



Amlin UK

Commercial combined policy

This policy is a contract between **you** and **us** and is based on the information **you** have given on **your** proposal and any other information **you** have supplied.

We have agreed to insure **you** under the conditions and exclusions in this policy and any endorsements.

We will indemnify **you** by payment, repair or reinstatement for any liability, loss, **damage**, accident or injury that happens during the **period of insurance** for which **you** have paid or agreed to pay the premium.

For and on behalf of Amlin UK

B.D.Carpenter
Underwriter

General information

Important

This policy is a legal contract and it is important that **you** read 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 immediately.

We would remind **you** that **you** must tell **us** immediately of any facts or changes which might affect **our** assessment or acceptance of this insurance. If **you** do not disclose all relevant facts **you** may invalidate **your** policy or **your** policy may not operate fully.

You should read this policy together with **your** current schedule which gives precise details of the cover.

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If you need to make a claim

If **you** need to make a claim, please telephone **us** on **01245 396688** and **we** will be pleased to advise **you** of the steps to take. It will assist if **you** have details of **your** policy and cover available when telephoning.

We would refer **you** also to the claims conditions of the policy set out on page GEN8.

General information

Your right to complain

We intend to provide a first class service at all times to our policyholders.

If, however, you have cause for complaint, we would ask that you first contact the insurance adviser who arranged the insurance for you. If you are not satisfied with the manner in which your complaint has been dealt with, any further complaint should be addressed to us at

Amlin House
Parkway
Chelmsford
Essex
CM2 0UR
E-mail: Aulcomplaints@amlin.co.uk

Should you remain dissatisfied, you may refer your complaint to Policyholder & Market Assistance at Lloyd's, who will investigate and assess your complaint. Lloyd's contact details are as follows.

Policyholder & Market Assistance
Lloyd's Market Services
One Lime Street
London
EC3M 7HA
Phone: 0207 327 5693
Fax: 0207 327 5225
E-mail: Complaints@Lloyds.com

Ultimately, should you remain dissatisfied with Lloyd's final response, you may, if eligible, refer your complaint to the Financial Ombudsman Service (FOS). Please note that you are able to escalate your complaint to FOS within six months from the date of Lloyd's final response letter. Given this, please direct your communications in the first instance to the Lloyds address above.

Details of who is eligible to refer a complaint to the FOS can be found on their website at www.financial-ombudsman.org.uk

. Compensation

Amlin Underwriting Limited are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if Amlin Underwriting Limited cannot pay a claim to you under this contract. If you are entitled to compensation under the scheme, how much compensation you would receive would depend on the nature of this contract. You can get more information about the scheme from the Financial Services Compensation Scheme (10th Floor, Beaufort House, 15 St Botolph Street, London, EC3A 7QU and on their website at www.fscs.org.uk).

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** in the policy wording.

Business

The business stated in the schedule.

Damage

Loss, destruction of or damage to the property insured.

Employee

Any person who is

- a) under a contract of service or apprenticeship with **you**.
- b) a labour master or supplied by a labour master.
- c) employed by labour only sub-contractors.
- d) self-employed and working for **you** and under **your** control.
- e) hired to or borrowed by **you**.
- f) supplied to **you** for the purposes of study, work or training experience.
- g) a prospective employee who is undergoing practical work experience whilst being assessed by **you** as to his or her suitability for employment.
- h) a voluntary helper while working under **your** supervision and control in connection with the **business**.
- i) an outworker or homeworker employed under a contract to personally carry out any work in connection with the **business** while they are engaged in that work.

Excess

This is the first part of any claim that **you** will have to pay after the application of all other terms and conditions of the insurance including average (General condition 5).

Money

Cash, bank and currency notes, postal and money orders, bankers' drafts, cheques, giro cheques, giro drafts, national giro payment orders, travellers cheques, crossed warrants, bills of exchange, securities for money, postage revenue, current postage stamps and unused postal franking machine units, national insurance and holiday with pay stamps, stamped national insurance and holiday with pay cards, national savings certificates, national savings stamps, saving stamps, war bonds, premium savings bonds, franking machine impressions, credit company sales vouchers, luncheon vouchers, trading stamps, VAT invoices, travel vouchers, travel tickets, airline tickets, uncrossed dividend warrants, consumer redemption vouchers, gift tokens, certificates of deposit and credit cards.

Period of insurance

The period from the effective date shown in the schedule until midnight on the expiry date shown in the schedule. This includes any subsequent period for which **we** may accept payment for renewal of this policy.

Pollution

Pollution or contamination by naturally occurring or man-made substances, forces, organisms or any combination of them whether permanent or transitory and all loss, damage or injury, directly or indirectly caused by such pollution or contamination.

Premises

The premises stated in the schedule.

Terrorism

Act of person acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other Government de jure or de facto.

Unoccupied

Any building or part of any building which is unoccupied or not in use by **you** or any tenant of **you** for more than thirty consecutive days.

We/us/our

Amlin Underwriting Limited and its Appointed Representative Amlin UK Limited

You/your

The insured named in the schedule.

General conditions

1. **Policy voidable**

This policy shall be voidable if there has been any misrepresentation, misdescription or non-disclosure of any material fact.

2. **Observance**

It is a condition precedent to any liability that **you** comply with all the terms, conditions and endorsements of this policy and the truth of the statements and answers in the proposal except where it 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.

3. **Statutory requirements, maintenance and reasonable precautions**

You shall at **your** own expense

- a) take all reasonable precautions to prevent or reduce **damage**;
- b) cease any activity which may give rise to liability under this policy;
- c) maintain all buildings, furnishings, ways, works machinery, caravans and vehicles in sound condition;
- e) exercise care in the selection and supervision of **employees**;
- f) remedy any defect or danger as soon as possible after discovery and in the meantime take such additional precautions as the circumstances may require; and
- g) comply with all statutory requirements and other safety regulations imposed by any authority.

4. **Alteration**

This policy shall be avoided if

- a) any alteration after the commencement of this insurance increases the risk of injury, **damage** or liability; or
 - b) **your** interest ceases except by will or operation of law
- unless **we** agree in writing to continue the policy.

5. **Average**

(Applicable to all Sections except Section 8 - Employers Liability, Section 9 - Public/products liability, Section 10 - Motor and Section 11 - Professional indemnity)

Wherever a sum insured is stated to be subject to average, if at the time of any **damage** such sum insured on any item of the property insured is less than the total value of such property, **you** shall be considered as being **your** own insurer for the difference and shall bear a rateable share of the loss accordingly.

6. **Cancellation**

(not applicable to Section 10 – Motor)

“We may cancel this **policy** where there is a valid reason by giving **you** 30 days’ notice in writing to **your** last known address. Any return premium due to **you** will depend on how long this insurance has been in force and whether **you** have made a claim.

You can also cancel this insurance at any time by writing to **your** broker. Any return premium due to **you** will depend on how long this insurance has been in force and whether **you** have made a claim.

If the premium has been calculated on any estimates provided by **you**, it shall be adjusted in accordance with General condition 12.”

7. **Your rights**

You may cancel this policy in the first year of insurance during the 14 days after the contract has been concluded by giving notice in writing to **your** broker at the address shown in their correspondence or to **us** at the address shown on **your** policy schedule. This right does not apply at the first or any subsequent renewal of the policy.

You will only have this right provided that there have been no

- a) claims made under the policy for which **we** have made a payment;
- b) claims made under the policy which are still under consideration; or
- c) incidents likely to give rise to a claim but yet to be reported to **us**.

We will give a refund of part of the premium paid proportionate to the unexpired **period of insurance**.

If a claim has been submitted or there has been any incident likely to give rise to a claim during the current **period of insurance**, no refund of the premium will be given.

