or interference with the business in consequence of loss destruction or damage at any customers premises within Great Britain the Channel Islands the Isle of Man and Northern Ireland shall be deemed to be an Incident provided that the *company's* maximum liability under this extension shall not exceed 10% of the Sum Insured (or 133.33% of the estimated amount) by Item 1 or £250,000 whichever is the less

Definition - For the purposes of this policy *terrorism* shall mean any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence

Business Interruption (continued)

- 91 **Unspecified Customers Extension**
Loss as insured by Item 1 resulting from interruption or interference with the business in consequence of loss destruction or damage at any customers premises within Great Britain the Channel Islands the Isle of Man and Northern Ireland shall be deemed to be an Incident provided that the *company's* maximum liability under this extension shall not exceed 10% of the Sum Insured (or 133.33% of the estimated amount) by Item 1 or £250,000 whichever is the less

Business Interruption

Appendix A - Gross Profit (Sum Insured Basis)

Settlement Provisions

The insurance by Item 1 of the schedule is limited to loss of **gross profit** not exceeding the Sum Insured stated in the schedule due to

- (i) Reduction in **turnover** and
- (ii) Increase in cost of working

and the amount payable as indemnity thereunder shall be

- (a) In respect of reduction in **turnover** the sum produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** shall in consequence of the **incident** fall short of the **standard turnover**
- (b) In respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** which but for that expenditure would have taken place during the **indemnity period** in consequence of the **incident** but not exceeding the sum produced by applying the **rate of gross profit** to the amount of the reduction thereby avoided

less any sum saved during the **indemnity period** in respect of such of the charges and expenses payable out of **gross profit** as may cease or be reduced in consequence of the **incident**

provided that if the sum insured by Item 1 be less than the sum produced by applying the **rate of gross profit** to the **annual turnover** (or to a proportionately increased multiple thereof where the **maximum indemnity period** exceeds twelve months) the amount payable shall be proportionately reduced

The insurance by Item 2 of the schedule (if insured) is limited to so much of the additional expenditure necessarily and reasonably incurred in consequence of the **incident** in order to maintain the **business** during the **indemnity period** as exceeds the amount recoverable under Clause (b) of Item 1 of this Section

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in **bold italics** in this Section

Note 1 - To the extent that the Insured is accountable to the Tax Authorities for Value Added Tax all terms in this Section shall be exclusive of such tax

Note 2 - For the purpose of these definitions any adjustment implemented for current cost accounting shall be disregarded

Incident

Loss or destruction of or damage to property used by the Insured at the **premises** for the purpose of the **business**

Gross Profit

The amount by which the sum of the amounts of the **turnover** Closing Stock and Work in Progress shall exceed the sum of the amounts of the Opening Stock and Work in Progress and the amount of the Specified Working Expenses

Specified Working Expenses are

- (i) 100% of purchases (less discounts received)
- (ii) 100% of discounts allowed
- (iii) 100% of bad debts written off
- (iv) 100% of carriage packing and freight

N.B. For the purpose of this definition **gross profit** is as defined but otherwise the words and expressions used shall subject to Note 2 to these definitions have the meaning attached to them in the Insured's usual accounting methods due provision being made for depreciation of Stock and Work in Progress

Turnover

The **money** paid or payable to the Insured for goods sold or delivered and for services rendered in course of the **business** at the **premises**

Business Interruption

Appendix A - Gross Profit (Sum Insured Basis)

(continued)

Indemnity Period

The period beginning with the occurrence of the *incident* and ending not later than the *maximum indemnity period* thereafter during which the results of the *business* shall be affected in consequence of the *incident*

Maximum Indemnity Period

As stated in the schedule

Rate of Gross Profit - The *rate of gross profit* earned on the *turnover* during the financial year immediately before the date of the *incident*

Annual Turnover - The *turnover* during the twelve months immediately before the date of the *incident*

Standard Turnover - The *turnover* during that period in the twelve months immediately before the date of the *incident* which corresponds with the *indemnity period*

to which such adjustments shall be made as may be necessary to provide for the trend of the *business* and for variations in or special circumstances affecting the *business* either before or after the *incident* or which would have affected the *business* had the *incident* not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *incident* would have been obtained during the relative period after the *incident*

Memorandum 1 - Alternative Premises

If during the *indemnity period* goods shall be sold or services shall be rendered elsewhere than at the *premises* for the benefit of the *business* either by the Insured or by others on the Insured's behalf the *money* paid or payable in respect of such sales or services shall be brought into account in arriving at the *turnover* during the *indemnity period*

Memorandum 2 - Professional Accountants

The *company* will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the *company* under the terms of the Claims Conditions and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the sum of the amount

payable under this clause and the amount otherwise payable under this Section shall in no case exceed the sum insured

Memorandum 3 - Premium Adjustment

The premium paid hereon may be adjusted on receipt by the *company* of a declaration of *gross profit* earned during the financial year most nearly concurrent with the *period of insurance* as reported by the Insured's auditors

If any *incident* shall have occurred giving rise to a claim for loss of *gross profit* the above mentioned declaration shall be increased by the *company* for the purpose of premium adjustment by the amount by which the *gross profit* was reduced during the financial year solely in consequence of the *incident*

If the declaration (adjusted as provided for above and proportionately increased where the *maximum indemnity period* exceeds 12 months) is less than the sum insured on *gross profit* for the relative *period of insurance* the *company* will allow a pro rata return of premium not exceeding 50% of the premium paid

Memorandum 4 - Provisional Premium

(only effective if stated in the schedule)

- (i) Memorandum 3 - Premium Adjustment is cancelled
- (ii) The first and annual premiums of this Section are provisional being 75% of the premiums payable at the commencement of the *period of insurance* with the balance of 25% to be paid within 6 months of the expiry of that period except that

Business Interruption

Appendix A - Gross Profit (Sum Insured Basis)

(continued)

in respect of any item(s) on *gross profit* the premium paid shall be adjusted on receipt by the *company* of a declaration of *gross profit* earned during the financial year most nearly concurrent with such *period of insurance* as reported by the Insured's auditors if any damage shall have occurred giving rise to a claim for loss of *gross profit* the above mentioned declaration shall be increased by the *company* for the purpose of premium adjustment by the amount by which *gross profit* was reduced during the financial year solely in consequence of the *incident*

If the declaration (adjusted as provided for above and proportionately increased where the *maximum indemnity period* exceeds 12 months)

- (a) is less than 75% of the sum insured on *gross profit* for the relative period the *company* will allow a pro rata return of premium not exceeding 33.33% of the provisional premium paid
- (b) is greater than 75% of the sum insured on *gross profit* for the relative period the Insured shall pay a pro rata additional premium not exceeding 33.33% of the provisional premium paid

In the event that no declaration is received within 6 months of the expiry of such *period of insurance* the balance of 25% shall be paid

Memorandum 5 - Uninsured Standing Charges

If any standing charges of the *business* be not insured by this Section (having been deducted in arriving at the *gross profit* as defined herein) then in computing the amount recoverable hereunder as increase in cost of working that proportion only of any additional expenditure shall be brought into account which the *gross profit* bears to the sum of the *gross profit* and the uninsured standing charges

Business Interruption

Appendix B - Gross Profit (Declaration - Linked Basis)

Settlement Provisions

The insurance by Item 1 of the schedule is limited to loss of **gross profit** not exceeding the Limit of Liability stated in the schedule due to

- (i) Reduction in **turnover** and
 - (ii) Increase in cost of working and the amount payable as indemnity thereunder shall be
- (a) In respect of reduction in **turnover** the sum produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** shall in consequence of the **incident** fall short of the **standard turnover**
 - (b) In respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** which but for that expenditure would have taken place during the **indemnity period** in consequence of the **incident** but not exceeding the sum produced by applying the **rate of gross profit** to the amount of the reduction thereby avoided

less any sum saved during the **indemnity period** in respect of such of the charges and expenses of the **business** payable out of **gross profit** as may cease or be reduced in consequence of the **incident**

The insurance by Item 2 of the schedule (if insured) is limited to so much of the additional expenditure necessarily and reasonably incurred in consequence of the **incident** in order to maintain the **business** during the **indemnity period** as exceeds the amount recoverable under Clause (b) of Item 1 of this Section

Limit of Liability

Notwithstanding anything herein contained to the contrary the liability of the **company** shall in no case exceed in respect of **gross profit** 133.33% of the **estimated gross profit** stated herein nor in the whole the sum of 133.33% of the **estimated gross profit** and 100% of the sums insured by other items or such other amounts as may be substituted therefor by memorandum signed by or on behalf of the **company**

In the absence of written notice by the Insured or the **company** to the contrary the **company's** liability shall not stand reduced by the amount of any loss the Insured undertaking to pay the appropriate additional premium for such automatic reinstatement of cover

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in **bold italics** in this Section

Note 1 - To the extent that the Insured is accountable to the Tax Authorities for Value Added Tax all terms in this Section shall be exclusive of such tax

Note 2 - For the purpose of these definitions any adjustment implemented for current cost accounting shall be disregarded

Incident

Loss or destruction of or damage to property used by the Insured at the **premises** for the purpose of the **business**

Gross Profit

The amount by which the sum of the amounts of the **turnover** Closing Stock and Work in Progress shall exceed the sum of the amounts of the Opening Stock and Work in Progress and the amount of the Specified Working Expenses

Specified Working Expenses are

- (i) 100% of purchases (less discounts received)
- (ii) 100% of discounts allowed
- (iii) 100% of bad debts written off
- (iv) 100% of carriage packing and freight

N.B. For the purpose of this definition **gross profit** is as defined but otherwise the words and expressions used shall subject to Note 2 to these definitions have the meaning attached to them in the Insured's usual accounting methods due provision being made for depreciation of Stock and Work in Progress

Business Interruption

Appendix B - Gross Profit (Declaration - Linked Basis)

(continued)

Estimated Gross Profit

The amount declared by the Insured to the *company* as representing not less than the *gross profit* which it is anticipated will be earned by the *business* during the financial year most nearly concurrent with the *period of insurance* (or a proportionately increased multiple thereof where the *maximum indemnity period* exceeds twelve months)

Turnover

The *money* paid or payable to the Insured for goods sold or delivered and for services rendered in course of the *business* at the *premises*

Indemnity Period

The period beginning with the occurrence of the *incident* and ending not later than the *maximum indemnity period* thereafter during which the results of the *business* shall be affected in consequence of the *incident*

Maximum Indemnity Period

As stated in the schedule

Rate of Gross Profit - The *rate of gross profit* earned on the *turnover* during the financial year immediately before the date of the *incident*

Standard Turnover - The *turnover* during that period in the twelve months immediately before the date of the *incident* which corresponds with the *indemnity period*

to which such adjustments shall be made as may be necessary to provide for the trend of the *business* and for variations in or special circumstances affecting the *business* either before or after the *incident* or which would have affected the *business* had the *incident* not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *incident* would have been obtained during the relative period after the *incident*

Memorandum 1 - Alternative Premises

If during the *indemnity period* goods shall be sold or services shall be rendered elsewhere than at the *premises* for the benefit of the *business* either by the Insured or by others on the Insured's behalf the *money* paid or payable in respect of such sales or services shall be brought into account in arriving at the *turnover* during the *indemnity period*

Memorandum 2 - Professional Accountants

The *company* will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the *company* under the terms of the Claims Conditions and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the sum of the amount payable under this clause and the amount otherwise payable under this Section shall in no case exceed the Limit of Liability

Memorandum 3 - Renewal

The Insured shall prior to each renewal furnish the *company* with the *estimated gross profit* for the financial year most nearly concurrent with the ensuing *period of insurance*

Memorandum 4 - Premium Adjustment

The first and annual premiums in respect of *gross profit* are provisional and are based on the *estimated gross profit* for the financial year most nearly concurrent with the *period of insurance*. The Insured shall furnish to the *company* not later than six months after the expiry of each *period of insurance* a declaration confirmed by the Insured's auditors of the *gross profit* earned during the financial year most nearly concurrent with the *period of insurance*

If any *incident* shall have occurred giving rise to a claim for loss of *gross profit* the above mentioned declaration shall be increased by the *company* for the purpose of premium adjustment by the amount by which the *gross profit* was reduced during the financial year solely in consequence of the *incident*

Business Interruption

Appendix B - Gross Profit (Declaration - Linked Basis)

(continued)

If the declaration (adjusted as provided above and proportionately increased where the *maximum indemnity period* exceeds twelve months)

- (a) is less than the *estimated gross profit* for the relative *period of insurance* the *company* will allow a pro rata return of the premium paid on the *estimated gross profit* but not exceeding 50% of such premium
- (b) is greater than the *estimated gross profit* for the relative *period of insurance* the Insured shall pay a pro rata addition to the premium paid on the *estimated gross profit*

Memorandum 5 - Uninsured Standing Charges

If any standing charges of the *business* be not insured by this Section (having been deducted in arriving at the *gross profit* as defined herein) then in computing the amount recoverable hereunder as increase in cost of working that proportion only of any additional expenditure shall be brought into account which the *gross profit* bears to the sum of the gross profit and the uninsured standing charges

Business Interruption

Appendix C - Revenue (Sum Insured Basis)

Settlement Provisions

The insurance of Item 1 of the schedule is limited to loss of *revenue* not exceeding the Sum Insured stated in the schedule due to

- (i) Reduction in *revenue*
and
 - (ii) Increase in cost of working
and the amount payable as indemnity thereunder shall be
- (a) in respect of reduction in *revenue* the amount by which the actual *revenue* during the *indemnity period* shall in consequence of the *incident* fall short of the *standard revenue*
 - (b) in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in *revenue* which but for that expenditure would have taken place during the *indemnity period* in consequence of the *incident* but not exceeding the amount of reduction in *revenue* thereby avoided

less any sum saved during the *indemnity period* in respect of such of the charges and expenses payable out of *revenue* as may cease or be reduced in consequence of the *incident*

provided that if the Sum Insured by this item be less than the *annual revenue* (or a proportionately increased multiple thereof where the *maximum indemnity period* exceeds 12 months) the amount payable shall be proportionately reduced

The insurance by Item 2 of the schedule (if insured) is limited to so much of the additional expenditure necessarily and reasonably incurred in consequence of the *incident* in order to maintain the *business* during the Indemnity Period as exceeds the amount recoverable under Clause (b) of Item 1 of this Section

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in ***bold italics*** in this Section

Note 1 - To the extent that the Insured is accountable to the Tax Authorities for Value Added

Tax all terms in this Section shall be exclusive of such tax

Incident

Loss or destruction of or damage to property used by the Insured at the *premises* for the purpose of the *business*

Revenue

The *money* paid or payable to the Insured in respect of work done or services rendered in the course of the *business*

Indemnity Period

The period beginning with the occurrence of the DAMAGE and ending not later than the *maximum indemnity period* thereafter during which the results of the *business* shall be affected in consequence of the DAMAGE

Maximum Indemnity Period

As stated in the schedule

Annual Revenue - The *revenue* during the twelve months immediately before the date of the *incident*

Standard Revenue - The *revenue* during that period in the twelve months immediately before the date of the *incident* which corresponds with the *indemnity period* to which such adjustments shall be made as may be necessary to provide for the trend of the *business* and for variations in or special circumstances affecting the *business* either before or after the *incident* or which would have affected the *business* had the *incident* not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *incident* would have been obtained during the relative period after the *incident*

Memorandum 1 - Alternative Premises

If during the *indemnity period* goods shall be sold or services shall be rendered or accommodation provided elsewhere than at the *premises* for the benefit of the *business* either by the Insured or by others on the Insured's behalf the *money* paid or payable in respect of such sales or services shall be brought into account in arriving at the *revenue* during the *indemnity period*

Business Interruption

Appendix C - Revenue (Sum Insured Basis)

(continued)

Memorandum 2 - Return of Premium

In the event of the *revenue* earned (or a proportionately increased multiple thereof where the *maximum indemnity period* exceeds twelve months) during the accounting period of twelve months most nearly concurrent with any *period of insurance* as certified by the Insured's auditors being less than the sum insured thereon a pro rata return of premium not exceeding 50% of the premium paid on such sum insured for such *period of insurance* will be made in respect of the difference. If any *incident* shall have occurred giving rise to a claim under this Section such return shall be made in respect only of so much of the said difference as is not due to such *incident*.

Memorandum 3 - Professional Accountants

The *company* will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the *company* under the terms of the Claims Conditions and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the sum of the amount payable under this clause and the amount otherwise payable under this Section shall in no case exceed the sum insured.

Memorandum 4 - Provisional Premium

(only effective if stated in the schedule)

- (i) Memorandum 2 - Return of Premium is cancelled
- (ii) The first and annual premiums of this Section are provisional being 75% of the premiums payable at the commencement of the *period of insurance* with the balance of 25% to be paid within 6 months of the expiry of that period except that

in respect of any item(s) of *revenue* the premium paid shall be adjusted on receipt by the *company* of a declaration of *revenue* earned during the financial year most nearly concurrent with such *period of insurance* as reported by the Insured's auditors if any *incident* shall have occurred giving rise to a claim for loss of *revenue* the above mentioned declaration shall be increased by the *company* for the purpose of premium adjustment by the amount by which the *revenue* was reduced during the financial year solely in consequence of the *incident*.