8. **Index linking**

(Applies only to Section 1 - Material damage, Section 2 - Business interruption, Section 4 - Trade all risks and Section 5 - Goods in transit if insured)

Renewal

Where the schedule states that index linking applies, **we** will adjust the amounts insured to take into account movements in the appropriate index shown below.

Building and tenants improvements items

General conditions

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

Other items

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

Claims

For claims settlement purposes (except Section 2 - Business interruption) the adjustments set out above will continue during the **period of insurance** and the period of repair, replacement or reinstatement as long as the work is carried out and completed without undue delay.

NOTE: *If either of the above indices is not available, we may select a suitable alternative.*

9. **Discharge of liability**

We may at any time pay the limit of indemnity or the sum insured (less any sum already paid) or any lower amount for which a claim can be settled. **We** shall be under no further liability except for the payment of costs and expenses incurred before the date of payment.

10. **Excess**

We shall not be liable for the amount of the **excess** stated in the schedule in respect of each and every loss calculated after the application of all other terms and conditions of this policy.

11. **Identification**

The policy, schedule, certificates and appendices shall be read together as one contract. Any word or expression to which a specific meaning has been given in any part of the policy, schedule or sections shall have the same meaning wherever it appears unless **we** state otherwise.

12. **Adjustment of premium**

If the premium has been calculated on estimates given by **you**, **you** must keep an accurate record of all relevant particulars which shall be available to **us** for inspection.

Within a reasonable time after the end of each **period of insurance**, **you** shall supply to **us** an accurate statement in the form required so that the premium for that period can be calculated and the difference paid by or returned to **you**.

If **you** do not supply such a statement within a reasonable time after the end of the **period of insurance**, **we** shall be entitled to charge an additional premium in respect of that **period of insurance**.

13. **Instalments**

If **you** are paying the premium through a loan taken out with a finance house and **we** cancel the policy due to non-payment of an instalment or any other reason, any refund of premium will be made directly to the finance house.

In the event of a default, the cancellation will be effective from the day the finance house advises **us** of the default except for Section 10 – Motor where the cancellation will be effective seven days after the finance house advises **us** of the default provided all certificates of motor insurance have been returned to **us**.

14. **Long term undertaking**

(Applies only if stated in the schedule)

In consideration of a discount off the net premium being allowed until the date stated in the schedule, **you** undertake 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) **we** shall be under no obligation to accept an offer made in accordance with this undertaking; and
- b) the sum insured may be proportionately reduced at any time to correspond with any reduction in value of the **business**.

This undertaking applies to any policy or policies which may be issued by **us** in substitution of this policy and the same discount shall be allowed off the net premium on any substituted policy or policies issued by **us**.

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

Nothing in this undertaking shall prejudice **our** right to cancel this policy or any of its sections in accordance with the conditions.

15. **Contract (Rights of Third Parties) Act 1999**

The terms of this policy are only enforceable by the named insured. A person who is not a named insured has no rights under the Contract (Rights of Third Parties) Act 1999 to enforce any term of this policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

General conditions

16. **Choice of law**

There is a choice of law which can apply to this policy but the pre-contractual offer by **us**, subsequent acceptance by **you** and the contract itself have been made on the basis of English law and this can only be amended with the express written agreement of both parties to the contract.

17. **Law interpretation**

The proper law for the interpretation of the construction and language of this policy is English law and the courts of England and Wales alone shall have jurisdiction for hearing and determining any litigation arising out of or in connection with any dispute regarding the interpretation of this policy.

18. **Tax**

You will pay any tax due on the premium in accordance with current legislation.

19. **Unoccupied property**

We must be notified in writing immediately of any **unoccupied** building or **unoccupied** portion of a building insured that becomes occupied or any occupied building which becomes **unoccupied** or partially **unoccupied**. An additional premium and terms will be applied if required.

20. **Security of unoccupied property**

It is a condition precedent to **our** liability that in respect of property **unoccupied** for more than 30 days the following conditions are complied with unless otherwise agreed by **us**.

- a) The gas, electricity (other than power required for an intruder alarm or fire alarm system) and water supplies are turned off at the mains and all water pipes, apparatus and tanks are drained down.
- b) All devices for preventing access to the buildings are in full and effective operation at all times.
- c) The **premises** and yards are clear of all waste materials and redundant contents.
- d) All accessible windows and doors are securely boarded over.
- e) The letter box is permanently sealed shut or a non combustible receptacle is permanently fixed to the letter box.
- f) The **premises** are inspected at least once a week by a responsible person to ensure that there is no deterioration in the fabric of the building and that compliance with conditions a) - e) continues.

21. **Employers Liability Tracing Office**

By entering into this insurance policy you will be deemed to specifically consent to the use of your insurance policy data in the following way and for the following purposes

1. By entering into this insurance policy you will be deemed to specifically consent to the use of your insurance policy data in the following way and for the following purposes
2. Certain information relating to your insurance policy including, without limitation,
 - a) the policy number(s);
 - b) employers' names and addresses (including subsidiaries and any relevant changes of name);
 - c) dates of cover;
 - d) employer's reference numbers provided by Her Majesty's Revenue and Customs; and
 - e) Companies House reference numbers (if relevant) will be provided to the Employers' Liability Tracing Office (**ELTO**) and added to an electronic database (**database**).
3. This information will be made available by us to ELTO in a specified and readily accessible form as required by the Employers' Liability Insurance: Disclosure by Insurers Instrument 2010. This information will be subject to regular periodic updating and certification and will be audited on an annual basis.
4. The database will assist individual consumer claimants who have suffered an employment related injury or disease arising out of their course of employment in the UK for employers carrying on or who carried on business in the UK and who are covered by the employers' liability insurance of their employers (claimants)
 - a) to identify which insurer (or insurers) provided employers' liability cover during the relevant periods of employment; and
 - b) to identify the relevant employers' liability insurance policies.
5. The database will be managed by ELTO
6. The database and the data stored on it may be accessed and used by claimants, their appointed representatives, insurers with potential liability for UK commercial lines employers' liability insurance cover and any other persons or entities permitted by law.

Claims conditions

1. If any claim is in any respect fraudulent or if **you** or anyone acting on **your** behalf use any fraudulent means to obtain any benefit under this policy or deliberately cause **damage** all benefit under this policy shall be forfeited.
2. On the discovery of any incident which may give rise to a claim under this policy **you** shall
 - a) notify **us** by telephone immediately and in writing as soon as practicable;
 - b) notify the police as soon as possible in respect of **damage** caused by malicious persons or thieves if insured by this policy;
 - c) take all reasonable steps to prevent further **damage** and to minimise any interruption of the **business**;
 - d) remedy any defect or **damage** as soon as possible after discovery and in the meantime take such additional precautions as the circumstances may require; and
 - e) send to **us** at **your** expense within 30 days (7 days in the case of **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 incident or after expiry of the indemnity period or such further time as **we** may allow
 - i) full information in writing of the claim;
 - ii) details of any other insurance relating to the claim;
 - iii) any business books, documents, proofs, information and other evidence as **we** may reasonably require; and
 - iv) if required, a statutory declaration of the truth of the claim and of any matter connected with it.
3. **We** will not pay any claim under this policy unless **you** have complied with the terms of condition 2.
4. If **we** choose or are required to reinstate or replace any property **you** shall at **your** own expense give **us** all such plans, documents, books and information as **we** may reasonably require.
We 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 pay out more than the sum insured on any item.
5.
 - a) In the event of any **damage** for which a claim is or may be made under this policy **we** and any person authorised by **us** may without incurring any liability or diminishing **our** right to rely upon any conditions of this policy enter, take or keep possession of the building or **premises** where the **damage** has happened and any property insured under this policy.

If **you** or anyone acting on **your** behalf does not comply with **our** requirements or hinders or obstructs **us** in doing any of the above, then all benefit under this policy shall be forfeited. **You** shall not in any case be entitled to abandon any property to **us** whether **we** take possession of it or not.
 - b) **You** or anyone acting on **your** behalf must not make any admission, offer, promise or payment without **our** written consent. **We** have the right to take over and conduct in **your** name the defence or settlement of any claim or to prosecute any claim in **your** name for **our** own benefit and **we** shall have full discretion in the conduct of any proceedings and in the settlement of any claim.
 - c) **You** shall give all such assistance as **we** may require.
6. Any claimant under this policy shall at **our** request and expense do and allow all such acts and things as **we** may reasonably require for the purpose of enforcing any rights and remedies **we** may have of obtaining recovery or indemnity from third parties, irrespective of whether **we** require this before or after **we** indemnify **you**.
7. **You** must send **us** unanswered every letter, claim, writ, summons and process in connection with the incident immediately on receipt. **You** shall also give **us** written notice immediately **you** know of any prosecution or inquest in connection with any occurrence which may give rise to a claim under this policy.
8. *Not applicable to Section 3 part 2 - Personal injury (robbery)*
If at the time of any claim there is any other insurance covering **your** interest in the property **damaged** or the same legal liability **our** liability under this policy shall be limited to its rateable proportion of such claim.

If the other 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 the same way.

If any other insurance effected by **you** or on **your** behalf covers any of the property insured but is subject to any provision which excludes it from ranking concurrently with this policy either in whole or in part or from contributing rateably to the **damage**, **our** liability under this policy shall be limited to such proportion of the **damage** as the sum insured bears to the value of the property.
9. *Not applicable to Section 3 part 2 - Personal injury (robbery,)Section 8 - Employers' liability or Section 9 - Public/products liability*
If any difference as to the amount to be paid under this policy (liability being otherwise admitted) arises, it may be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions. Where any difference is referred to arbitration the making of any award shall be a condition precedent to any right of action against **us**.

General exclusions

1. This policy does not cover failure of any computer system, whether or not **your** property, to be date or time compliant including failure of any correction, attempted correction, conversion, renovation, rewriting or replacement of any computer system relating to date or time compliance.
2. This policy does not cover any award of punitive or exemplary damages whether as fines, penalties, multiplication of compensatory awards or damages, or in any other form whatsoever.
3. This policy does not cover any liability assumed by **you** under any express warranty, agreement or guarantee unless such liability would have attached to **you** irrespective of such express warranty, agreement or guarantee.
4. This policy does not cover death, disablement or **damage** to any property, any loss or expense resulting or arising therefrom or any legal liability of whatsoever nature directly or indirectly caused by, contributed to or arising from
 - a) ionising radiation 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 its nuclear components; or
 - c) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, nationalisation, requisition or **damage** to property by or under the order of any government or public or local authority.

NOTE

When related to Section 8 – Employers' liability, paragraphs a) and b) shall only apply in respect of bodily injury to an **employee** when **you** under a contract or agreement have undertaken

- i) to indemnify another party; or
 - ii) to assume the liability of another partyin respect of such bodily injury.
5. *Not applicable to Section 8 - Employers' liability or Section 9 - Public/products liability.*

This policy does not cover **damage** directly caused by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
6. *Not applicable to Section 8 - Employers' liability or Section 9 - Public/products liability.*

This policy does not cover

 - i) **money**, jewellery, precious stones, precious metals (except where parts of machinery or tools) bullion, bonds, furs, curiosities, rare books, works of art, patterns, models, moulds, plans and designs;
 - ii) goods held in trust or on commission, documents, manuscripts, business books, computer systems, records, explosives, video tapes or cassettes for sale or hire; or
 - iii) property in transitunless specifically mentioned.
7. *Not applicable to Section 8 - Employers' liability*

This policy does not cover liability, **damage** or consequential loss directly or indirectly caused by or arising out of **terrorism**. In any action, suit or other proceedings where **we** allege that **damage** or consequential loss caused by **terrorism** is not covered by this policy, the burden of proving that such **damage** or consequential loss is covered shall be upon **you**.
8. This policy does not cover **damage** or consequential loss in Northern Ireland occasioned by, happening through or in consequence directly or indirectly of civil commotion.
9. This policy does not cover any liability caused by or arising out of **pollution** apart from that specified under Section 1 – Material damage, Section 2 - Business interruption, Section 4 – Trade all risks and Section 9 - Public/products liability.
10. *Not applicable to Section 8 – Employers liability*

We will not indemnify **you** against liability in respect of any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use or exposure to asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in a consequence of loss.
11. *Applicable to all sections other than Section 8 – Employers' liability and Section 9 - Public/products liability*

This policy does not cover **damage** or consequential loss directly or indirectly occasioned by, happening through or as a result of computer virus or from erasure, corruption or alteration of electronic data.

For the purpose of this exclusion

 - a) computer virus means a corrupting instruction that propagates itself via a computer system or network.
 - b) electronic data means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

This exclusion shall not apply to **damage**, interruption of or interference with the **business** not otherwise excluded which results from fire, explosion, aircraft, earthquake, riot, storm, flood, escape of water, impact or sprinkler leakage all as defined in Section 1 – Material damage and stated as insured in the schedule applicable to that section.

Section 1 - Material damage

Definitions

The following words will have the same meaning wherever they appear in this section of the policy or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Alarmed premises

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

All other contents

- a) Personal effects, pedal cycles, tools, instruments and the like belonging to **employees**, principals, directors, customers and visitors to the extent that they are not more specifically insured.
We will not pay more than £750 in respect of any one person or for jewellery, watches, furs, contact lenses, portable electronic entertainment equipment, cameras or **money** or £250 for any one pedal cycle in respect of any one person.
- b) Computer records, documents, manuscripts and business books for an amount not exceeding £25,000 in respect of any one loss.
- c) Patterns, models, moulds, plans and designs.
- d) **Money** and securities of any description but for not more than £1,000 in total and subject to any specific exclusions in this insurance.
- e) Wines, spirits, cigarettes and tobacco other than **stock** but for not more than £1,000 in total in respect of **damage** by theft (if insured).
- f) Motor vehicles and their contents but only if they are not otherwise insured.
- g) Rare books or works of art but for not more than £1,000 in total any one **period of insurance**.

Buildings

(Applies also to Section 2 - Business interruption)

- a) Buildings (being built mainly of brick, stone, concrete or other non-combustible materials unless otherwise stated in the schedule).
- b) Landlords' fixtures and fittings in and on the buildings.
- c) Small outside buildings, extensions, annexes, gangways.
- d) Walls, gates and fences, yards, car parks, roads, pathways and loading bays.
- e) Services, meaning telephone, gas and water mains, electrical instruments, meters, piping, cabling and the like extending from the buildings to the perimeter of the **premises** or to the public mains (including those underground).

General contents

Machinery, plant, fixtures and fittings, tenants improvements, alterations, decorations, improvements, internal and external glass being part of the **buildings** not owned by **you** but for which **you** are responsible, office equipment and **all other contents**.

Intruder alarm system

The component parts including the means of communication used to transmit signals detailed in the alarm specification agreed by **us**.

Keyholder

You or any **responsible person** or keyholding company **you** authorise

- a) to accept notification of faults or alarm signals relating to the **intruder alarm system**; and
- b) to attend and allow access to the **premises**.

At least one keyholder must be available at all times.

Other property

Any other items of property not specifically insured above which **you** have advised to **us** and **we** have specified on the schedule.

Property insured

Buildings, general contents, all other contents, stock and **other property** at the **premises** (subject to any specific exclusions) all as defined below or more fully described in the schedule and all belonging to **you** or for which **you** are responsible but excluding

- i) property which is more specifically insured; and
- ii) unless specifically notified to and accepted by **us** as insured
 - a) land, piers, jetties, bridges, culverts or excavations
 - b) livestock, growing crops or trees unless they form part of the **general contents**.