If the declaration (adjusted as provided for above and proportionately increased where the *maximum indemnity period* exceeds 12 months)

- (a) is less than 75% of the sum insured on the *revenue* for the relative period the *company* will allow a pro rata return of premium not exceeding 33.33% of the provisional premium paid
- (b) is greater than 75% of the sum insured on the *revenue* for the relative period the Insured shall pay a pro rata additional premium not exceeding 33.33% of the provisional premium paid

In the event that no declaration is received within 6 months of the expiry of such *period of insurance* the balance of 25% shall be paid

Business Interruption

Appendix D - Revenue (Declaration Linked Basis)

Settlement Provisions

The insurance of Item 1 of the schedule is limited to loss of *revenue* not exceeding the limit of liability stated in the schedule due to

- (i) Reduction in *revenue* and
- (ii) Increase in cost of working

and the amount payable as indemnity thereunder shall be

- (a) in respect of Reduction in *revenue* the amount by which the actual *revenue* during the *indemnity period* shall in consequence of the *incident* fall short of the *standard revenue*
- (b) in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in *revenue* which but for that expenditure would have taken place during the *indemnity period* in consequence of the *incident* but not exceeding the amount of reduction in *revenue* thereby avoided

less any sum saved during the *indemnity period* in respect of such charges and expenses of the *business* payable out of *revenue* as may cease or be reduced in consequence of the *incident*

The insurance by Item 2 of the schedule (if insured) is limited to so much of the additional expenditure necessarily and reasonably incurred in consequence of the *incident* in order to maintain the *business* during the *indemnity period* as exceeds the amount recoverable under Clause (b) of Item 1 of this Section

Limit of Liability

Notwithstanding anything herein contained to the contrary the liability of the *company* shall in no case exceed in respect of *revenue* 133.33% of the *estimated revenue* stated herein nor in the whole the sum of 133.33% of the *estimated revenue* and 100% of the sums insured by other items or such other amounts as may be substituted therefor by memorandum signed by or on behalf of the *company*

In the absence of written notice by the Insured or the *company* to the contrary the *company's* liability shall not stand reduced by the amount of any loss the Insured undertaking to pay the appropriate additional premium for such automatic reinstatement of cover

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in *bold italics* in this Section

Note 1 - To the extent that the Insured is accountable to the Tax Authorities for Value Added Tax all terms in this Section shall be exclusive of such tax

Note 2 - For the purpose of these definitions any adjustment implemented for current cost accounting shall be disregarded

Incident

Loss or destruction of or damage to property used by the Insured at the *premises* for the purpose of the *business*

Revenue

The *money* paid or payable to the Insured in respect of work done or services rendered in the course of the *business*

Estimated Revenue

The amount declared by the Insured to the *company* as representing not less than the *revenue* which it is anticipated will be earned by the *business* during the financial year most nearly concurrent with the *period of insurance* (or a proportionately increased multiple thereof where the *maximum indemnity period* exceeds twelve months)

Indemnity Period

The period beginning with the occurrence of the *incident* and ending not later than the *maximum indemnity period* thereafter during which the results of the *business* shall be affected in consequence of the *incident*

Business Interruption

Appendix D - Revenue (Declaration Linked Basis)

(continued)

Maximum Indemnity Period

As stated in the schedule

Standard Revenue - The *revenue* during that period in the twelve months immediately before the date of the *incident* which corresponds with the *indemnity period*

to which such adjustments shall be made as may be necessary to provide for the trend of the *business* and for variations in or other circumstances affecting the *business* either before or after the *incident* or which would have affected the *business* had the *incident* not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *incident* would have been obtained during the relative period after the *incident*

Memorandum 1 - Alternative Premises

If during the *indemnity period* goods shall be sold or services shall be rendered elsewhere than at the *premises* for the benefit of the *business* either by the Insured or by others on the Insured's behalf the *money* paid or payable in respect of such sales or services shall be brought into account in arriving at the *revenue* during the *indemnity period*

Memorandum 2 - Professional Accountants

The *company* will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the *company* under the terms of the Claims Conditions and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the sum of the amount payable under this clause and the amount otherwise payable under this Section shall in no case exceed the Limit of Liability

Memorandum 3 - Renewal

The Insured shall prior to each renewal furnish the *company* with the *estimated revenue* for the financial year most nearly concurrent with the ensuing year of insurance

Memorandum 4 - Premium Adjustment

The first and annual premiums in respect of *revenue* are provisional and are based on the *estimated revenue* for the financial year most nearly concurrent with the *period of insurance*

The Insured shall furnish to the *company* not later than six months after the expiry of each *period of insurance* a declaration confirmed by the Insured's auditors of the *revenue* earned during the financial year most nearly concurrent with the *period of insurance*

If any *incident* shall have occurred giving rise to a claim for loss of *revenue* the above mentioned declaration shall be increased by the *company* for the purpose of premium adjustment by the amount by which the *revenue* was reduced during the financial year solely in consequence of the *incident*

If the declaration (adjusted as provided above and proportionately increased where the *maximum indemnity period* exceeds twelve months)

- (a) is less than the *estimated revenue* for the relative *period of insurance* the *company* will allow a pro rata return of the premium paid on the *estimated revenue* but not exceeding 50% of such premium
- (b) is greater than the *estimated revenue* for the relative *period of insurance* the Insured shall pay a pro rata addition to the premium paid on the *estimated revenue*

Business Interruption

Appendix E - Additional Cost of Working

Settlement Provisions

The insurance of Item 1 of the schedule is limited to Additional Cost of Working not exceeding the Sum Insured stated in the schedule due to

the additional expenditure (including the cost of moving to and from and the additional rent of temporary premises additional rates and taxes thereon and expenses incurred in equipping the said premises to make them suitable for the Insured's *business* additional cost in respect of lighting heating and water additional cost in respect of additional staff and overtime and allowances for meals to existing staff) necessarily and reasonably incurred in order to minimize any interruption or interference with the *business* during the *indemnity period*

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in *bold italics* in this Section

Note 1 - To the extent that the Insured is accountable to the Tax Authorities for Value Added Tax all terms in this Section shall be exclusive of such tax

Note 2 - For the purpose of these definitions any adjustment implemented for current cost accounting shall be disregarded

Incident

Loss or destruction of or damage to property used by the Insured at the *premises* for the purpose of the *business*

Indemnity Period

The period beginning with the occurrence of the *incident* and ending not later than the *maximum indemnity period* thereafter during which the results of the *business* shall be affected in consequence of the *incident*

Maximum Indemnity Period

As stated in the schedule

Memorandum 1

In the event of any *incident* in consequence of which a claim is or may be made under this Section the *company* shall not be liable for more than 50% of the sum insured hereunder in respect of such additional expenditure arising in the first three months following the date of the *incident* and 15% of the sum insured in respect of additional expenditure in any one month thereafter

Memorandum 2 - Professional Accountants

The *company* will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the *company* under the terms of the Claims Conditions and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the sum of the amount payable under this clause and the amount otherwise payable under this Section shall in no case exceed the sum insured

Business Interruption

Appendix F - Rent Receivable

Settlement Provisions

The insurance by Item 1 of the schedule is limited to loss of *rent receivable* not exceeding the Sum Insured stated in the schedule due to

- (i) Loss of *rent receivable* and
 - (ii) Increase in cost of working and the amount payable as indemnity thereunder shall be
- (a) In respect of loss of *rent receivable* the amount by which the *rent receivable* during the *indemnity period* shall in consequence of the *incident* fall short of the *standard rent receivable*
 - (b) In respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in *rent receivable* which but for that expenditure would have taken place during the *indemnity period* in consequence of the *incident* but not exceeding the reduction in *rent receivable* thereby avoided

less any sum saved during the *indemnity period* in respect of such of the charges and expenses of the *business* payable out of *rent receivable* as may cease or be reduced in consequence of the *incident*

Provided that if the sum insured by this item be less than the *annual rent receivable* (or a proportionately increased multiple thereof where the *maximum indemnity period* exceeds twelve months) the amount payable shall be proportionately reduced

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in ***bold italics*** in this Section

Note 1 - To the extent that the Insured is accountable to the Tax Authorities for Value Added Tax all terms in this Section shall be exclusive of such tax

Note 2 - For the purpose of these definitions any adjustment implemented for current cost accounting shall be disregarded

Incident

Loss or destruction of or damage to property used by the Insured at the *premises* for the purpose of the *business*

Rent Receivable

The *money* paid or payable to the Insured for accommodation and services provided in the course of the *business* at the *premises*

Indemnity Period

The period beginning with the occurrence of the *incident* and ending not later than the *maximum indemnity period* thereafter during which the results of the *business* shall be affected in consequence of the *incident*

Maximum Indemnity Period

As stated in the schedule

Standard Rent Receivable - The *rent receivable* during that period in the twelve months immediately before the date of the *incident* which corresponds with the *indemnity period*

Annual Rent Receivable - The *rent receivable* during the twelve months immediately before the date of the *incident*

to which such adjustments shall be made as may be necessary to provide for the trend of the *business* and for the variations in or special circumstances affecting the *business* either before or after the *incident* or which would have affected the *business* had the *incident* not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *incident* would have been obtained during the relative period after the *incident*

Memorandum 1 - Alternative Trading Clause

If during the *indemnity period* accommodation or services shall be provided elsewhere than at the *premises* for the benefit of the *business* either by the Insured or by others on the Insured's behalf the *money* paid or payable in respect of such accommodation or services shall be brought into account in arriving at the amount of the *rent receivable* during the *indemnity period*

Business Interruption

Appendix F - Rent Receivable

(continued)

Memorandum 2 - Professional Accountants

The *company* will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the *company* under the terms of the Claims Conditions and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the sum of the amount payable under this clause and the amount otherwise payable under this Section shall in no case exceed the sum insured

Memorandum 3 - Return of Premium

In the event of the *rent receivable* earned (or a proportionately increased multiple thereof where the *maximum indemnity period* exceeds twelve months) during the accounting period of twelve months most nearly concurrent with any *period of insurance* as certified by the Insured's auditors being less than the sum insured thereon a pro rata return of premium not exceeding 50% of the premium paid on such sum insured for such *period of insurance* will be made in respect of the difference. If any *incident* shall have occurred giving rise to a claim under this Section such return shall be made in respect only of so much of the said difference as is not due to such *incident*

In accordance with the Sections referred to in the schedule and subject to the terms of this policy

1. The *company* will indemnify the Insured and the personal representatives of the Insured in respect of legal liability incurred by the Insured
2. The *company* will indemnify
 - (a) any director of the Insured
 - (b) any *person employed*
 - (c) any principal for whom the Insured is carrying out a contract for the performance of work but only to the extent required by the contract conditions
 - (d) the owners of plant hired in by the Insured but only to the extent required by the hiring conditions

against legal liability in respect of which the Insured would have been entitled to indemnity under this policy if the claim had been made against the Insured

3. The *company* will indemnify
 - (a) the officers committees and members of the Insured's canteen social sports educational and welfare organisations and first aid fire security and ambulance services in their respective capacities as such
 - (b) any director or *employee* of the Insured in respect of private work undertaken by any *person employed* for such director or *employee* with the prior consent of the Insured

against legal liability arising from the provision of such facilities or services or work

Provided that each of the parties indemnified under this policy will as if they were the Insured be subject to the terms of this policy insofar as they can apply and that the total amount payable in respect of compensation as a result of indemnifying such parties will not exceed the *limit of indemnity*

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in *bold italics* in this Section

For the purposes of Liability only the following definitions apply

The Business

The *business* means the activities directly connected with the *business* specified in the schedule to the extent that they are conducted at or from premises in Great Britain Northern Ireland the Channel Islands or the Isle of Man and includes the following ancillary activities

1. ownership use repair maintenance and decoration of premises occupied by the Insured
2. repair or maintenance of vehicles or plant owned and used by the Insured
3. the provision and management of canteen social sports educational and welfare organisations for the benefit of any *person employed* and first aid fire security and ambulance services
4. participation in exhibitions held in member countries of the European Community

in connection with the *business* specified in the schedule and in addition

5. private work undertaken by any *person employed* for the Insured or for any director or *employee* of the Insured with the prior consent of the Insured

Bodily Injury

Bodily injury includes death illness disease or nervous shock

Personal Injury

Personal injury means *bodily injury* and wrongful arrest detention imprisonment or eviction of any person or wrongful accusation of shoplifting

Damage

Damage means physical damage

Liability (continued)

Costs and Expenses

Costs and expenses means

1. any claimant's legal costs for which the Insured is legally liable
2. all **costs and expenses** incurred with the **company's** written consent
3. all solicitors fees for legal representation at
 - (a) any Coroner's Inquest or Fatal Accident Inquiry or
 - (b) proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty

in connection with any Event which is or may be the subject of indemnity under this Insurance

Limit of Indemnity (*applicable to Section One - Public and Products Liability*)

Limit of indemnity means the amount specified as such in the schedule and the liability of the **company** for all compensation payable to any claimant or any number of claimants in respect of or arising out of any one Event or all Events of a series consequent on or attributable to one source or original cause shall not exceed the **limit of indemnity** but in respect of **products supplied** or pollution or contamination the **limit of indemnity** shall apply to all insured Events occurring in any one **period of insurance**

Costs and expenses recoverable under this Insurance will be paid in addition to the **limit of indemnity** except that in respect of any claim brought in the United States of America or any territory within its jurisdiction or Canada the **limit of indemnity** shall be the maximum amount payable including **costs and expenses**

Limit of Indemnity (*applicable to Section 2 - Employers Liability*)

Limit of indemnity means the amount specified as such in the schedule and the liability of the **company** including **costs and expenses** in respect of any one claim or series of claims arising out of one cause shall not exceed the **limit of indemnity**

The Works

The **works** means all works executed or to be executed by or on behalf of the Insured and all materials brought to the site of the **works** for incorporation therein and all plant tools equipment temporary works temporary buildings or any other property brought onto or adjacent to the site for the purpose of the execution of the **works**

Contract Work Executed

Contract work executed means work carried out by or on behalf of the Insured away from the Insured's normal place of business or that of the party who carried out the work on behalf of the Insured and which at the time of the Event giving rise to a claim under this Insurance is

1. no longer the property of and
2. not under the custody or control of

the Insured or any **person employed** by the Insured

Products Supplied

Products supplied means goods including labels and containers and packaging

1. on which work has been completed by or on behalf of the Insured at the Insured's normal place of business or that of the party who carried out the work on behalf of the Insured or
2. which have been handled stored sold supplied or transported by the Insured

and which at the time of the Event giving rise to a claim under this Insurance are not under the custody or control of the Insured or any **person employed**

Property

Property means material property

Liability (continued)

Territorial Limits

The *territorial limits* referred to in this Insurance are

1. anywhere within Great Britain Northern Ireland the Channel Islands or the Isle of Man including designated areas of the continental shelf surrounding Great Britain and foreign sections of cross boundary petroleum fields as defined in the Employment (Continental Shelf) Act 1978

or
2. anywhere within the member countries of the European Community in connection with the activities of *persons employed* provided such persons are normally resident in Great Britain Northern Ireland the Channel Islands or the Isle of Man

or
3. elsewhere in the world in connection with the activities of *persons employed* provided such persons are normally resident in Great Britain Northern Ireland the Channel Islands or the Isle of Man and are not outside such countries for more than six months in any one year

or
4. anywhere in the world in connection with *products supplied* at or from premises within Great Britain Northern Ireland the Channel Islands or the Isle of Man

SECTION ONE - PUBLIC AND PRODUCTS LIABILITY

Event

In the Event of accidental

1. *personal injury*
or
2. loss of or *damage to property*
or
3. obstruction trespass nuisance or interference with any right of way air light or water or other easement

which arises in connection with the *business* and which occurs during the *period of insurance* and within the *territorial limits*

Indemnity

In respect of such an Event the *company* will provide indemnity against

1. legal liability for compensation up to the *limit of indemnity*
and
2. *costs and expenses*

Extensions included in Section One

A. Legal Expenses arising from Health and Safety Legislation

Event

1. In the Event of any act or omission or alleged act or omission leading to criminal proceedings brought in respect of a breach of the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 or similar safety legislation of Great Britain Northern Ireland the Channel Islands or the Isle of Man
or
2. In the Event of an incident which results in an Inquiry ordered under the Health and Safety Inquiries (Procedure) Regulations 1975

Liability (continued)

Indemnity

The *company* will provide indemnity up to the **limit of indemnity** against legal fees and expenses incurred in representing the Insured in such proceedings including appeals against the results of such proceedings

Provided that the proceedings relate to an act or omission or incident or alleged act or omission or incident which has been committed during the **period of insurance** within Great Britain Northern Ireland the Channel Islands or the Isle of Man and in the course of the Insured's **business**

This indemnity will not apply

1. in respect of fines or penalties of any kind
2. to proceedings relating to the health and safety of any **person employed**
3. to proceedings consequent upon a deliberate act or omission by the Insured
4. to persons other than the Insured or any director or **employee** of the Insured
5. where there is an indemnity provided by a legal expenses insurance policy

B. Compensation for Court Attendance

In the event of any director partner or **employee** of the Insured attending court as a witness at the request of the *company* in connection with a claim in respect of which the Insured is entitled to indemnity under this Section the *company* will provide compensation to the Insured at the following rates for each day on which attendance is required

- (a) any partner or proprietor
up to £250 per day maximum
- (b) any director
up to £250 per day maximum
- (c) any other **employee**
up to £150 per day maximum

Additional Clauses

In respect of the circumstances specified in the following Additional Clauses the *company* will provide indemnity up to the **limit of indemnity** subject to the terms of the relevant Additional Clause and subject otherwise to the terms of this policy

Provided that the circumstances arise in connection with the **business** and that the Event giving rise to legal liability occurs during the **period of insurance** and within the **territorial limits**

1. **Defective Premises Act Liability**
Where the Insured is legally liable for accidental **bodily injury** or loss of or **damage to property** by virtue of the Defective Premises Act 1972 or the Defective Premises (Northern Ireland) Order 1975 in connection with any premises which have been disposed of by the Insured and which prior to disposal were owned by the Insured the *company* will provide indemnity against such legal liability

2. **Cross Liabilities**
Where there is more than one party named as the Insured in the schedule this policy will apply separately to each such Insured in the same manner and to the same extent as if a separate policy had been issued to each Insured and the *company* agrees to waive all rights of subrogation against any of these parties

Provided that the total amount payable in respect of compensation does not exceed the **limit of indemnity**

3. **Motor Contingent Liability**
Where the Insured is legally liable for accidental **bodily injury** or loss of or **damage to property** arising out of the use of any motor vehicle in connection with the **business** the *company* will indemnify the Insured against such legal liability

This indemnity will not apply

- (a) in respect of any vehicle owned or provided by the Insured or any principal for whom the Insured is working or any sub-contractor acting for or on behalf of the Insured
- (b) in respect of loss of or **damage** to such vehicle or to goods conveyed therein or thereon

Liability (continued)

- (c) while such vehicle is being driven by the Insured or by any person who to the knowledge of the Insured or of the Insured's representative does not hold a licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence
- (d) to legal liability in respect of which the Insured is entitled to indemnity under any other insurance
- (e) outside Great Britain Northern Ireland the Channel Islands or the Isle of Man

For the purposes of this Additional Clause the term Insured shall mean only the Insured named in the schedule and no other party

4. Overseas Personal Liability

- (a) Where the Insured or any director or *employee* of the Insured is visiting a country outside Great Britain Northern Ireland the Channel Islands or the Isle of Man for less than six months continuously in connection with the *business* the *company* will provide indemnity to the Insured and to
 - (i) any director or *employee* of the Insured
 - (ii) any spouse or child of the Insured or director or *employee* of the Insured accompanying such Insured or director or *employee* of the Insured

against legal liability incurred in a personal capacity for accidental *bodily injury* or loss of or *damage* to *property* occurring during such a visit

- (b) Where the Insured is an individual the indemnity also applies within Great Britain Northern Ireland the Channel Islands or the Isle of Man

The indemnity described in this Additional Clause will not apply to legal liability

- (a) in respect of any agreement or contract unless liability would have existed otherwise
- (b) in respect of the ownership or occupation of land or buildings
- (c) in respect of the carrying on of any trade or profession

- (d) where indemnity is provided by any other insurance
- (e) in respect of the ownership possession or use of wild animals firearms (other than sporting guns) mechanically propelled vehicles aircraft or watercraft