Responsible person

You or any person **you** authorise to be responsible for the security of the **premises**.

Stock

Stock and materials in trade, work in progress, goods held in trust and finished goods for which **you** are responsible.

Section 1 - Material damage

Insuring clause

We will at our option pay for, repair or reinstate any **property insured** that sustains **damage** at the **premises** directly caused by any of the covers listed below provided they are shown as applying in the schedule.

Our liability in any one **period of insurance** shall not exceed

- a) the total sum insured; or
- b) in respect of any item its sum insured; or
- c) any other stated limit of liability.

Covers

1. **Fire, lightning and explosion** but not **damage** caused by
 - i) earthquake, subterranean fire, riot, civil commotion.
 - ii) its undergoing any heat process or any process involving the application of heat.
 - iii) explosion of non – domestic steam pressure machinery or equipment under **your** control.
2. **Aircraft** or other aerial devices or articles dropped from them but not **damage** caused by
 - i) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
 - ii) fire.
3. **Riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons** but not **damage** arising from
 - i) confiscation, requisition or destruction by order of the government or any public authority.
 - ii) stopping work.
 - iii) fire caused by strikers, locked out workers or persons taking part in labour disturbances or malicious persons.
 - iv) theft or attempted theft directly caused by malicious persons to any **building** which is **unoccupied** or not in use for more than 30 days.
4. **Earthquake or subterranean fire.**
5. **Storm** but not **damage**
 - i) caused by lightning, frost, subsidence, ground heave or landslip.
 - ii) in respect of movable property in the open, fences and gates.
6. **Flood** but not **damage**
 - i) attributable solely to change in the water table level.
 - ii) caused by lightning, frost, subsidence, ground heave or landslip.
 - iii) in respect of movable property in the open, fences and gates.
7. **Escape of water** from any tank, apparatus or pipe but not **damage**
 - i) by water discharged or leaking from any automatic sprinkler installation.
 - ii) in respect of any **building** which is **unoccupied** or not in use for more than 30 days.
8. **Accidental escape of water** from any automatic sprinkler installation in the **premises** but not **damage** caused by
 - i) freezing whilst the **building** is **unoccupied** or not in use for more than 30 days.
 - ii) explosion, earthquake, subterranean fire or heat caused by fire.
9. **Impact** by any road vehicle or animal.
10. **Accidental damage** but not
 - i) **damage** caused by
 - a) any of the covers specified above.
 - b) the causes expressly excluded from the covers specified above whether or not insured.
 - c) inherent vice, latent defect, gradual deterioration, wear and tear, faulty or defective design or materials.

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- d) faulty or defective workmanship, operational error or omission on the part of **you** or any **employee**, but this shall not include subsequent **damage** which itself results from a cause not otherwise excluded.
 - e) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects.
 - f) change in temperature, colour, flavour, texture or finish.
 - g) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunication services.
 - h) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any steam and feed piping connected to them.
 - i) mechanical, electronic, electrical or computer breakdown or derangement of the particular machine, apparatus or equipment in which such breakdown or derangement originates but this shall not exclude subsequent **damage** so long as it is not excluded above.
 - j) **pollution**.
 - k) normal settlement or bedding down of new structures.
 - l) acts of fraud or dishonesty.
 - m) disappearance, unexplained or inventory shortage, misfiling or misplacing of information.
 - n) **damage** to a **building** or structure caused by its own collapse or cracking.
 - o) any process of production, packing, treatment, testing, commissioning, servicing or repair.
 - p) nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority.
- ii) **damage to**
- a) movable property in the open, fences and gates caused by wind, rain, hail, sleet, snow, flood or dust.
 - b) vehicles licensed for road use (including their accessories) caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft.
 - c) property or structures in course of construction or erection and materials or supplies in connection with this other than internal alterations or refurbishments not more specifically insured under a contract works policy.
 - d) glass.
11. a) **Glass breakage** at the **premises** all being plain sheet or plain plate glass unless stated otherwise in the schedule including the cost of boarding up and any lettering and artwork.
- b) **Damage to**
- i) the contents of display windows;
 - ii) windows and doorframes, vitrolite, marble, marmarile and similar materials, intruder alarm foils and other detection devices and circuits;
 - iii) electric light fittings; or
 - iv) neon and illuminated signs
- as a direct result of glass breakage as defined under paragraph 11. a) provided that **our** liability shall not exceed £10,000 in total.
12. **Breakage of fixed sanitaryware** but not breakage or **damage**
- i) in vehicles, vending machines or to **stock** in trade.
 - ii) in any **building** which is **unoccupied** or not in use for more than 30 days unless specifically agreed by **us**.
 - iii) in transit or while being fitted.
 - iv) due to settlement, expansion or contraction of frames or fittings in **buildings** under construction and during a period of six months after the date of completion.
 - v) existing before the start of the **period of insurance**.
 - vi) of neon and illuminated signs and electric light fittings.
 - vii) by wear and tear, gradual deterioration, mechanical or electrical breakdown or removal from the fixed position other than by theft or attempted theft.
 - viii) of bulbs or tubes unless the signs or fittings are also damaged.
 - ix) caused by fire or explosion.
13. **Theft or attempted theft** but not **damage**
- i) which does not involve
 - a) entry to or exit from a **building** by forcible and violent means; or
 - b) actual or threatened assault or violence.
 - ii) from any part of the **building** not occupied by **you** for the purpose of the **business**.
 - iii) from the open or from any outbuilding not communicating with the main **building** unless otherwise specified.
 - iv) to property in transit.
 - v) to **money** and securities of any description.
- For the purpose of this cover **building** does not include walls, gates, fences, yards, car parks, roads, pathways and loading bays.

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14. **Subsidence, ground heave or landslip** of any part of the site on which the property stands but not **damage**
- i) to yards, carpark, roads, pavements, walls, gates and fences unless also affecting the structure of a **building**.
 - ii) caused by
 - a) normal settlement or bedding down of new structures.
 - b) settlement or movement of made up ground.
 - c) coastal or river erosion.
 - d) fire, subterranean fire, explosion, earthquake or the escape of water from any tank apparatus or pipe.
 - iii) which originated before the inception of this cover.
 - iv) resulting from
 - a) demolition, construction, structural alteration or repair of any property; or
 - b) groundwork or excavationat the same **premises**.

Special condition to cover 14

- a) **You** must notify **us** immediately **you** become aware of any demolition, groundworks, excavation or construction being carried out on any adjoining site.
- b) **We** shall then have the right to vary the terms or cancel this cover.

Excess

An **excess** applies to the covers under this section as shown in the schedule.

Clauses

1. **Designation**

For the purpose of determining the heading under which any property is insured **we** agree to accept the designation under which such property has been entered in **your** books.

2. **Additions**

The insurance extends to include

- a) any newly acquired or built property which is not insured elsewhere; and
- b) alterations, additions and improvements to **property insured** but not increases in value anywhere in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

Cover under this clause in any one situation is limited to 15% of the sum insured on **buildings** and **general contents** or £500,000 whichever is the lesser. **You** must advise **us** of all such additional property within 6 months and pay the appropriate additional premium from the date on which the items become **your** responsibility.

Once the premium has been paid for the additional property, the provisions of this clause are reinstated.

3. **Professional fees**

The sum insured for each **building**, block of flats and machinery item described in the schedule includes an amount for professional fees necessarily incurred in reinstating or repairing the **property insured** following **damage** covered by this section.

We will not indemnify **you** in respect of fees

- i) more specifically insured; or
- ii) incurred in preparing a claim.

4. **Automatic reinstatement after a loss**

Unless **we** advise **you** to the contrary **our** liability shall not be reduced by the amount of any loss as long as

- a) **you** pay the appropriate additional premium for reinstatement of cover; and
- b) **you** carry out any reasonable recommendations **we** put forward to prevent further loss.

If the **damage** is by theft (if insured), automatic reinstatement shall apply once in each **period of insurance**.

5. **Changes of temperature**

We will pay for **damage** to the **property insured** caused by change of temperature resulting from **damage** to the refrigerating plant, air conditioning plant or connected electrical plant or apparatus as a result of the operation of an insured cover.

6. **Clearing of drains**

We will pay for expenses necessarily incurred in clearing, cleaning or repairing drains, gutters, sewers and the like for which **you** are responsible as a result of the operation of an insured cover.

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7. **Contract price**
If goods sold but not delivered for which **you** are responsible suffer **damage** and as a result the sale contract is cancelled either wholly or to the extent of the **damage**, **our** liability shall be based on the contract price for the purpose of average and the value of all goods to which this clause applies shall be calculated on the same basis.
8. **Contracting purchaser's interest**
If at the time of **damage**, **you** have contracted to sell **your** interest in any **building** insured and the purchase has not been but will be completed, the purchaser on completion shall be entitled to benefit under this policy without prejudice to the rights and liabilities of **you** or **us** from the date of the **damage** until completion as long as the purchaser has not otherwise insured the **building** against such **damage**.
9. **Customers' goods**
If **you** have intimated to **your** customers that **you** have accepted responsibility for **damage** to their goods or goods for which they may be legally responsible and which are temporarily in **your** custody and control, **we** agree that all such goods shall be held to be insured by this policy as **stock** unless they are more specifically insured elsewhere.
10. **Debris including stock removal**
The sum insured for each item of **property insured** includes costs and expenses **you** necessarily incur with **our** consent for
a) removing debris from;
b) dismantling or demolishing;
c) shoring or propping up; and
d) boarding up
those parts of the **property insured** damaged by any cover insured. **We** will not pay more than the sum insured for each item.

We will not pay for any costs or expenses
i) incurred in removing debris except from the site of property damaged and the area immediately adjacent to it;
ii) arising from **pollution** of property not insured by this policy; or
iii) in respect of **damage** which occurred before the granting of cover under this insurance.
11. **Exhibitions**
The insurance on **general contents** and **stock** applies also at any exhibition premises and while in transit to and from in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man subject to a maximum liability of £12,500 in any one **period of insurance**.
We shall not be liable for the first £250 of each and every loss.
12. **Fire extinguishing expenses**
We will pay the reasonable costs incurred by **you** for
a) refilling fire extinguishing appliances and replacing used sprinkler heads solely in consequence of insured **damage**.
b) extinguishing operations in order to minimise loss.
c) **damage** to lawns, trees, shrubs and gardens caused by extinguishing operations.
13. **Fire extinguishing appliances**
If **you** maintain fire extinguishing appliances at the **premises**, **you** must ensure all appliances are in efficient working order and remedy promptly any defects.
Providing **you** do this, **we** agree **we** will not invalidate this policy because of any defect in any of the appliances due to circumstances unknown to or beyond **your** control.
14. **Interest**
It is understood that other parties may have an interest in certain **property insured** by this policy. The nature and extent of this interest must be disclosed in the event of **damage**.
15. **Non- invalidation**
This insurance shall not be invalidated by any act, omission or alteration whereby the risk of **damage** is increased unknown to or beyond **your** control, provided that immediately **you** become aware of it **you** tell **us** and pay any additional premium required.
16. **Property at other locations**
This insurance applies to the following **property insured** while it is not on the **premises** except that
a) the insurance applies only if the property is not otherwise insured;
b) this extension applies only to **damage** occurring within Great Britain, Northern Ireland, the Republic of Ireland, the Channel Islands or the Isle of Man; and
c) **our** liability for any one loss shall not exceed the limit shown.

Property and location
A. Computer records, documents, manuscripts and business books at any location and while in transit subject to a limit of £25,000.

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- B. **Stock** (excluding goods held in trust) at any location used by **you** for storage subject to a limit of
- i) £25,000 in respect of theft or attempted theft; and
 - ii) 15% of the **stock** sum insured but not exceeding £500,000 in respect of other covers.
- C. **Other property** (excluding vehicles licensed for road use) at any location to which the property has been temporarily removed for cleaning, renovation or repair and whilst in transit subject to a limit of
- i) £25,000 in respect of theft or attempted theft; and
 - ii) 15% of the **other property** sum insured but not exceeding £500,000 in respect of other covers.

17. European Union and public authorities

Subject to the following special conditions, the insurance by this section extends to include the additional cost of reinstatement that may be incurred solely by reason of the necessity to comply with the stipulations of

- a) European Union legislation, or
 - b) building or other regulations under or framed in pursuance of any Act of Parliament or public authority bye-law
- in respect of the **damaged property insured** and any undamaged portions but excluding the following.
- i) The cost incurred in complying with the stipulations
 - a) in respect of **damage** occurring before the inception of this clause;
 - b) in respect of **damage** not insured by the section;
 - c) under which notice has been served on **you** before the happening of the **damage**;
 - d) for which there is an existing requirement, which has to be implemented within a given period; or
 - e) in respect of property entirely undamaged by any insured cover.
 - ii) The additional cost that would have been required to make good the property **damaged** to a condition equal to its condition when new, had the necessity to comply with the stipulations not arisen.
 - iii) The amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by its owner by reason of compliance with the stipulations.

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 any further time that **we** may allow (during the twelve months), and may be carried out upon another site (if the stipulations require it) subject to **our** liability under this clause not being increased by this.
2. If **our** liability under any item of the section, apart from this clause, is reduced by the application of any of the terms and conditions of the policy, then **our** liability under the clause will be similarly reduced.
3. The total amount recoverable under any item of the section in respect of this clause will not exceed
 - i) in respect of the **damaged** property
 - a) 15% of its sum insured;
 - b) where the sum insured by the item applies to property at more than one premises, 15% of the total amount for which **we** would have been liable had the **property insured** at the **premises** where the **damage** has occurred been wholly destroyed; or
 - ii) in respect of undamaged portions of property (other than foundations), 15% of the total amount for which **we** would have been liable had the **property insured** at the **premises** where the **damage** occurred been wholly destroyed.
4. The total amount recoverable under any item of the policy shall not exceed its sum insured.
5. All the terms and conditions of the policy, except where they are varied by this clause, will apply as if they had been incorporated in it.

18. Re-erection

The insurance within the limits of the sum insured for **general contents** includes the cost of re-erection and fixing machinery and plant because of **damage** covered by this policy.

19. Reinstatement

Subject to the following special conditions, the basis upon which **we** will calculate the amount payable in respect of **property insured** by all items, other than **stock**, motor vehicles and their accessories, pedal cycles and personal effects belonging to **employees**, directors, visitors and guests or rent, shall be the reinstatement of the property damaged to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new.

For this purpose "reinstatement" means

- a) the rebuilding or replacement of property **damaged** which may be carried out in any manner suitable to **your** requirements or on another site as long as **our** liability is not increased; or
- b) the repair or restoration of property **damaged**.