5. Tenant's Liability for Hired or Rented Buildings

Where the Insured is legally liable for accidental loss of or *damage* to buildings (or fixtures or fittings thereof) hired or rented to the Insured for the purpose of occupancy by the Insured the *company* will provide indemnity against such legal liability provided the hire or renting takes place under written contract

This indemnity will not apply to

- (a) the first £100 of such loss or *damage* caused other than by fire or explosion
- (b) loss or *damage* if the liability is assumed by the Insured under the written contract and would not have attached in the absence of such contract
- (c) loss or *damage* caused by fire or any other peril against which the written contract stipulates that insurance shall be effected by or on behalf of the Insured

6. Liability for Buildings Temporarily Occupied

Where buildings (other than buildings comprising the *works* and their contents comprising the *works*) are temporarily occupied by the Insured for the purposes of carrying out work in connection with the *business* the *company* will provide indemnity against legal liability in respect of accidental loss of or *damage* to such buildings or their contents occurring during the Insured's occupancy

Provided that such buildings or their contents are not owned leased hired or rented by the Insured or any sub-contractor acting for or on behalf of the Insured

Liability (continued)

7. Car Park and Cloakroom Liability

Where vehicles and their contents or personal effects of persons other than the Insured are held in trust by or in the custody or control of the Insured the *company* will provide indemnity against legal liability in respect of accidental loss of or *damage* to such *property*

Provided that such *property*

- (a) is not being stored by the Insured for a fee or other consideration
and
- (b) is not held in trust by or in the custody or control of the Insured for the purposes of work being carried out on such *property*
- (c) in the case of vehicles and their contents is held in the car park forming part of the business premises or the Insured's own car park
- (d) in the case of personal effects is held in the cloakroom forming part of the business premises or the Insured's own cloakroom

8. Obstructing Vehicles

Where any vehicle is causing an obstruction and interfering with the performance of the *business* the *company* will provide indemnity against legal liability for accidental *bodily injury* or loss of or *damage* to *property* arising from the movement of such vehicle by the Insured or an *employee* of the Insured or the application of a wheel clamp to the vehicle

Provided that

- (a) if such obstructing vehicle is being moved such use will be restricted solely to the minimum movement of the vehicle required to obtain access to or exit from the Insured's premises
- (b) if a wheel clamp is attached to a vehicle a bold warning notice to this effect will be attached to the windscreen of such vehicle

The indemnity will not apply in circumstances where it is compulsory for the Insured to insure or provide security as a requirement of any road traffic legislation

9. Consumer Protection Act and Food Safety Act

The *company* will provide indemnity to the Insured and any director of the Insured or *person employed* in respect of

- 1. costs of prosecution awarded against the Insured or any director of the Insured or *person employed*
- 2. legal fees and expenses incurred with the *company's* consent in the defence of and

arising from criminal proceedings brought or in an appeal against conviction from such proceedings in respect of a breach of Part II of the Consumer Protection Act 1987 or of Part II of the Food Safety Act 1990

Provided that

- (a) the proceedings relate to an offence committed or alleged to have been committed during the *period of insurance* and in the course of the Insured's *business*
- (b) the indemnity will not apply
 - (i) in respect of fines or penalties of any kind
 - (ii) where indemnity is provided by any other insurance
 - (iii) to proceedings consequent upon any deliberate act or omission

Exceptions to Section One

The *company* will not be liable under Section One of this Insurance in respect of

1. Injury to Persons Employed

Personal injury to any *person employed* or to any working partner or proprietor comprising the Insured arising out of and in the course of employment by the Insured in the *business*

Liability (continued)

2. **Vehicles and Craft**

Liability arising out of the possession ownership or use by or on behalf of the Insured or any person entitled to indemnity under Section One of this Insurance of any

- (a) mechanically propelled vehicle or trailer attached thereto used in circumstances in respect of which insurance or security is necessary to meet the requirements of road traffic legislation
- (b) aircraft aerial device hovercraft or watercraft

Provided there is no indemnity afforded under any more specific insurance this exception will not apply to

- (i) the loading or unloading of motor vehicles or trailers
- (ii) the circumstances described in Additional Clauses 3 or 8
- (iii) watercraft which are less than 8 metres in length
- (iv) barges used solely on inland waterways

3. **The Works and Property under the Insured's control**

Loss of or *damage* to

- (a) the *works*
- (b) property belonging loaned or hired to the Insured
- (c) property which is held in trust by or held in the custody or control of the Insured or any *person employed* by the Insured or any party who is carrying out work on behalf of the Insured

other than in the circumstances described in Additional Clauses 5 or 6 or 7

- (d) property for which there is a contractual requirement to effect insurance (other than public liability insurance)

- (e) property for which there is a contractual requirement to effect insurance by reason of Clause 21.2.1. of the 1980 Edition of the Joint Contracts Tribunal Conditions of Contract (or the corresponding clause in any prior version or any subsequent revision or substitution thereof) or by any clause of similar intent under any other conditions of contract

4. **Loss of or Damage to Products Supplied or Contract Work Executed**

- (a) loss of or *damage* to

or

- (b) the cost incurred by anyone in repairing removing replacing re-applying rectifying or reinstating

any *products supplied* or *contract work executed* other than *products supplied* or *contract work executed* under a separate contract

5. **Recalling of Products Supplied or Contract Work Executed**

The cost incurred by anyone in

- (a) recalling or making refunds in respect of any *products supplied* or *contract work executed*
- (b) remedying any defects or alleged defects in land or buildings or structures or other premises disposed of by the Insured

6. **Liquidated damages and penalty clauses etc.**

Liquidated damages or penalty clauses or fines or punitive or exemplary damages or any damages resulting from the multiplication of compensatory damages

7. **Professional services**

Advice instruction consultancy design formula specification inspection certification or testing performed or provided separately for a fee or under a separate contract

Liability (continued)

8. **Aircraft and nuclear risks**
Liability arising out of *products supplied* with the knowledge of the Insured or *contract work executed* by or on behalf of the Insured which could affect
- (a) the navigation propulsion or safety of any aircraft or other aerial device
 - (b) the safety or operation of nuclear installations
9. **Contractual liability for Products Supplied**
Any *products supplied* by or on behalf of the Insured where legal liability has been accepted by agreement unless such liability would have attached in the absence of such agreement
10. **Pollution or Contamination**
Pollution or contamination of buildings or other structures or water or land or the atmosphere (including all *personal injury* or loss of or *damage to property* directly or indirectly caused by such pollution or contamination) other than caused by a sudden identifiable unintended and unexpected incident which occurs in its entirety at a specific time and place during the *period of insurance*
- All pollution or contamination which arises out of one incident shall be deemed to have occurred on the date that the Insured first becomes aware of such incident
11. **War**
Any consequence of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power

Excess Applying to Section One

In respect of each and every Event resulting in accidental loss of or *damage to property* arising from work by or on behalf of the Insured away from the Insured's normal place of business the *company* will not be liable for the amount of any Excess (or any lesser amount for which a claim may be settled) shown in the schedule which may apply in the circumstances of such claim

Special Clauses and Endorsements

Section One is subject to the Special Clauses and Endorsements (if any) indicated in the schedule as applying to Section One

SECTION TWO - EMPLOYERS LIABILITY

Event

In the Event of *bodily injury* sustained by any *person employed* which arises out of and in the course of his or her employment by the Insured in the *business* and which is caused during the *period of insurance* and within the *territorial limits*

Indemnity

In respect of such an Event the *company* will provide indemnity against legal liability to such *person employed* for compensation including *costs and expenses* up to the *limit of indemnity* stated in the schedule

Avoidance Clause

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law ordinance or statute relating to compulsory insurance of liability to *employees* but the Insured shall repay to the *company* all sums paid by the *company* which the *company* would not have been liable to pay but for the provisions of such law ordinance or statute

Additional Clause

In respect of the circumstances specified in the following Additional Clause the *company* will provide indemnity up to the *limit of indemnity* subject to the terms of the relevant Additional Clause and subject otherwise to the terms of this policy

Provided that the circumstances arise in connection with the *business* and that the Event giving rise to legal liability occurs during the *period of insurance* and within the *territorial limits*

Cross Liabilities

Where there is more than one party named as the Insured in the schedule this policy will apply separately to each such Insured in the same manner and to the same extent as if a separate policy had been issued to each Insured and the *company* agrees to waive all rights of subrogation against any of these parties

Provided that the total amount payable in respect of compensation does not exceed the *limit of indemnity*

Liability (continued)

Extensions Included in Section Two

A. Legal Expenses arising from Health and Safety Legislation

Event

1. In the Event of any act or omission or alleged act or omission leading to criminal proceedings brought in respect of a breach of the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 or similar safety legislation of Great Britain Northern Ireland the Channel Islands or the Isle of Man or
2. In the Event of an incident which results in an Inquiry ordered under the Health and Safety Inquiries (Procedure) Regulations 1975

Indemnity

The *company* will provide indemnity up to the *limit of indemnity* against legal fees and expenses incurred in representing the Insured in such proceedings including appeals against the results of such proceedings

Provided that the proceedings relate to an act or omission or incident or alleged act or omission or incident which has been committed during the *period of insurance* within Great Britain Northern Ireland the Channel Islands or the Isle of Man and in the course of the Insured's *business*

This indemnity will not apply

1. in respect of fines or penalties of any kind
2. to proceedings relating to the health and safety of any person other than a *person employed*
3. to proceedings consequent upon a deliberate act or omission by the Insured
4. to persons other than the Insured or any director or *employee* of the Insured
5. where there is an indemnity provided by a legal expenses insurance policy

B. Unsatisfied Court Judgements

Event

In the Event of a judgment for damages being obtained by any *employee* in respect of *bodily injury* to the *employee* caused during any *period of insurance* and arising out of and in the course of employment by the Insured in the *business* against any company or individual operating from premises within Great Britain Northern Ireland the Channel Islands or the Isle of Man in any Court situate in those countries and remaining unsatisfied in whole or in part six months after the date of such judgement

Indemnity

The *company* will at the request of the Insured indemnify up to the *limit of indemnity* the *employee* or the personal representatives of the *employee* up to the amount of any such damages and any awarded costs to the extent that they remain unsatisfied

Provided that

1. there is no appeal outstanding
2. if any payment is made hereunder the *employee* or the personal representatives of the *employee* shall assign the judgement to the *company*

C. Compensation for Court Attendance

In the event of any director partner or *employee* of the Insured attending court as a witness at the request of the *company* in connection with a claim in respect of which the Insured is entitled to indemnity under this Section the *company* will provide compensation to the Insured at the following rates for each day on which attendance is required

- (a) any partner or proprietor
up to £250 per day maximum
- (b) any director
up to £250 per day maximum
- (c) any other *employee*
up to £150 per day maximum

Liability (continued)

Special Memorandum

The indemnity by this Section will not apply to liability in respect of any *bodily injury* sustained by any *person employed*

(i) carried in or upon a vehicle

or

(ii) entering or getting on to or alighting from a vehicle

where such *bodily injury* is caused by or arises out of the use by the Insured of a vehicle on a road

For the purposes of this Special Memorandum the expressions "road" "use" and "vehicle" have the same meanings as in the Road Traffic Act 1988 or any subsequent legislation

Special Clauses and Endorsements Applicable to Section Two

Section Two is subject to the Special Clauses and Endorsements (if any) indicated on the schedule as applying to Section Two

Liability (continued)

SPECIAL CLAUSES

Special Clauses A to I inclusive apply only if the letter set against them appears in the relevant place in the schedule

Each Special Clause is subject otherwise to the limits terms Exceptions and Conditions of this policy

Public and Products Liability Special Clauses

- A. Excluding Liability for Products Supplied**
The *company* will not be liable under Section One of this Insurance in respect of *products supplied* whether or not these are incorporated into *contract work executed*

This exception does not apply to

1. food or drink intended to be consumed on the Insured's premises or
2. the disposal of assets consisting of furniture and office equipment originally intended solely for use by the Insured in connection with the *business* and which is no longer required for that purpose

- B. Excluding liability for Products Supplied unless incorporated into Contract Work Executed**
The *company* will not be liable under Section One of this Insurance in respect of *products supplied* unless these are incorporated into *contract work executed*

This exception does not apply to

1. food or drink intended to be consumed on the Insured's premises or
2. the disposal of assets consisting of furniture and office equipment originally intended solely for use by the Insured in connection with the *business* and which is no longer required for that purpose

- C. Exclusion of Products Supplied with the knowledge of the Insured to the United States of America or Canada**

The *company* will not be liable under Section One of this Insurance in respect of any *products supplied* including *products supplied* prior to the inception of this Insurance which the Insured knows or could reasonably have been expected to know would be used within the United States of America or Canada

- D. Excluding failure to perform**

This insurance does not apply to liability caused by the failure or alleged failure or unsuitability of any *products supplied* or *contract work executed* to perform correctly their or its intended function

- E. Heat Equipment Condition**

It is a condition precedent to liability that in respect of the use away from the Insured's own premises of electric oxy-acetylene or similar welding or cutting equipment blow lamps blow torches hot air guns hot air strippers or asphalt bitumen tar or pitch heaters the following precautions will be complied with on every occasion

1. Adequate and suitable portable Fire Extinguishers to British Standard 5423:1987 or its predecessors or successors in full working order will be kept at each area of work and used immediately smoke or smouldering or flames are detected
2. The area in the immediate vicinity of the work shall be cleared of all moveable combustible materials
Combustible materials which cannot be moved must be covered and protected by over-lapping sheets or screens of non-combustible material
3. A fire safety check of the working area to discover smoke smouldering or flames (including spaces behind walls and screens or partitions and above false ceilings) shall be made at regular intervals during the work and between 30 minutes and 60 minutes after completion of each period of work and immediate steps taken to extinguish any smouldering or flames discovered

Liability (continued)

4. Heat equipment will not be left unattended whilst hot or lit or switched on
5. Where there is more than one person working at a site where heat is being used the Insured shall appoint a responsible person at each such site to ensure that the precautions stipulated in this condition are fully observed
6. Blow lamps and blow torches must be filled in the open and must not be lit until immediately before use and must be extinguished immediately after use
7. The heating of asphalt bitumen tar or pitch must be carried out in the open and in a vessel designed for the purpose placed on a non-combustible surface

In respect of each and every claim for loss of or damage to *property* arising from the performance of work involving the application of heat the *company* will not be liable for the amount of the Excess shown in the schedule

- F. Heat (Excluding use away from premises)**
This insurance does not apply to liability in respect of any loss of or damage to *property* arising from the performance of work involving the application of heat other than on premises owned leased or rented by the Insured
- G. High Risk Premises (Excluding work at)**
This Insurance does not apply to liability in respect of any claim arising out of or in connection with any work undertaken on or in the following
- (a) power stations nuclear installations or establishments
 - (b) refineries bulk storage or production premises in the oil gas or chemical industries
 - (c) offshore structures or work underground or underwater
 - (d) computers or computer rooms

- (e) aircraft hovercraft aerospace systems or watercraft (other than work on watercraft in docks harbours boatyards or inland waterways not involving the use of heat)
- (f) railways or airports

Employer's Liability Special Clauses

H. Injuries to Working Partners or Proprietors

In respect of *bodily injury* sustained by any working partner or proprietor named as the Insured in the schedule to this policy the *company* will for the purpose of Section Two deem such person to be a *person employed* provided that the *company* will only be liable under this Special Clause where

1. the *bodily injury* is sustained whilst such partner or proprietor is working in connection with the *business* and
2. the *bodily injury* is caused by the negligence of another partner or proprietor or *person employed* whilst working in the *business* and
3. the injured partner or proprietor has a valid right of action in negligence against the person responsible for such *bodily injury*

Special Clauses which can apply to both Sections

I. Work Away (Excluding Manual Work)

This insurance does not apply to liability in respect of any claim arising in connection with manual work undertaken away from the Insured's premises other than delivery or collection

SECTION 1 - MONEY

The **company** will indemnify the Insured in respect of

1. Loss of current **money** the property of or for which the Insured is responsible in the course of the **business** up to the Limit Any One Loss stated in the schedule
 - (a) in transit
 - (b) in the custody of collectors for twenty four hours from time of receipt or until the next working day whichever is the later
 - (c) on sites of contracts whilst Persons Employed are working thereat
 - (d) on the **premises**
 - (e) at the private dwelling houses of the Policyholders principals or authorised **employees**
 - (f) deposited in any bank night safe until removed by a bank official
2. Loss of or damage to any postal franking machine safe or strongroom or any container case bag or waistcoat used for the carriage of **money** following theft or attempted theft therefrom
3. Damage to clothing and personal effects belonging to the Insured or any **person employed** following robbery or any attempt thereat away from the **premises** Limit any one person £500

Additional Definitions to Section 1

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in **bold italics** in this Section

Limits any One Loss

As stated in the schedule

1. Stamped National Insurance Cards crossed cheques (including crossed giro cheques and drafts but excluding pre-signed blank cheques) crossed money orders crossed postal orders crossed bankers drafts crossed warrants national savings certificates premium savings bonds franking machine impressions credit company sales vouchers and VAT invoices

The following items exclude **money** as described in Item 1

2. **Money** not contained in locked safes
 - (i) in the Insured's **premises** outside **business hours**
 - (ii) in the private dwelling houses of the Insured's principals or authorised **employees**
 - (iii) in the custody of collectors for twenty four hours from the time of receipt or until the next working day whichever is the later
3. **Money** from locked safes outside **business hours** The **company** shall not be liable for loss of **money** from any safe not listed in the schedule
4. Any other loss of **money** insured by this Section

Business Hours

Business hours shall mean the usual working hours (including overtime) during which the Insured or **employees** entrusted with **money** are on the **premises** for the purpose of the **business**

Estimated Annual Amount of Money

The **estimated annual amount of money** in transit stated in the Schedule shall be **money** excluding stamped National Insurance Cards crossed cheques crossed bankers drafts crossed warrants national savings certificates premium savings bonds franking machine impressions credit company sales vouchers and VAT invoices

Money (continued)

Exceptions to Section 1

This Section does not cover

1. Shortages due to clerical or accounting errors
2. Loss due to the fraud or dishonesty of any director partner or *person employed* of the Insured
 - (a) not discovered within seven working days of its occurrence
 - (b) more specifically insured by any other policy or policies except in respect of any excess beyond the amount payable under such other policy or policies
3. Loss or damage arising elsewhere than in Great Britain Northern Ireland the Channel Islands or the Isle of Man
4. Loss
 - (a) from an unoccupied vehicle
 - (b) of *money* and contents from any note coin or token operated gaming amusement or vending machine
5. Consequential loss or damage of any kind or description