Special conditions

1. **Our** liability for the reinstatement of property partly **damaged** 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 exceeds its sum insured at the start of any **damage**, **our** liability shall not

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- exceed that proportion of the amount of the **damage** which the 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 clause shall be made
- unless reinstatement commences and proceeds as quickly as possible.
 - until the cost of reinstatement shall have been actually incurred.
 - if the **property insured** at the time of its **damage** shall be insured by any other insurance effected by or on **your** behalf which is not upon the same basis of reinstatement.
4. All the other terms and conditions of the policy shall apply in respect of any claim payable under this clause so far as they are able.
20. **Rent**
If **we** cover rent of **buildings** which suffer **damage**, **we** will pay
- in respect of rent receivable, the actual reduction in rent received solely in consequence of the **damage**.
 - in respect of rent payable, the amount of rent which continues to be payable by **you** in respect of the **building** or parts of the **building** whilst unfit for occupation in consequence of the **damage**.
- Our** liability shall be limited to the loss suffered within the period of rent insured as shown in the schedule which starts from the date of the **damage**.
- For the purpose of average (General condition 5) the total value shall be the annual rent receivable or payable at the start of the **period of insurance**. This amount will be proportionately increased where the period of rent insured exceeds twelve months.
21. **Subrogation waiver**
In the event of a claim arising under this policy, **we** agree to waive any rights, remedies or relief to which **we** might become entitled by subrogation against
- any company standing in the relation of parent to subsidiary (subsidiary to parent) to **you** as defined in the Companies Act or Companies (N.I.) Order current at the time of the **damage**; or
 - any company which is a subsidiary of a parent company of which **you** are a subsidiary as defined in the Companies Act or Companies (N.I.) Order current at the time of the **damage**.
22. **Theft cover**
Any cover in respect of theft includes
- the cost of repairing **damage** to the **buildings** (whether or not the **buildings** are insured under this section) if **you** are responsible for the repairs and the **damage** is not otherwise insured; and
 - the reasonable expenses incurred in necessarily replacing locks to the **buildings** or safes and strongrooms
 - following a hold-up accompanied by violence or threat of violence whilst such keys are in **your** personal custody or that of any of **your** directors, partners or authorised **employees**;
 - involving entry to or exit from the **premises** by forcible and violent means; or
 - involving entry to or exit from **your** residence or that of any of **your** directors, partners or authorised **employees** by forcible and violent means.
23. **Trace and access**
In the event of **damage** resulting from escape of water or oil as covered by this policy, **we** will pay
- the costs necessarily and reasonably incurred in locating the source of such **damage** and subsequently making good; and
 - the cost of repairing or replacing tanks, apparatus, pipes or appliances which have been damaged by freezing.
- We** shall not pay more than £10,000 or 10% of the sum insured by this section, whichever is the lesser.
24. **Workmen and alteration to the premises or business**
Workmen and tradesmen are allowed in or about the **premises** for maintenance purposes and for undertaking minor repairs and alterations without affecting this insurance, but **we** have insured **you** on the basis of information supplied and cover under this policy will cease if
- there are changes to the **premises** or the **building** in which it is located or to **your business** which may increase the risk of **damage**, liability, accident or injury; or
 - there are changes in the occupancy or use of the **premises**.
25. **Additional metered water or oil charges**
The insurance covers additional metered water or domestic heating oil charges **you** incur as a result of **damage** by an insured cover to the water installation or fixed heating installation at the **premises** insured by this policy.
We shall calculate the amount to be paid by comparing the charge made by the water suppliers for the period during which the **damage** occurred with the charges for the previous period, adjusted for any relevant factors affecting **your** consumption of water during the periods concerned.
This extension is not subject to any condition of average.
We shall not pay more than £10,000 in all in respect of any one **period of insurance** excluding the cost or value of metered water or heating oil lost when the **premises** are **unoccupied** or not in use.

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26. **Minimum security condition**

The following is a condition precedent to **our** liability.

- a) All external doors at the **premises** and any internal doors leading to other premises must be secured by mortise deadlocks and box striking plates which conform to British Standard 3621 specification or by other locking devices agreed by **us**;
- b) All opening sections of external ground floor windows and all other windows which are accessible from roofs, fire escapes or downpipes must be fitted with key operated window locks.

Any door or window officially designated a fire exit by the fire authority is excluded from this condition.

No cover will be in operation for theft or attempted theft involving entry into or exit from the **premises** and malicious damage and fire caused by arson unless

- a) the **premises** are protected to the minimum standard detailed above;
- b) security devices stipulated are in full and effective operation whenever the **premises** are left unattended; or
- c) the **premises** have been surveyed by one of **our** Risk Control Surveyors and **we** have accepted alternative levels of security.

27. **Computer system records**

It is a condition precedent to liability that computer systems records used in connection with the **business** are backed up on a daily basis with a copy being kept elsewhere than at the **premises**.

28. **Underground services**

We will pay for

- a) accidental **damage** not otherwise excluded to underground water, gas, oil, drain or sewer pipes and underground electricity or telephone cables which extend from the **premises** to the public mains and for which **you** have responsibility for repair or reinstatement; and
- b) **costs and expenses** incurred in clearing and cleaning drains, gutters, sewers, drain inspection covers and similar underground service areas for which **you** are responsible in consequence of any cover insured by this section.

We will not pay more than £5,000 in any one **period of insurance**.

29. **Electrical circuits condition**

It is a condition precedent to liability that all electrical circuits are tested at least every five years by qualified electrical engineers and that any defects identified are remedied in accordance with the regulations of the Institute of Electrical Engineers.

30. **Seasonal stock increase**

Any sum insured in respect of **stock** is increased by 25% for the months of November and December and for a period of 30 days preceding Easter Day in each **period of insurance**.

Optional clauses

(These apply only if stated in the schedule)

31. **Automatic fire alarm**

We have given **you** a discount off the premium for this insurance because there is an automatic fire alarm installed on the **premises** and **you** undertake to keep the installation in efficient working order.

It is a condition precedent to **our** liability that **you**

- a) make a test every day (holidays excepted) for the purpose of checking the condition of the batteries, the brigade connection and all detector circuits;
- b) obtain promptly a quarterly report from the installing engineers and remedy any defect revealed and make the report available to **our** representatives when required;
- c) advise the installing engineers immediately of any serious disablement, disconnection or temporary disuse of the installation (except during actual testing) and keep a note of this together with a note of the length of time the installation was not working for examination by **our** representatives when required;
- d) notify **us** immediately of the removal of any automatic fire alarm installation for which a discount has been allowed and undertake to return a pro rata share of the discount for the unexpired time.

Providing **you** do this, **we** agree **we** will not invalidate this policy because of any defect in the automatic fire alarm installation due to circumstances unknown to or beyond **your** control.

32A. **Day one basis (non-adjustable)**

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

1. The premium on each item has been calculated on the declared value calculated by **you**.

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"Declared value" shall mean **your** assessment of the cost of reinstatement of the **property insured** in a condition equal to but not better or more extensive than when new at the level of costs applying at the inception of the **period of insurance** (ignoring inflationary factors which may operate subsequently) together with allowance if required for

- a) the additional cost of reinstatement to comply with public authority requirements;
- b) professional fees; and
- c) debris removal costs.

2. At the beginning of each **period of insurance**, **you** shall notify **us** of the declared value of the **property insured** by each of the item(s). In the absence of such declaration, **we** will take the last amount declared by **you** as the declared value for the next **period of insurance**.
3. Special conditions 2 and 4 of the Reinstatement clause are restated as follows.
 2. If at the time of **damage** the declared value of the property covered by such item is less than the cost of the reinstatement at the inception of the **period of insurance** then **our** liability for the **damage** shall not exceed that proportion which the declared value bears to the cost of reinstatement.
 4. All the other terms and conditions of the policy shall apply in respect of any claim payable under this clause so far as they are able except that where claims are payable as if this clause had not been incorporated the sum(s) insured shall be limited to 115% of the declared value(s).