Special Conditions

1. It is a condition precedent to the *company's* liability that
 - (a) a complete record shall be kept of the *money* in transit and on the *premises*
 - (b) such records shall be deposited in a secure place other than in the safes containing the *money*
2. It is a condition precedent to the *company's* liability that outside *business hours* the safes be kept locked and the keys of the safes shall not be left on the *premises* unless the *premises* are occupied by the Insured or an authorised *employee* of the Insured in which case such keys if left on the *premises* shall be deposited in a secure place not in the vicinity of the safes

subject otherwise to the limits terms and conditions of this Section

3. Intruder Alarm Condition

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in ***bold italics*** in this Section

Intruder Alarm System

The component parts detailed in the alarm specification which has been agreed by the *company* including the means of communication used to transmit signals

Alarmed Premises

The *premises* or those portions of the *premises* protected by the *intruder alarm system*

Authorised Person

The Insured or any person or keyholding company authorised by the Insured available at all times to accept notification of faults or alarm signals relating to the *intruder alarm system* attend and allow access to the *alarmed premises*

It is a condition precedent to the *company's* liability in respect of theft or any attempt thereat that whenever the premises are closed for business or left unattended that

- 1 The *alarmed premises* are protected by an *intruder alarm system* installed as agreed with the *company*
- 2 The *intruder alarm system* shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance with the installing company or such other company as agreed with the *company*
- 3 No modification to or substitution of
 - (a) any part of the *intruder alarm system*

The undernoted Special Condition is operative only if specifically mentioned in the schedule and is

Money (continued)

- (b) the procedures agreed with the *company* for Police or any other response to any activation of the *intruder alarm system*
- (c) the maintenance contract
- shall be made without the written agreement of the *company*
- 4 The *alarmed premises* shall not be left without at least one *authorised person* therein
- (a) unless the *intruder alarm system* is set in its entirety
- (b) if the Police have withdrawn their response to alarm calls
- unless specifically agreed with the *company*
- 5 All keys to the *intruder alarm system* are removed from the *alarmed premises* when the *premises* are left unattended
- 6 The *authorised person* and keyholders maintain secrecy of codes for the operation of the *intruder alarm system* and no details of same are left on the *premises*
- 7 The Insured shall appoint at least two keyholders and lodge written details (which must be kept up to date) with the alarm company and the Police
- 8 In the event of notification of any activation of the *intruder alarm system* or interruption of the means of communication during any period that the *intruder alarm system* is set then (unless alternative procedures have been agreed with the *company* in writing) a keyholder shall attend the *premises* as soon as reasonably possible following notification and shall not leave them without at least one *authorised person* therein until the provisions of paragraph 4 have been complied with
- 9 In the event of the Insured receiving any notification
- (a) that Police response to alarm signals/calls from the *intruder alarm system* may be withdrawn or the level of response reduced or delayed
- (b) from a Local Authority or Magistrate imposing any requirements for abatement of a nuisance
- (c) from the installing company or other such company as agreed by the *company* that the *intruder alarm system* cannot be returned to or maintained in full working order
- the Insure shall advise the *company* as soon as possible and in any event not later than 10.00a.m. on the *company's* next working day and comply with all subsequent requirements stipulated by the *company*
- 10 Where Police response to alarm signals/calls from the *intruder alarm system* has been withdrawn or the level of response reduced or delayed the Insured shall take all appropriate steps to have Police response fully restored at the earliest possible date shall obtain written confirmation to this effect from the Police and shall advise the *company* of the date upon which full response is stored

SPECIAL PROVISIONS

It is a condition precedent to the *company's* liability that prior to the agreement of the alarm specification and maintenance contract arrangements by the *company* the Insured shall comply with all the requirements detailed herein in the same manner as if the specification and maintenance arrangement had been agreed by the *company*

Money (continued)

SECTION 2 - ASSAULT

Contingencies

Bodily Injury sustained by the Insured or any person employed (hereinafter called the Insured Person) as a result of robbery or any attempt thereat arising in the course of the *business* and resulting in

1. Death
2. Permanent loss of all sight in one or both eyes
3. Loss of one or more limbs

occurring within twelve calendar months of Bodily Injury as aforesaid

4. Permanent and total disablement (other than by Loss of Limbs or sight) which on the expiration of 104 weeks from the date of such Bodily Injury shall permanently and totally disable an Insured Person from following engaging in or giving attention to any kind of profession or occupation
5. Temporary total disablement from engaging in or giving attention to profession or occupation commencing within 12 calendar months of Bodily Injury as aforesaid

Interpretation

Loss of Limb

Loss of Limb shall mean loss by physical severance at or above the wrist or ankle or the total and permanent loss of use of an entire hand arm foot or leg

Bodily Injury

Bodily Injury shall mean bodily injury resulting solely and directly from accident caused by outward violent and visible means which shall directly and independently of any other cause result in death or disablement

Limits of Amounts Payable

1. The benefit under contingency 5 shall not be payable for more than 104 weeks in respect of any one injury calculated from the date of commencement of disablement
2. If and when benefit becomes payable under any of contingencies 1 to 3 weekly benefit being paid in connection with the same injury will cease
3. Payment of a claim under one of the contingencies 1 2 3 or 4 will end the cover granted insofar as it applies to the Insured Person concerned
4. No benefit shall be payable for more than one of contingencies 1 to 4 in respect of the same injury
5. No benefit shall be payable in respect of death or disablement consequent upon aggravated or prolonged by any pre-existing physical or mental defect infirmity pregnancy or childbirth

Special Condition to Section 2

1. This insurance applies only to
 - (a) persons between the ages of 16 and 65 years
 - (b) contingencies occurring within Great Britain Northern Ireland the Channel Islands or the Isle of Man

Benefits

The benefits applicable are as stated in the schedule

Cover

Provided any of Results 1 2 or 4 below occur within twenty four calendar months of the injury the **company** will pay

- (a) the Insured
- or
- (b) the Insured's legal personal representative

the benefits described in the schedule if during the Operative Time any Insured Person suffers bodily injury caused by accident resulting solely and independently of other causes in

Result

1. death
2. total and irrecoverable loss of sight in one or both eyes or loss of one or more limbs
3. permanent and total disablement (other than by **loss of limbs** or sight) which after 104 **weeks** from the date of injury prevents any Insured Person from following engaging in or giving attention to usual profession or occupation
4. temporary total disablement from engaging in or giving attention to usual profession or occupation
5. temporary partial disablement from following a substantial part of usual profession of occupation

Limits of Amounts Payable

1. Benefit under Results 4 and 5 will be payable for up to 104 **weeks** calculated from the first day of disablement
2. If and when benefit becomes payable under either of Results 1 and 2 weekly benefit being paid in connection with the same injury will cease
3. Benefit shall not be payable in respect of any one Insured Person under more than one of Results 1 to 3 in connection with the same accident
4. Payment of a claim under one of the Results 1 to 3 inclusive will end this Section in respect of the Insured Person concerned

Medical Expenses Extension

If there is a valid claim for benefit under Result 4 the **company** will pay medical expenses necessarily incurred up to 15% of the amount of weekly benefit paid

Hijack or Kidnap Extension

In the event of a **hijack** or Kidnap

- (a) this Insurance shall remain in force beyond the renewal date in respect of the Insured Person who is at the time the subject of the **hijack** or Kidnap provided that the renewal premium is paid
- (b) the **company** will pay £200 for each period of 24 hours or part thereof that the Insured Person is restrained subject to a maximum of £3,000

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in **bold italics** in this Section

Loss of Limb

Loss by physical severance at or above the wrist or ankle or the total and permanent loss of use of an entire hand arm foot or leg

Week

Seven consecutive days

Deferment Period

A period at commencement of disablement during which weekly benefits are not paid

Curtailment Period

Any period in which weekly benefits are payable that is less than the standard 104 **weeks** for Personal Accident

Hijack

The unlawful seizure or wrongful exercise of control of an aircraft or other conveyance in which an insured person is travelling

Personal Accident (continued)

NOTES

1. Bodily injury does not include sickness disease or naturally occurring condition or degenerative process
2. For the purposes of this Section the term bodily injury will include death or disablement as a direct result of exposure to the elements
3. It will be presumed that death has occurred if the Insured Person has been missing for 90 consecutive days and sufficient evidence is provided to support the conclusion that death was caused by accident. If at any time after benefit has been paid the Insured Person is found alive such benefit shall be refunded to the *company*
4. Weekly benefits will be paid at four weekly intervals (but not in advance)

Conveyance Limit

The *company* shall not be liable for more than the amount of any Conveyance Limit stated in the schedule in respect of all Insured Persons travelling in the same conveyance. Proportionate reductions will be made to the benefits of each Insured Person to ensure this limit is not exceeded.

Operative time

The Operative time shown in the schedule shall have the following meanings

24 hour - At any time

Occupational Accidents Only - While engaged on the Insured Person's occupation in the *business*

Occupational Accidents plus Commuting Risks - While engaged on the Insured Person's occupation in the *business* including daily travel directly between residence (normal or temporary) and place of work

Exceptions to Personal Accident

- A. Benefit shall not be payable for more than one Result under this Section except as provided for therein
- B. This Section does not insure any person against death or bodily injury caused by or

resulting from

1. any physical or mental defect or infirmity which was known either to the Insured or the Insured Person when the policy was issued or at renewal unless accepted by the *company* in writing
2. suicide or attempted suicide or wilful exposure to danger (except in an attempt to save human life) or due to contributed to or accelerated by any sexually transmitted disease
3. air travel or other aerial activities except while travelling as a passenger in a fully licensed passenger carrying aircraft but not as pilot or aircrew nor for the purpose of undertaking any trade or technical operation in or on the aircraft
4. accidents occurring while any insured person is
 - (i) engaged in mountaineering or rock climbing ordinarily necessitating the use of ropes or guides or engaged in pot holing
 - (ii) engaged in or practising for speed or time trials sprints or racing of any kind (other than on foot) or endurance tests
 - (iii) engaged in football of any kind polo playing ski-ing (other than water ski-ing) and other winter sports hunting show jumping all forms of unarmed or armed combat water ski-jumping and tricks skin diving power boating in any boat designed to travel at a speed in excess of 30 knots
 - (iv) engaged in motor cycling as a rider or passenger
 - (v) engaged in any other hazardous pursuit
 - (vi) under the influence of intoxicating liquor or drugs (other than drugs taken under medical supervision and not for the treatment of drug addiction)

Personal Accident (continued)

5. pregnancy and/or childbirth
- C. This Section does not insure against any accident occurring after the end of the *period of insurance* during which the Insured Person reaches age 70

Excluded Physical Defects or Sickness

Any excluded physical defect stated in the schedule shall be excluded from the insurance under this Section to the extent stated in respect of the Insured Person specified

Special Conditions to Personal Accident

1. **Changes in Profession or Occupation**
The *company* must be notified immediately by the Insured in writing of any changes in profession occupation habits or pursuits of any Insured Person or if any other insurances against accident are effected
2. **Changes in Health**
If renewal of this policy is invited the Insured must notify the *company* of any sickness physical defect or infirmity suffered by any Insured Person since the previous premium payment

The *company* will indemnify the Insured against

- (a) loss of *money* or goods belonging to them or for which they are responsible as a result of any act of fraud or dishonesty by any *employee* described in the schedule which is committed after the Commencement Date during the *period of insurance* and discovered not later than two years after the death dismissal or retirement of the *employee* or the expiry of this Section whichever occurs first
- (b) auditors fees necessarily incurred with the consent of the *company* in respect of any claim under this Section

Provided that

- (i) the liability of the *company* shall not exceed the *limit of indemnity*
- (ii) immediately following the discovery of an act of fraud or dishonesty by any *employee* no liability shall be incurred by the *company* for any further acts of fraud or dishonesty by such *employee*
- (iii) the *employees'* act of fraud or dishonesty occurs within Great Britain Northern Ireland the Channel Islands or the Isle of Man
- (iv) the *company* shall not be liable for any loss of a consequential nature

Conditions

1. **Automatic Reinstatement**
Upon discovery of a loss yielding a valid claim hereunder the *limit of indemnity* shall be automatically reinstated by the amount of such loss as subsequently ascertained the Insured having undertaken to pay a pro rata additional premium calculated on the amount of the reinstatement from the date of such discovery to the renewal date of this Section provided always that the amount by which the *limit of indemnity* is reinstated shall only apply to acts of fraud or dishonesty committed subsequent to the date of such reinstatement
2. **Alteration of Risk**
Unless the *company* shall consent in writing to any alteration the *company* shall not be liable to make any payment under this policy if the nature of the *business* carried on shall be changed or if the Insured does not operate and maintain the *system of check and supervision*
3. Any sum of *money* which but for fraud or dishonesty of any *employee* would become payable to such *employee* shall be deducted

from the amount of the loss before a claim is made under this Section

4. If this Section be continued in force for more than one *period of insurance* the liability of the *company* in respect of any one claim shall not be accumulated or increased thereby and the aggregate liability of the *company* during any number of *periods of insurance* and for any number of losses forming the basis of any one claim whether under this Section or any similar Insurance in substitution for or substituted by this Section shall not exceed the *limit of indemnity*
5. In the event that one claim is caused by two or more *employees* acting in collusion the liability of the *company* shall not exceed whichever of the individual Limits of Indemnity applicable to the *employees* concerned is the greater
6. If at the time of any loss there shall be any other security guarantee or insurance existing covering the same loss the *company* shall not be liable to pay or contribute more than its rateable proportion of any sums payable in respect of such loss

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in *bold italics* in this Section

For the purposes of Fidelity Guarantee only the following definitions apply

Employee shall mean any person under a contract of service or apprenticeship with the Insured and described in the schedule

Limit of Indemnity shall be the liability of the *company* in respect of any one claim and in the aggregate

System of Check and Supervision shall mean the independent internal controls agreed between the *company* and the Insured

System Of Check And Supervision

(Applicable to all addresses from which the Insured operate)

1. References

The Insured will obtain independently of the *employees* written references covering the whole of the preceding three years of employment in confirmation of the honesty of all *employees* with responsibility for *money* stock and/or accounts engaged on or after the Commencement Date of the policy

2. Payments

All instruments for the operation of the Bank Account(s) issued will bear two manuscript signatures Supporting vouchers will be examined against the instrument in all cases by the signatories irrespective of the amount of the instrument

3. Salaries/Wages

There will be a division of duties so that no one *employee* both compiles the payroll and makes wage payments

The cast of the payroll will be subject to an independent check to ensure that the total amount drawn is correct

4. Banking

All monies cheques and postal orders received or collected by *employees* will be remitted and/or banked in full on day of receipt or next banking day

5. Statements of Account

Statements of account for all sums due will be issued at least monthly and direct to customers independently of *employees* receiving or collecting monies cheques or postal orders with management action being taken before the account is three months overdue

6. Cash Book

Cash book entries will be subject to at least monthly physical checks against bank statements bank paying-in book counterfoils receipt counterfoils and vouchers and the balance tested with cash and unrepresented cheques independently of the *employees* respectively responsible

7. Petty Cash Accounts

The petty cash account(s) will be subject to at least monthly physical checks against vouchers receipts and the cash balance independently of the *employees* responsible

8. Stock

All stocks will be subject to physical checks against verified stock records independently of the *employees* respectively responsible

<u>Type of Stock</u>	<u>Maximum period between any two checks as above</u>
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all stock	three months
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9. Audit

There will be an annual professional audit

10. Computer

All programs and/or modules will be checked for accuracy independently of the *employees* responsible when completed whenever amendments are carried out and at regular intervals to ensure that they remain certified programs and/or modules as amended by authorised changes only

Programmers systems analysts and data preparation operators will not have access to the computer room

All customers and/or user departments will be required to verify that the output is in accordance with input totals and controls

Responsibilities for (i) authorisations of transaction (ii) processing of transaction and (iii) handling output will be exercised by entirely separate *employees*

Update and amendment access to the computer systems will be restricted by means of passwords which will be changed at least monthly

All access violations will be logged with three such violations automatically closing down the system which can then only be reconnected via Network Control

System Of Check And Supervision (continued)

11. **Investments**

Dual control will be exercised over all investments investment documents and capital expenditures to ensure that no one *employee* can complete a transaction from beginning to end

12. **Holidays**

Every *employee* will be required to take an uninterrupted holiday of at least two weeks duration in any period of twelve months during which he/she performs no duties and is absent from his/her place of business

WE HEREBY DECLARE AND AGREE THAT this Statement and any other written statement made by us or on our behalf for the purpose of the proposed insurance shall be the basis of and incorporated in the Contract between us and the *company* not only in respect of the present *employee* but also in respect of any other *employees* who may hereafter be included in the said insurance

Date.....

Signed

For and on behalf of

The *company* will indemnify the Insured in respect of any loss in accordance with the Settlement Provisions undernoted below due to the Insured's books of account or other business books or records at the *premises* being accidentally lost destroyed or damaged (such accidental loss destruction or damage being hereinafter termed DAMAGE) by any of the Covers listed below and stated as applicable in the schedule and the Insured being in consequence thereof unable to trace or establish the *outstanding debit balances* in whole or in part due to them

Covers

1. FIRE but excluding DAMAGE caused by
 - (a) explosion resulting from fire
 - (b) earthquake or subterranean fire
 - (c)
 - (i) its own spontaneous fermentation or heating (other than wood blocks coal and coke) or
 - (ii) its undergoing any heating process or any process involving the application of heat

LIGHTNING

EXPLOSION

 - (a) of boilers used for domestic purposes only
 - (b) of any other boilers or economizers on the *premises*
 - (c) of gas used for domestic purposes only

but excluding DAMAGE caused by earthquake or subterranean fire
2. EXPLOSION excluding DAMAGE
 - (a) caused by the bursting of any vessel machine or apparatus (not being a boiler or economizer on the *premises*) in which internal pressure is due to steam only and belonging to or under the control of the Insured
 - (b) caused by fire resulting from explosion
 - (c) caused by explosion
3. AIRCRAFT or other aerial devices or articles dropped therefrom excluding DAMAGE
 - (i) of boilers used for domestic purposes only
 - (ii) of any other boilers or economizers on the *premises*
 - (iii) of gas used for domestic purposes only
 - (d) by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
- 4A. RIOT CIVIL COMMOTION STRIKERS LOCKED OUT WORKERS or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation excluding DAMAGE
 - (a) arising from confiscation requisition or destruction by order of the government or any public authority
 - (b) arising from cessation of work
 - (c) by fire caused by Strikers Locked out Workers or persons taking part in labour disturbances or malicious persons
 - (d) arising from deliberate erasure loss distortion or corruption of information on computer systems or other records programs or software
- 4B. RIOT CIVIL COMMOTION STRIKERS LOCKED OUT WORKERS or persons taking part in labour disturbances or MALICIOUS PERSONS excluding DAMAGE
 - (a) arising from confiscation requisition or destruction by order of the government or any public authority
 - (b) arising from cessation of work

Loss of Book Debts (continued)

- (c) by fire caused by Strikers Locked out Workers or persons taking part in labour disturbances or Malicious Persons
 - (d) caused (other than by fire or explosion) by Malicious Persons (not acting on behalf of or in connection with any political organisation) in respect of any building which is empty or not in use
 - (e) arising from deliberate erasure loss distortion or corruption of information on computer systems or other records programs or software
5. EARTHQUAKE or SUBTERRANEAN FIRE
6. Fire only resulting from the property's own SPONTANEOUS FERMENTATION OR HEATING
- 7A. STORM excluding DAMAGE
- (a) caused by
 - (i) the escape of water from the normal confines of any natural or artificial water course lake reservoir canal or dam
 - (ii) inundation from the seawhether resulting from storm or otherwise
 - (b) attributable solely to change in the water table level
 - (c) caused by lightning frost subsidence ground heave or landslide
 - (d) in respect of movable property in the open fences and gates
- 7B. STORM OR FLOOD excluding DAMAGE
- (a) attributable solely to change in the water table level
 - (b) caused by lightning frost subsidence ground heave or landslide
 - (c) in respect of movable property in the open fences and gates
8. ESCAPE OF WATER FROM ANY TANK APPARATUS OR PIPE excluding DAMAGE
- (a) caused by water discharged or leaking from any automatic sprinkler installation in the *premises*
 - (b) in respect of any building which is empty or not in use
9. IMPACT by any road vehicle (including Fork Lift Trucks) or animal
10. ACCIDENTAL ESCAPE OF WATER FROM ANY AUTOMATIC SPRINKLER INSTALLATION caused by
- (a) freezing whilst the building insofar as it is in the Insureds ownership or tenancy is empty or not in use
 - (b) explosion earthquake subterranean fire or heat caused by fire
11. ANY OTHER ACCIDENT excluding DAMAGE
- (a) by any
 - (i) of the Covers
 - (ii) of the causes expressly excluded from the Coversspecified in paragraphs 1 - 10 or 12 (whether or not insured)
 - (b) by erasure or distortion of information on computer systems or other records due to
 - (i) the presence of magnetic flux
 - (ii) the failure breakdown or malfunction of equipment
 - (iii) error in the operating of equipment
 - (c) by any fraudulent or other criminal act for the purpose of obtaining *money* from the Insured or alteration manipulation or falsification of records for the purpose of concealing such an act
-

Loss of Book Debts (continued)

- (d) by any bookkeeping accounting or other errors or omissions
 - (e) by disappearance misfiling or misplacing of information or any loss only revealed by periodic check or audit
 - (f) pollution or contamination
12. THEFT (which shall be deemed to include attempted theft) excluding DAMAGE
- (a) which does not involve
 - (i) entry to or exit from a building by forcible and violent means
 - or
 - (ii) actual or threatened assault or violence
- (ii) the total of the amounts received or traced in respect thereof
 - (b) the additional expenditure incurred with the previous consent of the *company* in tracing and establishing customers' debit balances after the DAMAGE
- Provided that if the Sum Insured by this item be less than the *outstanding debit balances* the amount payable shall be proportionately reduced
2. The *company* will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the *company* under the terms of the Claims Conditions and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the sum of the amount payable under this clause and the amount otherwise payable under the schedule shall in no case exceed the total sum insured stated therein

Exclusions

Pollution and Contamination

The *company* shall not be liable under this Section for DAMAGE resulting from pollution or contamination but this shall not exclude DAMAGE caused by

- (1) pollution or contamination which itself results from any Cover insured (other than Cover 11)
- (2) any Cover insured (other than Cover 11) which itself results from pollution or contamination

This exclusion shall not apply where pollution or contamination is excluded elsewhere in this Section

Settlement Provisions

1. The insurance under Item 1 of the schedule is limited to the loss sustained by the Insured in respect of *outstanding debit balances* directly due to the DAMAGE and the amount payable in respect of any one occurrence of DAMAGE shall not exceed
- (a) the difference between
 - (i) the *outstanding debit balances*
 - and

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in *bold italics* in this Section

Outstanding Debit Balances

Either

- 1. Where declarations have been submitted monthly under the provisions of Memorandum 1 the total declared in the statement last given thereunder adjusted for
 - (a) bad debts
 - (b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the DAMAGE) to *customers' accounts* in the period between the date to which said last statement relates and the date of the DAMAGE and

Loss of Book Debts (continued)

- (c) any abnormal condition of trade which had or could have had a material effect on the *business*

so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have been obtained at the date of the DAMAGE had the DAMAGE not occurred

or

2. A reasonable estimate of the total outstanding debits at the date of the DAMAGE to be agreed thereafter between the Insured and the *company* due adjustment having been made for bad debts provided that the said estimate shall not exceed 75% of the Sum Insured by Item 1 of this Section

Customers' Accounts

The Insured's accounts of all customers who are trading with the Insured on a credit or hire purchase basis

Memorandum 1 - Declaration Clause

The Insured should within thirty days of the end of each month deposit with the *company* a signed statement showing the total amount outstanding in *customers' accounts* as set out in the Insured's accounts as at the end of the said month

On the expiry of each *period of insurance* and provided that a monthly declaration has been made for each month therein the actual premium shall be calculated at the rate per cent per annum on the average amount insured i.e. the total of the sums declared divided by the number of declarations Should the amount of a declaration exceed the sum insured applicable at the date of such declaration then for the purposes of this memorandum only the Insured shall be deemed to have declared such sum insured If the actual premium shall be less than the First Premium (or in the case of the second and subsequent periods of insurance the annual premium) the difference shall be repaid to the Insured but such repayment shall not exceed one half of the First or Annual Premium respectively

If a monthly declaration is not made for each month of any *period of insurance* no such return of premium shall be made for that period

Memorandum 2 - Automatic Reinstatement Clause

In consideration of the insurance not being reduced by the amount of any loss the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the *period of insurance*

Memorandum 3 - Temporary Removal Clause

Subject to all the conditions applying to this Section and the policy the insurance extends to include loss resulting from DAMAGE occurring within Great Britain Northern Ireland the Channel Islands or the Isle of Man to the Insured's books of account or other business books or records whilst temporarily removed to any premises occupied by persons acting on behalf of the Insured or whilst in transit but excluding DAMAGE by theft from an unoccupied vehicle

Special Conditions Applicable To This Section

1. Alteration

This schedule shall be avoided if

- (a) the *business* be wound up or carried on by a liquidator or receiver or permanently discontinued or
- (b) the Insured's interest ceases otherwise than by death

at any time after the commencement of this insurance unless its continuance be admitted by memorandum signed by or on behalf of the *company*

2. Pollution or Contamination

The *company* shall not be liable for loss resulting from pollution or contamination but this shall not exclude loss resulting from DAMAGE (not otherwise excluded) caused by

- (i) pollution or contamination which itself results from any of the Covers 1 to 10 which are insured
- (ii) any of the Covers 1 to 10 which are insured which itself results from pollution or contamination

Loss of Book Debts (continued)

Special Condition (*only applicable if stated in the schedule*)

Fire Resisting Safes

It is a condition precedent to the *company's*

liability that the Insured's books of account or other business books or records in which *customers' accounts* are shown shall be kept in fire resisting safes or fire resisting cabinets when not in use

Trade All Risks (AAR01)

The *company* will indemnify the Insured in respect of accidental loss destruction or damage (hereinafter termed DAMAGE) to the property described in the schedule at the situation described in the schedule

Exceptions

This Section does not cover

1. DAMAGE to the property insured caused by
 - (a) faulty or defective design materials or workmanship inherent vice latent defect gradual deterioration wear and tear

but this shall not exclude subsequent damage resulting from an ensuing cause which is not otherwise excluded
 - (b) corrosion rust change in temperature dampness dryness wet or dry rot mildew shrinkage evaporation loss of weight contamination change in colour flavour texture or finish vermin insects marring or scratching

but this shall not exclude such damage if resulting from a cause which is not otherwise excluded
 - (c) mechanical electronic or electrical breakdown and or derangement of machinery or equipment

but this shall not exclude
 - (i) such damage resulting from a cause
 - (ii) subsequent damage resulting from an ensuing causewhich is not otherwise excluded
2. DAMAGE occasioned by or resulting from nationalisation confiscation requisition seizure or destruction by the government or any public authority
3. Property damaged as a result of its undergoing any process of production packing treatment testing commissioning servicing or repair
4. DAMAGE arising from
 - (a) riot or civil commotion occurring elsewhere than in Great Britain Northern Ireland the Channel Islands or the Isle of Man
 - (b) breakage of flash tubes and/or bulbs valves and transistors
5. DAMAGE to glass and other fragile or brittle articles (other than lenses) unless caused by fire theft or accident to the conveyance in which the property insured is being transported
6. DAMAGE arising from theft of or from unoccupied vehicles
7. DAMAGE to property carried on the outside of vehicles unless as a result of overturning or collision
8. DAMAGE to property loaned or hired out by the Insured
9. Consequential loss of any description
10. DAMAGE caused by pollution or contamination except (unless otherwise excluded) destruction of or damage to the property insured caused by
 - (i) pollution or contamination which itself results from fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons other than thieves earthquake storm flood bursting overflowing discharging or leaking of water tanks apparatus or pipes sprinkler leakage or impact by any road vehicle or animal
 - (ii) any of the perils listed in (i) above which itself results from pollution or contamination
11. DAMAGE caused by or consisting of disappearance unexplained or inventory shortage misfiling or misplacing of information

Trade All Risks (continued)

Company's Liability

The liability of the *company* in respect of any one loss or in the aggregate in any one *period of insurance* shall in no case exceed in respect of each item the sum expressed in the schedule to be insured thereon or in the whole the total sum insured or such other sum or sums as may be substituted hereof by memorandum hereon or attached hereto signed by or on behalf of the *company*

Property Damage Clauses

The undernoted clauses are in all cases subject to the limits terms exceptions conditions and endorsements of the policy

1. Interest

In addition to the Insured the *company* agrees to note the interest of any party who have notified an interest in writing in the property insured the nature and extent of such interest to be disclosed in the event of DAMAGE

2. Subrogation Waiver

In the event of a claim arising under this policy the *company* agrees to waive any rights remedies or relief to which it might become entitled by subrogation against

- (a) any *company* standing in the relation of Parent to Subsidiary (Subsidiary to Parent) to the Insured as defined in the Companies Act or Companies (N.I.) Order as appropriate current at the time of the DAMAGE
- (b) any *company* which is a Subsidiary of a Parent *company* of which the Insured are themselves a Subsidiary in each case within the meaning of the Companies Act or Companies (N.I.) Order as appropriate current at the time of the DAMAGE

Special Conditions

The undernoted Special Conditions are operative only if specifically mentioned in the schedule and are subject otherwise to the limits terms and conditions of this Section

A. Intruder Alarm Condition

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in ***bold italics*** in this Section

Intruder Alarm System

The component parts detailed in the alarm specification which has been agreed by the *company* including the means of communication used to transmit signals

Alarmed Premises

The *premises* or those portions of the *premises* protected by the ***intruder alarm system***

Authorised Person

The Insured or any person or keyholding company authorised by the Insured available at all times to accept notification of faults or alarm signals relating to the ***intruder alarm system*** attend and allow access to the ***alarmed premises***

It is a condition precedent to the *company's* liability in respect of theft or any attempt thereat that whenever the premises are closed for business or left unattended that

- 1 The ***alarmed premises*** are protected by an ***intruder alarm system*** installed as agreed with the *company*
- 2 The ***intruder alarm system*** shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance with the installing company or such other company as agreed with the *company*
- 3 No modification to or substitution of
 - (a) any part of the ***intruder alarm system***

Trade All Risks (continued)

-
- (b) the procedures agreed with the **company** for Police or any other response to any activation of the **intruder alarm system**
- (c) the maintenance contract
- shall be made without the written agreement of the **company**
- 4 The **alarmed premises** shall not be left without at least one **authorised person** therein
- (a) unless the **intruder alarm system** is set in its entirety
- (b) if the Police have withdrawn their response to alarm calls
- unless specifically agreed with the **company**
- 5 All keys to the **intruder alarm system** are removed from the **alarmed premises** when the **premises** are left unattended
- 6 The **authorised person** and keyholders maintain secrecy of codes for the operation of the **intruder alarm system** and no details of same are left on the **premises**
- 7 The Insured shall appoint at least two keyholders and lodge written details (which must be kept up to date) with the alarm company and the Police
- 8 In the event of notification of any activation of the **intruder alarm system** or interruption of the means of communication during any period that the **intruder alarm system** is set then (unless alternative procedures have been agreed with the **company** in writing) a keyholder shall attend the **premises** as soon as reasonably possible following notification and shall not leave them without at least one **authorised person** therein until the provisions of paragraph 4 have been complied with
- 9 In the event of the Insured receiving any notification
- (a) that Police response to alarm signals/calls from the **intruder alarm system** may be withdrawn or the level of response reduced or delayed
- (b) from a Local Authority or
- Magistrate imposing any requirements for abatement of a nuisance
- (c) from the installing company or other such company as agreed by the **company** that the **intruder alarm system** cannot be returned to or maintained in full working order
- the Insured shall advise the **company** as soon as possible and in any event not later than 10.00a.m. on the **company's** next working day and comply with all subsequent requirements stipulated by the **company**
- 10 Where Police response to alarm signals/calls from the **intruder alarm system** has been withdrawn or the level of response reduced or delayed the Insured shall take all appropriate steps to have Police response fully restored at the earliest possible date shall obtain written confirmation to this effect from the Police and shall advise the **company** of the date upon which full response is stored
- SPECIAL PROVISIONS**
It is a condition precedent to the company's liability that prior to the agreement of the alarm specification and maintenance contract arrangements by the company the Insured shall comply with all the requirements detailed herein in the same manner as if the specification and maintenance arrangement had been agreed by the company
-

Trade All Risks (continued)

B. Reinstatement

Subject to the following special clauses the basis upon which the amount payable in respect of property insured by all items is to be calculated shall be the reinstatement of the property lost destroyed or damaged

For this purpose "reinstatement" means

- (a) the rebuilding or replacement of property lost or destroyed which provided the liability of the *company* is not increased may be carried out
 - (i) in any manner suitable to the requirements of the Insured
 - (ii) upon another site
- (b) the repair or restoration of property damaged

in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new

- (c) if the property insured at the time of its loss destruction or damage shall be insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of reinstatement

4. All the terms and conditions of the policy shall apply

- (a) in respect of any claim payable under the provisions of this memorandum except insofar as they are varied hereby
- (b) where claims are payable as if this memorandum had not been incorporated

NB: The provisions of these Reinstatement Conditions do not apply to *employees'* Principals' or Directors' personal effects

Special Clauses to Special Condition B

1. The liability of the *company* for the repair or restoration of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed
2. If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the property covered by any item subject to this memorandum exceeds its sum insured at the commencement of any DAMAGE the liability of the *company* shall not exceed that proportion of the amount of the DAMAGE which the said sum insured shall bear to the sum representing the total cost of reinstating the whole of such property at that time
3. No payment beyond the amount which would have been payable in the absence of this memorandum shall be made
 - (a) unless reinstatement commences and proceeds without unreasonable delay
 - (b) until the cost of reinstatement shall have been actually incurred

The *company* will indemnify the Insured in respect of loss of or damage to foodstuffs the property of the Insured or held by them in trust or on commission for which they are responsible whilst contained in the *refrigerating plant* detailed in the schedule by deterioration contamination or putrefaction caused by or arising from

- (a) rise or fall in temperature as a result of
 - (i) *breakdown* or inherent defect in the *refrigerating plant*
 - (ii) non-operation of the thermostatic or automatic controlling devices forming part of the plant
 - (iii) accidental failure of the public supply of electricity not occasioned by the deliberate act of any supply authority
 - (iv) accidental damage to the *refrigerating plant*
- (b) accidental leakage of refrigerant or refrigerant fumes from the *refrigerating plant*

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the Schedule in relation to this Section To help identify these words they appear in ***bold italics*** in this Section

Breakdown

- (i) the actual breaking or burning out of any part of a machine whilst in use arising from either mechanical or electrical defects in the machine causing sudden stoppage of the functions thereof and necessitating repair or replacement before it can resume working
- (ii) the sudden and violent rending or tearing apart of the permanent structure of a machine by force of internal pressure whilst in the course of ordinary working causing bodily displacement of the structure or any parts thereof accompanied by the forcible ejection of its contents excluding the failure of flanged screwed or flat joints of any description
- (iii) the fracturing of the condenser and the cylinder or water jacketed parts of the compressor by frost if such fracture renders the machine inoperative in the case of a gas or oil engine
- (iv) the fracturing of the cylinder breech-end or

the water jacket of the engine by frost when such fracture renders the engine inoperative

Refrigerating Plant

shall mean and be limited to all working parts frames and bedplates of motors compressors and pumps and all condensers evaporators valves piping automatic controls thermostats and wiring actually forming part of the refrigerating unit

Exclusions

1. Loss of or damage resulting from
 - (a) failure of the public supply services which do not exceed sixty consecutive minutes
 - (b) failure of the public supply services due to any deliberate act of a public supply undertaking not performed for the sole purpose of safeguarding life or protecting any part of the public supply undertaking's systems or any scheme of rationing not necessitated solely by accidental damage to the public supply undertaking's generating or supply equipment
 - (c) wear and tear deterioration or gradually developing flaws or defects in the plant or incorrect setting of thermostats and automatic controls
2. 10% of each and every loss (minimum £100) as ascertained after the application of the Condition of Average in the event of damage involving *refrigerating plant* over 5 years old at the time of such damage

Special Condition

Maintenance

It is a condition that on the expiry of any guarantee period the Insured shall effect a Maintenance Contract on any of the *refrigerating plant* which does not have hermetically sealed motors and compressors and shall maintain the said Maintenance Contract throughout the currency of this insurance

The *company* will indemnify the Insured for

A. **Damage to Exhibition Property**

If any part of the *exhibition property* be lost destroyed or damaged (such loss destruction or damage hereinafter termed DAMAGE) during any *period of insurance* at the Exhibition or while in direct inland transit to or from the Exhibition anywhere within the *territorial limits*

Provided that the liability of the *company* in respect of all claims arising out of any one event shall not exceed the Sum Insured shown on the schedule

B. **Loss of Expenses**

Loss of Expenses (being expenses directly incurred in connection with the Exhibition including advertising printing stationery insurance premiums charges for space and services hire of stand transport charges and the cost of installing stands fittings and exhibits) sustained by the Insured as a result of DAMAGE

- (a) to any building stand marquee or similar erection or other property or any part thereof used by the Insured at the Exhibition premises
- (b) to *exhibition property* used in connection with the Exhibition while in transit to or from the Exhibition premises or whilst at the Exhibition premises

at any time before the advertised public closing time of the Exhibition and the Exhibition being abandoned or interfered with in consequence thereof