32B. Day one basis (adjustable)

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

1. The premium on each item has been calculated on the declared value calculated by **you**.

"Declared value" shall mean **your** assessment of the cost of reinstatement of the **property insured** in a condition equal to but not better or more extensive than when new at the level of costs applying at the inception of the **period of insurance** (ignoring inflationary factors which may operate subsequently) together with allowance if required for

 - a) the additional cost of reinstatement to comply with public authority requirements;
 - b) professional fees; and
 - c) debris removal costs.
2. At the beginning of each **period of insurance**, **you** shall notify **us** of the declared value of the **property insured** by each of the item(s). In the absence of such declaration, **we** will take the last amount declared by **you** as the declared value for the next **period of insurance**.
3. The premium calculated on the items is provisional. On expiry of each **period of insurance**, **we** will adjust the premium by 50% of the difference between
 - a) the provisional premium at the beginning of the **period of insurance**; and
 - b) the premium calculated for the subsequent **period of insurance** based on the terms which have applied during the period under adjustment.
4. For the purpose of paragraph 3 of this clause only
 - a) If **you** cancel or do not renew the policy or any of the items, **you** shall tell **us** the declared value of the **property insured** by each of the item(s) which apply at the date of cancellation or non-renewal.
 - b) If property has not been reinstated following **damage**, **you** shall tell **us** the declared value as though the property had not been **damaged**.
 - c) If **you** do not tell **us** the declared value, **we** will charge an additional premium of up to 7.5% of the provisional premium.
5. Special conditions 2 and 4 of the Reinstatement clause are restated as follows.
 2. If at the time of **damage** the declared value of the property covered by such item is less than the cost of the reinstatement at the inception of the **period of insurance**, then **our** liability for the **damage** shall not exceed that proportion which the declared value bears to the cost of reinstatement.
 4. All the other terms and conditions of the policy shall apply in respect of any claim payable under this clause so far as they are able except that where claims are payable as if this clause had not been incorporated the sum(s) insured shall be limited to 102% of the declared value(s).

33. Foundations

In respect of any sum insured on **buildings** subject to any condition of average, those parts 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 they are within a radius of 60 cms around and below any structural column or similar superstructure support.

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34. Metal workers

The insurance on **general contents** and **stock** applies to the premises

- a) of any machine maker, engineer, founder or other metal worker;
- b) of any customer, agent, supplier or exhibition; or
- c) of any sub-contractor

but not any **premises** occupied by **you** in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man subject to a limit overall of 10% of the sum(s) insured on these items or £100,000 whichever is the less.

35. Mortgagees

The act or neglect of any mortgagor or occupier of any **building** insured which increase the risk of **damage** without the authority or knowledge of any mortgagee shall not prejudice the interest of the latter party (parties) in this insurance as long as they notify **us** immediately on becoming aware of such increased risk and pay an additional premium if required.

36. Sprinkler installations and fire extinguishing appliances maintenance

We have given **you** a discount off the premium for this insurance because there are automatic sprinklers and fire extinguishing appliances installed on the **premises** and **we** hold details of these.

It is a condition precedent to **our** liability that **you** maintain both the automatic sprinklers and fire-extinguishing appliances in full working order at all times and **you** must

- a) arrange a weekly test to check that the alarm gong is working and that the stop valves controlling the individual water supplies and the installation are fully open.
- b) arrange quarterly or half-yearly tests if **we** require for the purpose of checking that each water supply is in order. **You** must record the results of each test.
- c) arrange a weekly test to check the condition of the fire brigade connection and the batteries for each approved system for sending alarm signals from sprinkler installations to the fire brigade.
- d) test every day (holidays excepted) to check the condition of the circuit between the alarm switch and the control panel.
- e) remedy promptly any defect revealed by such tests.

Providing **you** do this, **we** agree **we** will not invalidate this policy because of any defect in any of the automatic sprinklers or appliances due to circumstances unknown to **you** or beyond **your** control.

37. Stock declaration

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

The first and annual premiums are provisional and at the end of each **period of insurance** the actual premium shall be calculated as follows.

- a) **You** will tell **us** in writing as soon as possible the value of the property on the last day of each calendar month or each quarter as agreed with **us**. If **you** do not tell **us**, **we** shall take the maximum sum insured as the value declared.
- b) At the end of each **period of insurance** the actual premium shall be calculated on the average amount insured i.e. the total of the values declared divided by the number of declarations. If the actual premium is greater than the first or annual premium paid, **you** shall pay **us** the difference. If it is less, **we** will refund the difference to **you** but only up to one third of the first or annual premium paid.

We will not reduce the sum insured by the amount of any loss as long as **you** pay the extra premium on the amount of the loss from the date it occurred to the date of the expiry of the **period of insurance**.

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

38. Triennial valuation

You undertake to provide **us** at inception and every three years with the separate values of

- a) **buildings** and **general contents** in each **building** or group of **buildings** which **we** classify as a separate risk.
- b) **stock** in each **building** or group of **buildings** which **we** classify as a separate risk.
- c) **stock** in the open (if insured) based on the figure in **your** last annual stocktaking.

We will revise the rate applied to the insurance if the figures **you** provide differ from those which **we** last used to calculate the average rate.

Special conditions

(These apply only if stated in the schedule)

A. Intruder alarm

It is a condition precedent to **our** liability in respect of **damage** that

1. the **alarmed premises** are protected by the **intruder alarm system** whenever they are closed for business or left unattended.
2. the **intruder alarm system** is 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 agreed with **us**.
3. no alteration to or substitution of
 - a) any part of the **intruder alarm system**;

Section 1 - Material damage

- b) the procedures agreed with **us** for police or any other response to any activation of the **intruder alarm system**; or
- c) the maintenance contract shall be made without **our** written agreement.
- 4. no structural alteration of or changes in the layout to the **premises** that could affect the operation of the **intruder alarm system** shall be made without **our** written consent.
- 5. the **alarmed premises** shall not be left without at least one **responsible person** on them without **our** agreement
 - a) unless the **intruder alarm system** is set in its entirety with the means of communication used to transmit signals in full operation; or
 - b) if the police have withdrawn their response to alarm calls.
- 6. all keys to the **intruder alarm system** are removed from the **premises** when they are left unattended.
- 7. the **keyholders** will keep all codes for the operation of the **intruder alarm system** secret and will not leave details of them on the **premises**.
- 8. **you** shall appoint at least two **keyholders** and lodge written details (which must be kept up to date) with the police and the alarm company who are contracted to maintain the alarm.
- 9. if the **intruder alarm system** is activated or the communication signal interrupted then (unless alternative procedures have been agreed with **us** in writing) a **keyholder** will attend the **premises** as soon as reasonably possible following notification and will not leave without there being at least one **responsible person** on the **premises** until the provisions of paragraph 5 have been complied with.
- 10. in the event of **you** receiving any notice
 - 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; or
 - c) from the installing company or other such company as agreed by **us** that the **intruder alarm system** cannot be returned to or maintained in fully working order

you shall advise **us** as soon as possible and in any event not later than 10.00 am on the next working day and comply with all **our** subsequent requirements.

Special provision

It is a condition precedent to **our** liability that before **we** agree the alarm specification and maintenance contract arrangements, **you** shall comply with all the requirements detailed above as if **we** had agreed the specification and maintenance arrangements.

B. Waste

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

C. Waste

It is a condition precedent to **our** liability that all combustible trade waste and refuse is removed from the **buildings** every night.

D. Waste

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

E. Waste

It is a condition precedent to **our** liability that all sawdust, shavings and other refuse is removed from the **buildings** every night.

F. Waste

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

G. Fireproof doors

It is a condition precedent to **our** liability that all fireproof doors and shutters are kept closed except during working hours and will be kept in efficient working order during the currency of this section.

H. Portable space heater

It is a condition precedent to **our** liability that any portable space heater

- a) is not sited in passageways and other places where it is liable to be overturned or subject to mechanical damage;
- b) is not sited in areas where flammable atmospheres are habitually or intermittently present;
- c) is not sited on combustible floors or surfaces; and
- d) is kept clear of combustible materials and is provided with a guard to maintain a clear space of at least 1 metre around it.

I. Premises inspection

It is a condition precedent to **our** liability that

- a) the **buildings** are examined at the end of each business day for smouldering matches, tobacco or other material;
- b) the **employee** detailed to make the examination signs a daily report; and
- c) the management checks these reports at least once a week.