The amount payable as indemnity hereunder shall be

- 1. in the event of the Exhibition being thereby abandoned as much of the Exhibition expenses as the Insured shall have paid or be liable to pay
- 2. in the event of the Exhibition being thereby interfered with such proportion of the expenses as the Insured shall have paid or be liable to pay that the period of the interference bears to the whole period during which but for the

interference the Exhibition would have been carried on

Provided that

- (a) the liability of the *company* shall not exceed the Limit of Indemnity shown in the schedule
- (b) payment shall have been made or liability admitted for DAMAGE to the *exhibition property* it being understood that this proviso shall not operate to the detriment of the Insured where such DAMAGE occurs to the building or other property at the Exhibition premises which is not owned by or the responsibility of the Insured

Exclusions

The *company* shall not be liable in respect of

- 1. The amount of the Excess stated in the schedule
- 2. Loss of market loss of profits delay or any consequential loss
- 3. Credit cards and cash dispenser cards
- 4. Clocks watches livestock trailers and caravans
- 5. DAMAGE to glass china marble earthenware scientific instruments furniture antiques curios sculptures works of art pictures prints drawings engravings and goods of a brittle nature unless caused by fire theft or as a direct result of collision of the conveying vehicle or overturning of the conveying vehicle
- 6. DAMAGE to
 - (a) machinery due to its own running or operation
 - (b) any electrical machine or apparatus due to over-running excessive pressure short circuiting or self heating
- 7. DAMAGE to clothing and effects of visitors taken in transit to or from the Exhibition
- 8. DAMAGE to *exhibition property*
 - (a) due to insufficient labelling or incorrect addressing or to failure to make proper and complete declarations required by carriers

Exhibitions - Property and Expenses (continued)

- (b) arising as a result of packaging which was inadequate to withstand normal handling during transit
9. DAMAGE to *exhibition property* in or on
- (a) any vehicles owned or operated by the Insured his *employees* or Agents when left unoccupied
 - (b) any vehicle which is being used for social domestic or pleasure purposes except that this shall not apply to *exhibition property* in the custody of the postal authority the railway board or other carrier
 - (c) open vehicles owned or operated by the Insured caused by atmospheric or climatic conditions unless the *exhibition property* is protected by vehicle sheets
10. DAMAGE to *exhibition property* caused by or arising from
- (a) atmospheric climatic or weather conditions in respect of Exhibitions held in the open or in marquees or in tents
 - (b) wear tear depreciation deterioration rust corrosion mildew moth vermin any process of cleaning or repairing inherent vice inherent nature latent defect mechanical or electrical breakdown failure or derangement
 - (c) confiscation requisition seizure or destruction by any government or any public authority
 - (d) faulty or defective design materials or workmanship
 - (e) any process of testing repair adjustment servicing maintenance erection or dismantling
11. Theft
- (i) from the Exhibition site unless such theft follows forcible and violent entry into the Exhibition Building
 - (ii) of *exhibition property* from the open (other than whilst in transit) or from any marquee or tent

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the Schedule in relation to this Section To help identify these words they appear in *bold italics* in this Section

Exhibition Property means

exhibits stands marquees furniture furnishings display materials office equipment stationery and other similar property on the stand for the purpose of the Exhibition and clothing and effects of principals staff and visitors (limit £500 any one person) subject to the Sum Insured shown in the schedule

Territorial Limits shall mean anywhere in Great Britain Northern Ireland the Channel Islands or the Isle of Man

Average

The Sum Insured stated in the schedule is declared to be subject to *average*

Special Conditions

1. Observance of the terms of this Section relating to anything to be done or complied with by the Insured is a condition precedent to any liability of the *company*
2. If any DAMAGE is occasioned by the wilful act or with the connivance of the Insured all benefit under this Section shall be forfeited
3. No claim under this Section shall be payable unless the terms of the Claims Conditions have been complied with
4. If at the time of any claim there is any other insurance covering the Insured's interest in the *exhibition property* the *company's* liability under this Section shall be limited to any excess over the sum recoverable or which but for the existence of this Section would be recoverable under such insurance

The *company* will indemnify the Insured following loss sustained by the Insured as a result of the licence for the sale of excisable liquors at the *premises* stated in the schedule being

- (a) forfeited under the provisions of the regulations relating to such licences
- (b) refused renewal by the Licensing Authority

provided that such forfeiture or refused renewal results from causes beyond the control of the Insured

The amount payable shall be

- (i) the depreciation in value of the interest of the Insured in the *premises* caused by such forfeiture or refused renewal
- (ii) costs and expenses incurred by the Insured with the written consent of the *company* in connection with any appeal against such forfeiture or refused renewal

but not exceeding the Sum Insured stated in the schedule

Exceptions

No payment shall be made if

- 1. the Insured is entitled to obtain compensation under the provisions of any Act of Parliament in respect of any refusal to renew the licence
- 2. the forfeiture or refusal to renew arises directly or indirectly from any town or country planning improvement redevelopment or actual or proposed compulsory purchase or the surrender reduction or re-distribution of licence in connection therewith
- 3. the forfeiture or refusal to renew results from any alteration in the law
- 4. the forfeiture or refusal to renew the licence be due to the passing of a prohibitory or limiting resolution under the provisions of Part VIII of the Licensing (Scotland) Act 1959 but the Insured shall be entitled to a proportionate rebate or return of premium as from the date of the closure of the *premises* in pursuance of such decision

- 5. any claim under this Section relates solely to the forfeiture or refused renewal of any extension to the permitted hours under the appropriate legislation or regulations
- 6. any claim under this Section arises from the failure
 - (a) to comply with any direction or requirement of the licensing justices or other authority
 - (b) to maintain the *premises* in good sanitary and general repair

Special Conditions

- 1. The Insured shall give to the *company* written notice within 48 hours on becoming aware
 - (a) of change in tenancy or management of the *premises*
 - (b) of transfer or proposed transfer of the licence
 - (c) of complaint against the *premises* or the control thereof
 - (d) of proceedings against or conviction of the licence holder manager tenant or other occupier of the *premises* for any breach of the Licensing Laws or any other matter whereby the character or reputation of the person concerned is affected with respect to his honesty moral standing or sobriety
 - (e) an application for renewal is to be opposed or that its consideration is adjourned or referred to the compensation authority or the licence holder is required to give any undertaking or structural alterations are required
 - (f) the licence holder has died become bankrupt absconded or been rendered incapable by sickness or other infirmity of carrying on business

Loss of Licence (continued)

2. In the event of a forfeiture or refused renewal of the licence the Insured must notify the *company* in writing within 24 hours after such forfeiture or refused renewal and shall supply such information and provide such assistance as the *company* may reasonably require
3. **Alterations**

No alteration to the *premises* shall be made without the sanction of the licensing and other competent authorities and no application shall be made for the removal of the licence to other premises nor shall any offer be made to surrender or discontinue any licence without the written consent of the *company* The Insured shall from time to time give all such information as the *company* may require for any purpose connected with this insurance and the risk hereby insured against and any of the duly authorised representatives of the *company* may at all reasonable times enter and inspect the *premises*
4. **The Rights of the company**

The *company* shall exercise against the tenant manager or occupier of any *premises* and the licence holder all rights powers and privileges which the Insured may be entitled so to exercise and which may be calculated to protect any licence against loss or to protect the interest of the Insured The Insured shall make all such applications including application to the Magistrates Court for a protection order and generally do all such acts or things which the Insured may be entitled to do under the Licensing Acts or otherwise and which are calculated or intended to prevent the loss of any licence by non-renewal forfeiture or suspension In the event of the death bankruptcy or incapacity of any tenant manager occupier or licence holder or if any such person shall abscond or be convicted of any offence the Insured shall procure a suitable person to replace him and forthwith make application for the transfer of the licence or grant of the licence by way of renewal to such other person

The **company** will indemnify the Insured in accordance with the Settlement Provisions hereof following loss sustained by the Insured as a result of the licence for the sale of excisable liquors at the **premises** stated in the schedule being

- (a) forfeited under the provisions of the regulations relating to such licences
- (b) refused renewal by the Licensing Authority

provided that such forfeiture or refused renewal results from causes beyond the control of the Insured

Exceptions

No payment shall be made if

1. the Insured is entitled to obtain compensation under the provisions of any Act of Parliament in respect of any refusal to renew the licence
2. the forfeiture or refusal to renew arises directly or indirectly from any town or country planning improvement redevelopment or actual or proposed compulsory purchase or the surrender reduction or re-distribution of licence in connection therewith
3. the forfeiture or refusal to renew results from any alteration in the law
4. the forfeiture or refusal to renew the licence be due to the passing of a prohibitory or limiting resolution under the provisions of Part VIII of the Licensing (Scotland) Act 1959 but the Insured shall be entitled to a proportionate rebate or return of premium as from the date of the closure of the **premises** in pursuance of such decision
5. any claim under this Section relates solely to the forfeiture or refused renewal of any extension to the permitted hours under the appropriate legislation or regulations
6. any claim under this Section arises from the failure
 - (a) to comply with any direction or requirement of the licensing justices or other authority
 - (b) to maintain the **premises** in good sanitary and general repair

- (a) of change in tenancy or management of the **premises**
- (b) of transfer or proposed transfer of the licence
- (c) of complaint against the **premises** or the control thereof
- (d) of proceedings against or conviction of the licence holder manager tenant or other occupier of the **premises** for any breach of the Licensing Laws or any other matter whereby the character or reputation of the person concerned is affected with respect to his honesty moral standing or sobriety
- (e) an application for renewal is to be opposed or that its consideration is adjourned or referred to the compensation authority or the licence holder is required to give any undertaking or structural alterations are required
- (f) the licence holder has died become bankrupt absconded or been rendered incapable by sickness or other infirmity of carrying on business

2. In the event of a forfeiture or refused renewal of the licence the Insured must notify the **company** in writing within 24 hours after such forfeiture or refused renewal and shall supply such information and provide such assistance as the **company** may reasonably require

Special Conditions

1. The Insured shall give to the **company** written notice within 48 hours on becoming aware

Loss of Licence (continued)

3. **Alterations**

No alteration to the *premises* shall be made without the sanction of the licensing and other competent authorities and no application shall be made for the removal of the licence to other premises nor shall any offer be made to surrender or discontinue any licence without the written consent of the *company*. The Insured shall from time to time give all such information as the *company* may require for any purpose connected with this insurance and the risk hereby insured against and any of the duly authorised representatives of the *company* may at all reasonable times enter and inspect the *premises*.

4. **The Rights of the company**

The *company* shall exercise against the tenant manager or occupier of any premises and the licence holder all rights powers and privileges which the Insured may be entitled so to exercise and which may be calculated to protect any licence against loss or to protect the interest of the Insured. The Insured shall make all such applications including application to the Magistrates Court for a protection order and generally do all such acts or things which the Insured may be entitled to do under the Licensing Acts or otherwise and which are calculated or intended to prevent the loss of any licence by non-renewal forfeiture or suspension. In the event of the death bankruptcy or incapacity of any tenant manager occupier or licence holder or if any such person shall abscond or be convicted of any offence the Insured shall procure a suitable person to replace him and forthwith make application for the transfer of the licence or grant of the licence by way of renewal to such other person.

Loss of Licence (continued)

SETTLEMENT PROVISIONS (GP)

The insurance by this Section is limited to loss of **gross profit** not exceeding the sum insured stated in the schedule due to

- (i) Reduction in **turnover** and
- (ii) Increase in cost of working

and the amount payable as indemnity thereunder shall be

- (a) in respect of reduction in **turnover** the sum produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** shall in consequence of the loss of the licence fall short of the **standard turnover**
- (b) In respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** which but for that expenditure would have taken place during the **indemnity period** in consequence of the loss of the licence but not exceeding the sum produced by applying the **rate of gross profit** to the amount of the reduction thereby avoided

less any sum saved during the **indemnity period** in respect of such of the charges and expenses payable out of **gross profit** as may cease or be reduced in consequence of the loss of the licence

provided that if the sum insured be less than the sum produced by applying the **rate of gross profit** to the **annual turnover** the amount payable shall be proportionately reduced

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the Schedule in relation to this Section To help identify these words they appear in **bold italics** in this Section

Note 1

To the extent that the Insured is accountable to the Tax Authorities for Value Added Tax all terms in this Section shall be exclusive of such tax

Note 2

For the purpose of these definitions any adjustment implemented for current cost accounting shall be disregarded

Gross Profit

The amount by which the sum of the amounts of

the **turnover** (net of discounts allowed) Closing Stock and Work in Progress shall exceed the sum of the amounts of the Opening Stock and Work in Progress and the amount of the Specified Working Expenses

Specified Working Expenses are

- (i) 100% of purchases (less discounts received)
- (ii) 100% of discounts allowed
- (iii) 100% of bad debts written off
- (iv) 100% of carriage packing and freight

NB: For the purpose of this definition **gross profit** is as defined but otherwise the words and expressions used shall subject to **Note 2** to these definitions have the meaning attached to them in the Insured's usual accounting methods due provision being made for depreciation of Stock and Work in Progress

Turnover

The **money** paid or payable to the Insured for goods sold or delivered and for services rendered in course of the **business** at the **premises**

Indemnity Period

The period beginning with the loss of the licence and ending not later than the date a licence is re-obtained or 12 months after the date of the loss of the licence whichever period is shorter during which the **business** shall be affected in consequence of the loss of licence provided that if the **premises** are disposed of within 12 months after the loss of the licence the **indemnity period** shall terminate upon disposal

Rate of Gross Profit - The **rate of gross profit** earned on the **turnover** during the financial year immediately before the date of the loss of the licence

Annual Turnover - The **turnover** during the twelve months immediately before the date of the loss of the licence

Loss of Licence (continued)

Standard Turnover - The *turnover* during that period in the twelve months immediately before the date of the loss of the licence which corresponds with the *indemnity period*

to which such adjustments shall be made as may be necessary to provide for the trend of the *business* and for variations in or special circumstances affecting the *business* either before or after the loss of the licence or which would have affected the *business* had the loss of the licence not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the loss of the licence would have been obtained during the relative period after the loss of the licence

Memorandum 1 - Alternative Premises

If during the *indemnity period* goods shall be sold or services shall be rendered elsewhere than at the *premises* for the benefit of the *business* either by the Insured or by others on the Insured's behalf the *money* paid or payable in respect of such sales or services shall be brought into account in arriving at the *turnover* during the *indemnity period*

Memorandum 2 - Professional Accountants

The *company* will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the *company* under the terms of the Claims Conditions and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the sum of the amount payable under this clause and the amount otherwise payable under this Section shall in no case exceed the sum insured

Memorandum 3 - Uninsured Standing Charges

If any standing charges of the *business* be not insured by this Section (having been deducted in arriving at the *gross profit* as defined herein) then in computing the amount recoverable hereunder as increase in cost of working that proportion only of any additional expenditure shall be brought into account which the *gross profit* bears to the sum of the *gross profit* and the uninsured standing charges

Loss of Licence

SETTLEMENT PROVISIONS (REV)

The insurance by this Section is limited to loss of **revenue** not exceeding the Sum Insured stated in the schedule due to

- (i) Reduction in **revenue**
and
- (ii) Increase in cost of working

and the amount payable as indemnity thereunder shall be

- (a) in respect of reduction in **revenue** the amount by which the actual **revenue** during the **indemnity period** shall in consequence of the loss of the licence fall short of the **standard revenue**
- (b) in respect of increase in cost of working

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **revenue** which but for that expenditure would have taken place during the **indemnity period** in consequence of the loss of the licence but not exceeding the amount of the reduction thereby avoided

less any sum saved during the **indemnity period** in respect of such of the charges and expenses payable out of **revenue** as may cease or be reduced in consequence of the loss of the licence

provided that if the Sum Insured be less than the **annual revenue** the amount payable shall be proportionately reduced

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the Schedule in relation to this Section To help identify these words they appear in **bold italics** in this Section

Note 1

To the extent that the Insured is accountable to the Tax Authorities for Value Added Tax all terms in this Section shall be exclusive of such tax

Note 2

For the purposes of these definitions any

adjustment implemented for current cost accounting shall be disregarded

Revenue

The **money** paid or payable to the Insured in respect of work done or services rendered in the course of the **business**

Indemnity Period

The period beginning with the loss of the licence and ending not later than the date a licence is re-obtained or 12 months after the date of the loss of the licence whichever period is shorter during which the **business** shall be affected in consequence of the loss of licence provided that if the **premises** are disposed of within 12 months after the loss of the licence the **indemnity period** shall terminate upon disposal

Annual Revenue - The **revenue** during the twelve months immediately before the date of the loss of the licence

Standard Revenue - The **revenue** during that period in the twelve months immediately before the date of the loss of the licence which corresponds with the **indemnity period**

to which such adjustments shall be made as may be necessary to provide for the trend of the **business** and for variations in or special circumstances affecting the **business** either before or after the loss of the licence or which would have affected the **business** had the loss of the licence not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the loss of the licence would have been obtained during the relative period after the loss of the licence

Memorandum 1 - Alternative Premises

If during the **indemnity period** goods shall be sold or services shall be rendered elsewhere than at the **premises** for the benefit of the **business** either by the Insured or by others on the Insured's behalf the **money** paid or payable in respect of such sales or services shall be brought into account in arriving at the **revenue** during the **indemnity period**

Loss of Licence (continued)

Memorandum 2 - Professional Accountants

The *company* will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the *company* under the terms of the Claims Conditions and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the sum of the amount payable under this clause and the amount otherwise payable under this Section shall in no case exceed the sum insured

Memorandum 3 - Limit of Liability

The liability of the *company* under this Section in any one *period of insurance* shall in no case exceed the sum insured stated in the schedule or such other sum or sums as may be substituted therefore by memorandum hereon or attached hereto signed by or on behalf of the *company*

The following definitions apply in all Sections of this policy unless otherwise stated

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the Schedule in relation to this Section To help identify these words they appear in ***bold italics*** in this Section

Periods of Travel

- (i) For the purposes of this insurance each ***period of travel*** shall be deemed to commence at the time the insured person leaves his home or place of business whichever occurs the later for the purpose of proceeding beyond the confines of the United Kingdom on behalf of the Insured and to terminate at the time the insured person returns to his home or place of business whichever occurs the earlier from door to door The United Kingdom shall mean England Scotland Wales Northern Ireland the Channel Islands or the Isle of Man
- (ii) Each insured person and each ***period of travel*** shall be deemed a separate insurance
- (iii) Except where the ***company***'s prior agreement has been obtained no single ***period of travel*** shall exceed three months in duration

Geographical Limits

Europe -
The Continent of Europe including countries bordering on the Mediterranean Madeira Russia (west of the Ural Mountains) and the Canary Isles

Worldwide -
Anywhere in the World

Valuables

Jewellery watches furs articles of precious metal or stones works of art photographic apparatus binoculars audio equipment tape recorders televisions and video recording equipment

SECTION 1 - PERSONAL ACCIDENT

In the event of accidental bodily injury caused solely by violent external and visible means being sustained by an insured person the ***company*** will pay to the Insured or his legal personal representatives

Scale of Benefits

Item	Event	Compensation
1.	Death)
2.	Total and permanent loss of use with or without physical severance of one or both hands or feet or total and permanent loss of sight in one or both eyes) The Capital Sum stated in the schedule
3.	Permanent total disablement (other than as specified in Item 2) from following usual occupation or employment)

Compensation shall not be payable

- (a) under Items 1 and 2 unless the Event occurs within twelve months and under Item 3 within twenty-four months of the happening of the accident
- (b) under more than one Item in respect of the same accident
- (c) under this Section for accidental bodily injury to persons who have attained the age of 75 years at the time of commencement of travel

Compensation under Item 1 shall be limited in respect of persons under the age of 16 years to a total payment of £500 irrespective of the Capital Sum Insured

Compensation shall not be payable under this Section where Benefits in respect of the same accident and the same insured person are payable under the Personal Accident section of this policy

Annual Travel (continued)

Disappearance Clause

It will be presumed that death has occurred if the insured person has been missing for 90 consecutive days and sufficient evidence is provided to support the conclusion that death was caused by accident. If at any time after Benefit has been paid the insured person is found alive such Benefit shall be refunded to the *company*.

Conditions Exclusions and Limitations Applicable to Section 1 - Personal Accident

1. The *company's* total liability in respect of insured persons travelling in the same aircraft or conveyance shall not exceed £250,000 in respect of any one accident.
2. The *company* shall not be liable in respect of claims made as a result of
 - (a) suicide or attempted suicide or wilful exposure to danger (except in an attempt to save human life) or due to contributed to or accelerated by any sexually transmitted disease
 - (b) air travel or other aerial activities except while travelling as a passenger in a fully licensed passenger carrying aircraft but not as pilot or aircrew nor for the purpose of undertaking any trade or technical operation in or on the aircraft
 - (c) accidents occurring while any insured person is
 - (i) engaged in mountaineering or rock climbing ordinarily necessitating the use of ropes or guides or engaged in pot holing
 - (ii) engaged in or practising for speed or time trials sprints or racing of any kind (other than on foot) or endurance tests
 - (iii) engaged in football of any kind polo playing ski-ing (other than water ski-ing) and other winter sports hunting show jumping all forms of unarmed or armed combat water ski-jumping and tricks skin diving power boating in any boat designed to travel at a speed in excess of 30 knots

(iv) engaged in motor cycling as a rider or passenger

(v) engaged in any other hazardous pursuit

(vi) under the influence of intoxicating liquor or drugs (other than drugs taken under medical supervision and not for the treatment of drug addiction)

(d) pregnancy childbirth or pre-existing physical or mental defect disease or chronic recurring illness

(e) manual work in connection with any trade or business

SECTION 2 - MEDICAL REPATRIATION AND OTHER EXPENSES

A. In the event of death injury or illness of the insured person after the commencement of the journey or holiday the *company* will pay for reasonable costs necessarily incurred for

1. medical surgical and emergency dental treatment
2. additional accommodation and increased travel expenses incurred by the insured person or any relative or friend travelling to remaining with or escorting the insured person
3. repatriation costs and funeral expenses
4. the charter of an air ambulance or for the special use of air transport including qualified attendants certified by a medical practitioner to be necessary for the repatriation or treatment of the insured person in respect of serious illness or injury sustained during a *period of travel*

Provided that in the event of serious illness which may lead to in patient hospital treatment or curtailment of the journey or of the holiday advice must be obtained from the *company's* 24 hour worldwide emergency medical service details of which are stated on the current Travel Assistance card issued by the *company*.

Annual Travel (continued)

Repatriation is not covered unless prior consultation and authorisation is obtained from the *company* or from the emergency medical service acting on behalf of the *company*

B. In the event of the necessary curtailment after commencement of the journey consequent on

1. death injury or illness of the insured person or anyone with whom the insured person is travelling or a close relative or business associate resident in the United Kingdom
2. the insured person or a friend or relative with whom the insured person is travelling being required for jury service or court witness
3. burglary or major loss at the insured persons' home or place of business in the United Kingdom

the *company* will pay for loss of accommodation and additional travel expenses paid or contracted to be paid which are not recoverable from any other source

C. If an insured person is repatriated under any of the circumstances provided for in paragraphs A and B above the *company* will pay reasonable travel and accommodation expenses for a business associate of the insured person (or for the insured person himself) to attend to the insured persons' unfinished essential duties

Conditions Exclusions and Limitations Applicable to Section 2 - Medical Repatriation and Other Expenses

1. The *company*'s total limit of liability under this Section is the amount shown in the schedule
2. The *company* shall not be liable in respect of claims made as a result of
 - (a) suicide or attempted suicide or wilful exposure to danger (except in an attempt to save human life) or due to contributed to or accelerated by any sexually transmitted disease

(b) air travel or other aerial activities except while travelling as a passenger in a fully licensed passenger carrying aircraft but not as pilot or aircrew nor for the purpose of undertaking any trade or technical operation in or on the aircraft

(c) death injury or illness occurring while any insured person is

- (i) engaged in mountaineering or rock climbing ordinarily necessitating the use of ropes or guides or engaged in pot holing
- (ii) engaged in or practising for: speed or time trials sprints or racing of any kind (other than on foot) or endurance tests
- (iii) engaged in football of any kind polo playing ski-ing (other than water ski-ing) and other winter sports hunting show jumping all forms of unarmed or armed combat water ski-jumping and tricks skin diving power boating in any boat designed to travel at a speed in excess of 30 knots
- (iv) engaged in motor cycling as a rider or passenger
- (v) engaged in any other hazardous pursuit
- (vi) under the influence of intoxicating liquor or drugs (other than drugs taken under medical supervision and not for the treatment of drug addiction)

(d) pregnancy childbirth or pre-existing physical or mental defect disease or chronic recurring illness

(e) manual work in connection with any trade or business

3. The *company* shall not be liable for

(a) the first £20 of any claim

(b) any claim made in respect of persons who have attained the age of 75 years at the time of commencement of travel

Annual Travel (continued)

- (c) the cost of continuing regular medication incurred anywhere in the world
- (d) medical expenses incurred in the United Kingdom

- (i) If travel is by non-scheduled transport

Accident mechanical breakdown fire flood landslide strike industrial action criminal act bomb scare riot or civil commotion provided that these had not occurred commenced or been announced before travel was commenced or

SECTION 3 - CANCELLATION

- A. In the event of loss of accommodation or travel charges paid or contracted to be paid for by the insured person which are forfeited and not recoverable from any other source following necessary cancellation of the journey prior to commencement consequent on circumstances outside the insured persons' and or Insured's control occurring after the date of issue of the policy the *company* will pay the insured persons' loss up to the amount stated in the schedule

- (ii) If travel is by scheduled public transport services

The contingencies specified in paragraph (i) above and adverse weather conditions provided that these had not occurred commenced or been announced before the original travel bookings were made

- B. In the event of an insured person being delayed because of the late departure of an aircraft sea vessel or other publicly licensed form of passenger transport caused by strike industrial action hi-jack terrorist act criminal act bomb scare riot civil commotion fire flood earthquake landslide avalanche adverse weather conditions or mechanical breakdown provided that these had not occurred commenced or been announced before the original travel and accommodation bookings were made the *company* will pay as follows

the *company* will pay an amount of up to 50% of the Sum Insured by Section 3 stated in the schedule but not exceeding a total amount of £500 in respect of all reasonable additional travel and accommodation expenses incurred by the insured person in meeting a pre-booked overseas travel connection or reaching pre-booked overseas accommodation

- (i) In respect of the outward journey at commencement of the *period of travel* £20 for the first completed 12 hour period of delay and £10 for each subsequent 12 hour period up to a maximum of £60 in all
- (ii) In respect of all subsequent journeys during the *period of travel* payment as in paragraph (i) above up to a maximum of £60 in all

- C. In the event of an insured person at the commencement of a *period of travel* missing a pre-booked international flight voyage or rail journey through any of the following contingencies directly affecting the progress of the conveyance in which he is travelling to the pre-arranged United Kingdom departure point

Conditions Exclusions and Limitations Applicable to Section 3 - Cancellation

1. Compensation shall not be payable in respect of cancellation due to
 - (a) civil commotion riot or strike or the threat of any such event
 - (b) childbirth or pregnancy unless pregnancy commences or is confirmed after the date of issue of the policy and necessary cancellation is advised by the registered medical practitioner of the insured person
 - (c) pre-existing mental or physical defect disease or chronic recurring illness
 - (d) lack of finance or disinclination to travel
 - (e) redundancy other than under the terms of any qualifying for payment under Redundancy Payment legislation

Annual Travel (continued)

2. The *company* shall not be liable for the first £20 of each and every claim
3. The *company* shall only be liable
 - (a) under Paragraph A to the extent of contractual liability
 - (b) under Paragraph B if in the selection of the route/means of travel and time of departure the insured person has done all things reasonable and practicable to minimise the possibility of late arrival at the U.K. departure point
 - (c) for claims under Paragraph B attributable to mechanical breakdown of non-scheduled transport if the insured person has obtained a garage or motoring organisation report confirming the date cause and time of such breakdown
 - (d) for claims arising from delayed departure under Paragraph C if the insured person has obtained written confirmation from the Carriers or their Agents stating the actual date and time of departure and the reason for the delay
For the purposes of claims payment under this paragraph the period of delay shall be taken as commencing at the departure time of the conveyance as specified in the booking confirmation supplied to the insured person

SECTION 4 - BAGGAGE

In the event of loss or damage by accident or misfortune to Baggage (including clothing and personal effects) belonging to the insured person the *company* will pay or make good any such loss or damage up to the sum insured shown in the schedule provided that the liability of the *company* shall not exceed £150 in respect of any one item of *valuables* unless specially mentioned in the schedule. If at the time of any loss or damage the total value of all Baggage (including specified articles) of the insured persons shall exceed the total Baggage sum insured under this Section the liability of the *company* is limited to the same proportion as the total value bears to the sum insured

Delayed Baggage

To pay up to but not exceeding £100 in all in respect of the cost of immediate necessities purchased or hired by the insured person if on arrival at outward destination upon temporary deprivation of baggage for more than 12 hours because of temporary loss or misdirection by Carriers provided always that any amounts thus paid other than hire charges shall be deducted from the total of any claim becoming payable under this Section if the said baggage proves to be permanently lost

Conditions Exclusions and Limitations Applicable to Section 4 - Baggage

1. In the event of loss or damage occurring to property whilst in the care of a transport company authority or hotel the insured person is required to report in writing such loss or damage to the transport company authority or hotel within 72 hours
2. Loss of *valuables* must be reported to the Police within 24 hours of discovery and a written report obtained
3. The *company* shall not be liable for
 - (a) the first £20 of any claim for loss or damage
 - or loss or damage
 - (b) by wear and tear moth vermin mechanical or electrical breakdown atmospheric conditions or climatic conditions deterioration depreciation confiscation detention or by any process of cleaning dyeing repairing or restoring
 - (c) by breakage of glass china or other fragile articles unless caused by fire theft or accident to the conveying vehicle vessel or aircraft
 - (d) to cash cheques currency notes travellers cheques bonds petrol coupons negotiable instruments of any kind stamps tickets documents contact lenses cycles camping equipment and household goods
 - (e) by breakage to sports equipment whilst in use

Annual Travel (continued)

- (f) by any cause to goods being sent under an airway bill or bill of lading or carried in the hold of any ship
4. The *company* shall not be liable for loss arising from confiscation or detention by Customs or other Authority

SECTION 5 - LOSS OF MONEY

- A. In the event of loss of *money* consisting of cash cheques currency notes travellers cheques travel tickets or petrol coupons
- B. In the event of loss arising from fraudulent use of any credit card or bankers card held by the insured person following loss of such card during a *period of travel*

the *company* will pay the loss up to but not exceeding in all the amount specified in the schedule

- C. Additionally the *company* will indemnify the insured person up to but not exceeding 25 per cent of the Sum Insured in respect of the cost of replacing or restoring business documents and records the property of the Insured or the insured person following loss or damage during the *period of travel*

Conditions Exclusions and Limitations Applicable to Section 5 - Loss of Money

1. The *company* shall only be liable in respect of the fraudulent use of credit or bankers cards if the Insured and or the insured person has (have) complied with the terms of issue of such cards
2. Loss of *money* must be reported to the Police within 24 hours of discovery and a written report obtained
3. In respect of *money* and travellers cheques held for the purposes of the *period of travel* cover shall commence at the time of collection from bank or 72 hours prior to commencement of the *period of travel* whichever is the later and shall continue for 72 hours after termination of the *period of travel* or until deposited at bank whichever occurs the sooner

4. The *company* shall not be liable in respect of
- (a) the first £20 of each and every claim
 - (b) depreciation in value or shortages due to error or omission
 - (c) any loss not reported to the Police within 24 hours of discovery
 - (d) loss by theft from an unattended vehicle
 - (e) loss arising from confiscation or detention by Customs or other Authority

SECTION 6 - PERSONAL LIABILITY

In the event of the Insured or insured person becoming legally liable to pay compensation for accidental injury to any person (excluding persons in the employ of the Insured) or accidental damage to property (other than property owned by or under the custody or control of the Insured and/or insured person or members of the Insured and/or insured persons' family) the *company* will pay up to £500,000 in respect of any one accident or series of accidents. In addition the *company* will pay all legal expenses incurred with the prior consent of the *company*

Provided that the *company* will not be liable in respect of any action brought against the Insured and/or insured person in any court outside the European Economic Community

Conditions Exclusions and Limitations Applicable to Section 6 - Personal Liability

The *company* shall not be liable in respect of any liability arising from

- (a) any profession trade or business
- (b) the ownership possession or use of animals (other than domestic cats or dogs or horses whilst being ridden for pleasure purposes) boats aircraft or mechanically propelled vehicles or firearms (other than sporting guns)

Annual Travel (continued)

- (c) any contract which would not have attached in the absence of such contract

Delay Clause

In the event of the journey being delayed through circumstances over which the insured person has no control the insurance provided by this policy is automatically extended without additional premium for a period sufficient to cover the remainder of the journey

GENERAL EXCEPTION TO ANNUAL TRAVEL

No Section of this insurance shall apply in respect of and this insurance does not cover any claim arising directly or indirectly from any injury illness death loss expense or other liability attributable to HIV (Human Immunodeficiency Virus) and/or any HIV related illness including AIDS (Acquired Immune Deficiency Syndrome) and/or any mutant derivative or variations thereof however caused

The *company* will indemnify the Insured in respect of accidental loss destruction or damage (hereinafter termed DAMAGE) to the *property insured* whilst in the course of transit by the Method of Transit from any business premises of the Insured from the time the *property insured* comes under the control of the "Carrier" as defined in the Method of Transit for the commencement of the transit until the *property insured* is tendered for delivery to the Consignee including loading temporary housing en route for a period not exceeding 30 days and unloading all within the *territorial limits* including return transits to the Insured from any customer of the Insured

In the event of the original carrying vehicle becoming disabled due to accident or breakdown during a journey this Insurance shall attach whilst the *property insured* is being transferred to and carried by any other vehicle for the completion of the original journey

Limits of Liability

The liability of the *company* shall not exceed the Limits of Liability stated in the schedule and if at the time of any DAMAGE the Property at risk at any one location or on any one vehicle or vehicles and trailer shall be collectively of greater value than the Limits of Liability stated in the schedule the Insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the DAMAGE accordingly

Extensions

1. The *company* will indemnify the Insured in addition to the Limit of Liability
 - (a) for DAMAGE to tarpaulins ropes skips and trolleys whilst in the course of transit by the vehicles specified in the schedule but excluding absolutely wear tear and gradual deterioration The liability of the *company* in respect of any one vehicle and trailer shall not exceed the sum of £750 or 10% of the Limit of Liability shown in the schedule for such vehicle whichever shall be the less

- (b) against costs and expenses necessarily incurred by the Insured in connection with the removal of debris and site clearance arising out of any incident caused by a peril hereby insured against irrespective of whether such incident itself results in a claim for loss or damage under this Section The liability of the *company* shall not exceed the sum of £1,000 in respect of any one loss and/or series of losses arising out of a single event
- (c) for DAMAGE to Personal Effects of drivers of the Insured's road vehicles specified in the schedule conveying the Property but the term Personal Effects shall not include jewellery watches *money* furs cameras radios televisions record players cassette players video equipment video or audio tapes or discs and the like The liability of the *company* hereon shall not exceed the sum of £100 in respect of any one driver during the *period of insurance* The amount to be borne by the Insured in respect of each and every loss and/or series of losses arising out of a single event unless such be caused by Fire Lightning or Explosion shall in respect of Personal Effects be £15 and not as specified in the schedule

2. Property despatched F.O.B. is insured from the commencement of the transit until F.O.B. Steamer or Aircraft at any port or airport including temporary warehousing for a period not exceeding 30 days pending loading onto the Steamer or Aircraft all within the *territorial limits*

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in *bold italics* in this Section

Property Insured

Goods and merchandise belonging to or for which the Insured is responsible incidental to the *business* (excluding Property carried for Hire or Reward)

Goods In Transit (continued)

Territorial Limits

Great Britain Northern Ireland the Republic of Ireland the Channel Islands or the Isle of Man including sea or air transits between these territories

Exceptions

The *company* shall not be liable for

1. DAMAGE to the *property insured* resulting from wear and tear depreciation deterioration mildew insects vermin inherent vice inherent nature mechanical electronic or electrical breakdown or derangement
2. DAMAGE to the *property insured* resulting from delay or any expense resulting from delay or for consequential loss of any description
3. DAMAGE to the *property insured* arising from Theft whilst on or contained in any vehicle owned operated by or under the control of the Insured after 9 pm GMT or BST as the case may be until collected by the driver or by such other responsible person authorised by the Insured unless such vehicle is
 - (i) under constant surveillance by the driver or by another responsible person authorised by the Insured
 - or
 - (ii) garaged in a securely locked building of substantial construction
4. DAMAGE to any of the *property insured* carried on vehicles not described in the schedule (other than as provided for herein)
5. DAMAGE or delay arising out of the breakdown or malfunctioning of refrigeration and/or cooling machinery or from insufficiency of insulation unless caused by an accident to the vehicle
6. DAMAGE to the Property which at the time of such loss or destruction or damage is contained in any vehicle owned operated by or under the control of the Insured then being used
 - (i) outside the normal course of the Insured's *business* for social domestic or pleasure purposes

(ii) by Commercial Travellers (except whilst such vehicle is being used for Collection or Delivery) Door to Door Salesmen or Market Traders

7. Strikes riots civil commotion and malicious damage risks in Northern Ireland
8. DAMAGE to tobacco cigars cigarettes wines spirits photographic equipment radios hi-fi and video equipment computers mobile telephones tape recorders and the like livestock unless specifically mentioned under the *property insured* stated in the schedule to this Section
9. Confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority

Special Conditions

1. In respect of any vehicle owned operated by or under the control of the insured
 - (a) the Vehicle conveying the Property within the terms of this Section shall be maintained in an efficient and roadworthy condition and shall be subject to regular maintenance service and particular attention shall be paid to the roadworthiness of tyres steering brakes and lights and all security devices to ensure safe operation under fully loaded conditions
 - (b) All protective appliances as may be specified in the schedule and all locking devices shall be properly and adequately maintained and neither withdrawn nor varied without the written consent of the *company*
 - (c) Whenever the vehicle containing the *property insured* is left unoccupied
 - (i) all doors and the boot shall be locked and windows and other openings shall be securely closedand
 - (ii) the protective appliances as may be specified in the schedule shall be put into effect

Goods In Transit (continued)

2. The Insured shall at all times exercise reasonable care in the selection and employment of drivers and shall before engaging drivers obtain satisfactory written references directly from not less than the last two employers of the drivers and shall subsequently obtain written confirmation of those references by the referees (as to the subjects' ability honesty and integrity) before the drivers are entrusted with any property not belonging to them already Alternatively the Insured shall obtain before engaging any driver and entrusting him with any goods not belonging to him already a clean passport type photograph of the driver
3. The Insured shall take due care to see that each package insured hereunder is securely and adequately packed according to the nature of the merchandise contained therein and that each package is correctly and fully addressed The Insured shall obtain a proper receipt for each package from the Postal Authorities Railway or other Carrier and produce such receipts to the *company* on demand at any time
4. This Section does not cover any loss destruction or damage which at the time of the happening of such loss destruction or damage is insured by or would but for the existence of this Section be insured by any other policy or policies except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this Section not been effected

Special Clauses

The undernoted Special Clauses are operative only if specifically mentioned in the schedule and are subject otherwise to the limits terms and conditions of this Section

A. Alarm Clause - Specified Vehicles

This Section excludes loss or damage arising from theft or attempted theft from the unoccupied vehicle unless the alarm system approved by the *company* is

- (a) put into operation and all alarm keys removed

and

- (b) maintained and inspected in accordance with the terms and conditions of the installing company's agreement

B. Alarm Clause - Unspecified Vehicles

This Section excludes loss or damage arising from theft or attempted theft from any unoccupied vehicle unless the alarm system approved by the *company* is

- (a) put into operation and all alarm keys removed

and

- (b) maintained and inspected in accordance with the terms and conditions of the installing company's agreement

If any building or other property intended to be used by the Insured at the *premises* for the purpose of the *business* be lost destroyed or damaged other than by causes specifically excluded from The Cover by this insurance and in consequence the *business* be interrupted or interfered with or delayed then the *company* will pay to the Insured in respect of each item in the schedule the amount of loss resulting from such interruption or interference provided that

1. at the time of the happening of the loss destruction or damage there shall be in force an insurance covering the interest of the Insured in the property at the *premises* against such loss destruction or damage and that
 - (i) payment shall have been made or liability admitted therefor or
 - (ii) payment would have been made or liability admitted therefor but for the operation of a proviso in such insurance excluding liability for losses below a specified amount
2. the liability of the *company* under this Section shall not exceed
 - (i) in the whole the total sum insured or in respect of any item its sum insured or any other limit of liability stated in the schedule at the time of the loss destruction or damage
 - (ii) the sum insured remaining after deduction for any other interruption or interference consequent upon loss destruction or damage occurring during the same *period of insurance* unless the *company* shall have agreed to reinstate any such sum insured

The Cover

- A Loss destruction or damage (hereinafter termed DAMAGE) excluding
 - 1 DAMAGE resulting from damage to plant or machinery due to its own explosion or breakdown

- 2 DAMAGE arising from
 - (a) normal upkeep normal making good repairing replacing or rectifying property which is defective in materials or workmanship
 - (b) wear tear rust mildew or other deterioration
 - (c) fault defect error or omission in design plan or specification whether resulting in damage or otherwise
- 3 DAMAGE resulting from damage to
 - (a) any existing property including existing property being altered or repaired or to permanent works or any part thereof after such works or part are completed and taken into use by the occupier
 - (b) any vessel craft or other vehicle (including the contents in any) intended for air or water travel
- 4 DAMAGE arising from any loss of property when such loss
 - (a) is only revealed when an inventory is made or
 - (b) is not traceable to any specific event
- 5 DAMAGE resulting from pollution or contamination but this shall not exclude loss resulting from destruction of or damage to property used by the Insured as the *premises* for the purpose of the *business* not otherwise excluded caused by
 - (a) pollution or contamination at the *premises* which itself results from a Defined Peril
 - (b) a Defined Peril which itself results from pollution or contamination

Business Interruption (continued)

The words "Defined Peril" shall mean
fire lightning explosion aircraft or other
aerial devices or articles dropped
therefrom riot civil commotion strikers
locked-out workers persons taking part
in labour disturbances malicious persons
earthquake storm flood escape of water
from any tank apparatus or pipe or
impact by any road vehicle or animal

Special Conditions

1 Alteration

The insurance by this Section shall be avoided
if

(a) the *business* be wound up or carried on
by a liquidator or permanently
discontinued

or

(b) the Insured's interest ceases otherwise
than by death

at any time after the commencement of this
insurance unless its continuance be admitted
by memorandum signed by or on behalf of the
company

2 Automatic Reinstatement after a Loss

In the absence of written notice by the Insured
or the *company* to the contrary the *company's*
liability shall not be reduced by the amount of
any loss the Insured undertaking to pay the
appropriate additional premium for such
automatic reinstatement of cover

Business Interruption Appendix AR

Advanced Gross Rentals (Sum Insured Basis)

Settlement Provisions

The insurance under Item 1 is limited to

- (i) Loss of **gross rentals** and
- (ii) Increase in Cost of Working

and the amount payable as indemnity thereunder shall be

- (a) In respect of Loss of **gross rentals**
The amount by which the **gross rentals** during the **indemnity period** shall in consequence of the **incident** fall short of the **standard gross rentals**
- (b) In respect of Increase in Cost of Working The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of **gross rentals** which but for that expenditure would have taken place during the **indemnity period** in consequence of the **incident** but not exceeding the amount of the reduction in **gross rentals** thereby avoided

less any sum saved during the **indemnity period** in respect of such charges of the **business** payable out of **gross rentals** as may cease or be reduced in consequence of the **incident**

provided that if the sum insured by Item 1 be less than the **annual gross rentals** (or a proportionately increased multiple thereof where the **maximum indemnity period** exceeds twelve months) the amount payable shall be proportionately reduced

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in **bold italics** in this Section

Note 1

To the extent that the Insured is accountable to the Tax Authorities for Value Added Tax all terms in this Section shall be exclusive of such Tax

Note 2

For the purpose of these definitions any adjustment implemented for current cost accounting shall be disregarded

Incident

Loss or destruction of or damage to property intended to be used by the Insured at the **premises** for the purpose of the **business**

Indemnity Period

The period beginning with the date on which but for the **incident** the **business** would have commenced and ending not later than the **maximum indemnity period** thereafter during which the results of the **business** shall be affected in consequence of the **incident**

Maximum Indemnity Period

As stated in the schedule

Gross Rentals

The **money** paid or payable to the Insured by tenants in respect of rental of the **premises**

Standard Gross Rentals

The **gross rentals** which but for the **incident** would have been receivable during the **indemnity period** based upon leases signed prior to or in course of negotiation at the date of such **incident** and upon leases which it may reasonably be assumed would have been in force during the **indemnity period** had no such **incident** occurred due account being taken of rents of similar property in the same locality and of all other material circumstances affecting the **business** or which but for the **incident** would have affected the **business** during the **indemnity period**

Annual Gross Rentals

The **gross rentals** which but for the **incident** would have been receivable had the **premises** been fully let during the period of twelve months commencing with the date of such **incident**

Memorandum 1 - Alternative Premises

If during the **indemnity period** the **business** shall be conducted elsewhere than at the **premises** the **gross rentals** derived from such other premises shall be brought into account in arriving at the **gross rentals** during the **indemnity period**

Business Interruption - Appendix AR Advanced Gross Rentals (Sum Insured Basis) (continued)

Memorandum 2 - Professional Accountants Clause

The *company* will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the *company* under the terms of the Claims Conditions and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the sum of the amount payable under this clause and the amount otherwise payable under this Section shall in no case exceed the total sum insured

Business Interruption - Appendix AP

Advanced Gross Profit (Sum Insured Basis)

Settlement Provisions

The insurance by Item 1 of the schedule is limited to loss of **gross profit** not exceeding the Sum Insured stated in the schedule due to

- (i) Reduction in **turnover** and
- (ii) Increase in Cost of Working

and the amount payable as indemnity thereunder shall be

- (a) In respect of Reduction in **turnover**
The sum produced by applying the **rate of gross profit** to the **shortage in turnover** during the **indemnity period**
- (b) In respect of Increase in Cost of Working
The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **turnover** which but for that expenditure would have taken place during the **indemnity period** in consequence of the **incident** but not exceeding the sum produced by applying the **rate of gross profit** to the amount of the reduction thereby avoided

less any sum saved during the **indemnity period** in respect of such of the charges and expenses payable out of **gross profit** as may cease or be reduced in consequence of the **incident**

provided that if the sum insured by Item 1 be less than the sum produced by applying the **rate of gross profit** to the **annual turnover** (or to a proportionately increased multiple thereof where the **maximum indemnity period** exceeds twelve months) the amount payable shall be proportionately reduced

Additional Definitions

Each time one of the additional definitions below is used it will have the same meaning wherever it appears in this Section or on the schedule in relation to this Section To help identify these words they appear in **bold italics** in this Section

Note 1

To the extent that the Insured is accountable to the Tax Authorities for Value Added Tax all terms in this Section shall be exclusive of such tax

Note 2

For the purpose of these definitions any adjustment implemented for current cost accounting shall be disregarded

Incident

Loss or destruction of or damage to property intended to be used by the Insured at the **premises** for the purpose of the **business**

Gross Profit

The amount by which the sum of the amounts of the **turnover** (net of discounts allowed) Closing Stock and Work in Progress shall exceed the sum of the amounts of the Opening Stock and Work in Progress and the amount of the Specified Working Expenses

Specified Working Expenses are

- (i) 100% of purchases (less discounts received)
- (ii) 100% of discounts allowed
- (iii) 100% of bad debts written off
- (iv) 100% of carriage packing and freight

NB. For the purpose of this definition **gross profit** is as defined but otherwise the words and expressions used shall subject to **Note 2** to these definitions have the meaning attached to them in the Insured's usual accounting methods due provision being made for depreciation of Stock and Work in Progress

Turnover

The **money** paid or payable to the Insured for goods sold or delivered and for services rendered in course of the **business** at the **premises**

Shortage in Turnover

The amount by which the **turnover** during a period shall in consequence of the **incident** fall short of the part of the **standard turnover** which relates to that period

Indemnity Period

The period beginning with the date upon which but for the **incident** the **turnover** would have commenced at the Insured's **premises** and ending not later than the **maximum indemnity period** thereafter during which the results of the **business** shall be affected in consequence of the **incident**

Maximum Indemnity Period

As stated in the schedule

Business Interruption - Appendix AP

Advanced Gross Profit (Sum Insured Basis)

(continued)

Rate of Gross Profit - The *rate of gross profit* that would have been earned on *turnover* during the *indemnity period* but for the *incident*

Annual Turnover - The proportional equivalent for a period of twelve months of the *turnover* which but for the *incident* would have been earned during the period of twelve months immediately following the date on which the *turnover* would have commenced

Standard Turnover - The *turnover* which but for the *incident* would have resulted during the *indemnity period*

based upon the estimated production programme of the *business* and costs and prices relating thereto to which such adjustments shall be made as may be necessary to provide for the trend of the *business* and for variations in or special circumstances affecting the *business* either before or after the *incident* or which would have affected the *business* had the *incident* not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *incident* would have been obtained during the relative period after the *incident*

Memorandum 1 - Alternative Premises

If during the *indemnity period* goods shall be sold or services shall be rendered elsewhere than at the *premises* for the benefit of the *business* either by the Insured or by others on the Insured's behalf the *money* paid or payable in respect of such sales or services shall be brought into account in arriving at the *turnover* during the *indemnity period*

Memorandum 2 - Professional Accountants

The *company* will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the *company* under the terms of the Claims Conditions and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the sum of the amount payable under this clause and the amount otherwise payable under this Section shall in no case exceed the sum insured

Memorandum 3 - Uninsured Standing Charges

If any standing charges of the *business* be not insured by this Section (having been deducted in arriving at the *gross profit* as defined herein) then in computing the amount recoverable hereunder as increase in cost of working that proportion only of any additional expenditure shall be brought into account which the *gross profit* bears to the sum of the *gross profit* and the uninsured standing charges

Business Interruption (continued)

(b) land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith

(c) water works or pumping station of the public water supply undertaking

as stated in the schedule as being applicable

from which the Insured obtains electricity gas or water shall be deemed to be an **incident** provided that the **company's** liability under this clause in respect of any one occurrence shall not exceed the sum insured (or 133.33% of the Estimated Amount) by Item 1 or any limit of liability shown in the schedule

11. Public Utilities

Any loss as insured by Item 1 resulting from interruption of or interference with the **business** in consequence of the Contingencies specified below and which are stated as being effective in the schedule shall be deemed to be an **incident** provided that after the application of all other terms conditions and provisions of the policy the liability under this memorandum in respect of any one occurrence shall not exceed

(a) the percentage of the total of the sums insured (or 133.33% of the Estimated Amount) by Item 1 of the policy

or

(b) the amount

shown in the schedule against such Contingencies as the limit

The Contingencies

The accidental failure of

(a) the public supply of electricity at the terminal ends of the supply undertaking's service feeders at the **premises**

(b) the public supply of gas at the supply undertaking's meters at the Premises

(c) the public supply of water at the supply undertaking's main stop cock serving the **premises**

(d) the public supply of telecommunications services (other than satellite services) at the incoming line terminals or receivers at the **premises**

as specified in the schedule

in Great Britain or Northern Ireland

but excluding any failure

(i) which does not involve a cessation of supply for at least the period of time stated in the schedule as the time franchise

(ii) due to an Excluded Cause

Excluded Causes

1. Loss resulting from failure caused by

(i) the deliberate act of any supply undertaking or by the exercise by any such undertaking of its power to withhold or restrict supply or service

(ii) strikes or any labour or trade dispute

(iii) drought

(iv) other atmospheric or weather conditions but this shall not exclude failure due to damage to equipment caused by such conditions

2. Loss resulting from loss destruction or damage occasioned by war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power nationalisation confiscation requisition seizure or destruction by the government or any public authority

Business Interruption (continued)

3. Loss resulting from loss destruction or damage occasioned by or happening through or occasioning loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any **consequential loss** directly or indirectly caused by or contributed to by or arising from

- (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- (ii) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

4. Loss resulting from loss destruction damage or **consequential loss**

- (a) in England Wales and Scotland but not the territorial seas adjacent thereto as defined in the Territorial Sea Act 1987 by fire or explosion occasioned by or happening through or in consequence directly or indirectly of **terrorism**

except to the extent stated in the SPECIAL PROVISION - Terrorism (See page GC8)

- (b) in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of

- (i) riot civil commotion and (except in respect of loss destruction or damage by fire or explosion) strikers locked out workers or persons taking part in labour disturbances or malicious persons

- (ii) **terrorism**

Definition

For the purposes of this policy **terrorism** shall mean any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence

In any action suit or other proceeding where the **company** alleges that by reason of this definition any loss destruction damage or consequential loss is not covered by this policy (or is covered only up to a specified limit of liability) the burden of proving that such loss destruction damage or consequential loss is covered (or is covered beyond that limit of liability) shall be upon the Insured

Except as expressly varied hereby the insurance by this Clause is subject to all the terms and conditions of this Section and of the policy

Promise of Service

Our goal is to give excellent service to all of our customers but we recognise that things do go wrong occasionally. We take all complaints we receive seriously and aim to resolve all of our customers' problems promptly. To ensure that we provide the kind of service you expect we welcome your feedback. We will record and analyse your comments to make sure we continually improve the service we offer.

What will happen if you complain?

- We will acknowledge your complaint within 2 working days of receipt
- We aim to resolve complaints within 5 working days
- Once an assessment and full investigation of your concern has been made, we will respond with a decision.

Most of our customers' concerns can be resolved quickly but occasionally more detailed enquiries are needed. If this is likely, we will contact you with an update and give you an expected date of response. This will not be beyond 20 working days from when you first made your complaint.

If you remain unhappy with the decision you receive from the local branch you may write to the Chief Executive. If you are dissatisfied with our final decision, you can refer the matter to the Financial Ombudsman Service (FOS).

The FOS will only consider your complaint if you have given us the opportunity to resolve it and you are a private policyholder, a business with a group turnover of less than £1 million, a charity with an annual income of less than £1 million or a trustee of a trust with a net asset value of less than £1 million. Please follow the steps below. If, however, we do not resolve your complaint within 40 working days, the FOS will accept a direct referral.

Whilst we are bound by the decision of the FOS, you are not. Following the complaints procedure does not affect your right to take legal action.

What should I do?

The steps you should take if dissatisfied

Step 1 Seek resolution by your insurance adviser or usual Norwich Union point of contact.

If you are disappointed with any aspect of the handling of your insurance we would encourage you, in the first instance, to contact the manager concerned. You can write or telephone, whichever suits you, and ask your contact to review the problem.

Step 2 Refer your complaint to our Chief Executive.

If you remain unhappy with the decision you receive, please write with full details including Policy number and/or claim number, to:

The Chief Executive
Norwich Union Insurance
Surrey Street
Norwich
NR1 3NS

A review of the matter will then be carried out at a senior level and a final decision given.

Promise of Service (continued)

Step 3 Refer your complaint to the Financial Ombudsman Service.

If after making a complaint to us you are still unhappy and you feel the matter has not been resolved to your satisfaction please contact the FOS at:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

Choice of Law

The appropriate law as set out below will apply unless you and the insurer agree otherwise:

1. The law applying in that part of the UK, Channel Islands or Isle of Man in which you normally live or (if applicable) the first named policyholder normally lives; or
2. In the case of a business, the law applying in that part of the UK, Channel Islands or Isle of Man where it has its principal place of business; or
3. Should neither of the above be applicable, the law of England and Wales will apply.

Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme ("FSCS"). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of insurance and the circumstances of the claim.

For compulsory classes of insurance, underwriting is covered for 100% of the claim. For other classes of insurance, underwriting is covered for 100% of the first £2,000 of a claim and 90% of the remainder of the claim. There is no upper limit in either case.

Further information about compensation scheme arrangements is available from the FSCS.

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