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J. **Frying and cooking equipment**

It is a condition precedent to our liability that

1. any frying range together with the connecting flue pipe be securely fixed and well clear of or protected from contact with woodwork or other combustible materials.
2. the equipment is fitted with a thermostat which will prevent the temperature of oil or fat exceeding 205 degrees Celsius (401 degrees Fahrenheit).
3. all extraction hoods, canopies, filters and grease traps are cleaned at least once a week.
4. all extraction ducts are cleaned at least once every three months.
5. any range and extraction equipment are cleaned and serviced at least annually by a qualified contractor.
6. crackling oily and greasy waste and cloths are removed from the **building** at the close of each business day.
7. the following are kept near the frying equipment and maintained in efficient working order.
 - a) A fire blanket; and
 - b) a portable fire extinguisher either foam (9 litres), carbon dioxide (2kgs), dry powder (4.5kgs) or wet chemical (6 litres).

Exclusions

This section does not cover

1. **Marine policies**
Damage to property which 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.
2. **Pollution and contamination**
Damage caused by **pollution**.
However, **we** will cover **damage** to the **property insured** caused by
 - a) **pollution** which itself results from any cover insured (other than cover 10); or
 - b) any cover insured (other than cover 10) which itself results from **pollution** provided it is not otherwise excluded.
3. **Consequential loss**
Consequential loss of any kind except loss of rent when such loss is included in the cover under this section.

Section 2 – Business interruption

Definitions

The following words will have the same meaning wherever they appear in this section of the policy or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Note 1

To the extent that **you** are 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.

Buildings

See Section 1- Material damage.

Consequential loss

Loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** in consequence of **damage** to property used by **you** at the **premises** for the purpose of the **business**.

Customers

The companies, organisations or individuals with whom, at the time of the **incident**, **you** have contracts or trading relationships to supply goods or services.

Incident

Damage to property used by **you** 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.

Other property

Any other items of property not specifically insured which **you** have advised to **us** and **we** have specified on the schedule.

Insuring clause

If any **building** or **other property** used by **you** at the **premises** for the purpose of the **business** suffers **damage** by any of the covers specified in the schedule and there is a **consequential loss**, **we** will pay **you** in respect of each item in the schedule the amount of the loss provided that

1. at the time of the happening of the **damage** there is in force an insurance covering **your** interest in the property at the **premises** against such **damage** and that
 - a) payment has been made or liability admitted; or
 - b) payment would have been made or liability admitted but for the operation of a clause in such insurance excluding liability for losses below a specified amount.
2. **our** liability under this section shall not exceed
 - a) in the whole the total sum insured or in respect of any item its sum insured or any other limit of liability stated in schedule at the time of the **damage**.
 - b) the sum insured remaining after deduction for any other **consequential loss** occurring during the same **period of insurance** unless **we** have agreed to reinstate any such sum insured.

Covers

1. **Fire, lightning and explosion** but not **consequential loss** caused by
 - i) earthquake, subterranean fire, riot, civil commotion.
 - ii) its undergoing any heat process or any process involving the application of heat.
 - iii) explosion of non – domestic steam pressure machinery or equipment under **your** control.
2. **Aircraft** or other aerial devices or articles dropped from them but not **consequential loss** caused by
 - i) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
 - ii) fire.

Section 2 – Business interruption

3. **Riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons but not consequential loss** arising from
 - i) confiscation, requisition or destruction by order of the government or any public authority.
 - ii) stopping work.
 - iii) fire caused by strikers, locked out workers or persons taking part in labour disturbances or malicious persons.
 - iv) theft or attempted theft directly caused by malicious persons to any **building** which is **unoccupied** or not in use for more than 30 days.

4. **Earthquake or subterranean fire.**

5. **Storm but not consequential loss**
 - i) caused by lightning, frost, subsidence, ground heave or landslip.
 - ii) in respect of movable property in the open, fences and gates.

6. **Flood but not consequential loss**
 - i) attributable solely to change in the water table level.
 - ii) caused by lightning, frost, subsidence, ground heave or landslip.
 - iii) in respect of movable property in the open, fences and gates.

7. **Escape of water** from any tank, apparatus or pipe but not **consequential loss**
 - i) by water discharged or leaking from any automatic sprinkler installation.
 - ii) in respect of any **building** which is **unoccupied** or not in use for more than 30 days.

8. **Accidental escape of water** from any automatic sprinkler installation in the **premises** but not **consequential loss** caused by
 - i) freezing whilst the **building** is **unoccupied** or not in use for more than 30 days.
 - ii) explosion, earthquake, subterranean fire or heat caused by fire.

9. **Impact** by any road vehicle or animal.

10. **Accidental damage** but not **consequential loss** caused by
 - i)
 - a) any of the covers specified above.
 - b) exclude **consequential loss** caused by subsequent **damage** so long as it is not excluded above.
 - c) inherent vice, latent defect, gradual deterioration, wear and tear, faulty or defective design or materials.
 - d) faulty or defective workmanship, operational error or omission on the part of **you** or any **employee** but this shall not include subsequent **consequential loss** which itself results from a cause not otherwise excluded.
 - e) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects.
 - f) change in temperature, colour, flavour, texture or finish.
 - g) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services.
 - h) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any steam and feed piping connected to them.
 - i) mechanical, electronic, electrical or computer breakdown or derangement of the particular machine, apparatus or equipment in which such breakdown or derangement originates but this shall not exclude subsequent **consequential loss** so long as it is not excluded above.
 - j) **pollution.**
 - k) normal settlement or bedding down of new structures.
 - l) acts of fraud or dishonesty.
 - m) disappearance, unexplained or inventory shortage, misfiling or misplacing of information.
 - n) **damage** to a **building** or structure caused by its own collapse or cracking.
 - o) any process of production, packing, treatment, testing, commissioning, servicing or repair.
 - p) nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority.
 - ii) **consequential loss** in respect of
 - a) movable property in the open, fences and gates caused by wind, rain, hail, sleet, snow, flood or dust.
 - b) vehicles licensed for road use (including accessories) caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft.
 - c) property or structures in course of construction or erection and materials or supplies in connection with this

Section 2 – Business interruption

- d) other than internal alterations or refurbishments not more specifically insured under a contract works policy.
glass.
11. a) **Glass breakage** at the **premises** all being plain sheet or plain plate glass unless stated otherwise in the schedule including the cost of boarding up and any lettering and artwork.
- b) **Damage to**
- i) the contents of display windows;
 - ii) windows and doorframes, vitrolite, marble, marmarile and similar materials, intruder alarm foils and other detection devices and circuits;
 - iii) electric light fittings; or
 - iv) neon and illuminated signs
- as a direct result of glass breakage as defined under paragraph 11a) provided that **our** liability shall not exceed £10,000 in total.
12. **Breakage of fixed sanitaryware** but not breakage or **consequential loss**
- i) in vehicles, vending machines or to stock in trade.
 - ii) in any **building** which is **unoccupied** or not in use for more than 30 days unless specifically agreed by **us**.
 - iii) in transit or while being fitted.
 - iv) due to settlement, expansion or contraction of frames or fittings in **buildings** under construction and during a period of six months after the date of completion.
 - v) existing before the start of the **period of insurance**.
 - vi) of neon and illuminated signs and electric light fittings.
 - vii) by wear and tear, gradual deterioration, mechanical or electrical breakdown or removal from the fixed position other than by theft or attempted theft.
 - viii) of bulbs or tubes unless the signs or fittings are also damaged.
 - ix) caused by fire or explosion.
13. **Theft or attempted theft** but not **consequential loss**
- i) which does not involve
 - a) entry to or exit from a **building** by forcible and violent means; or
 - b) actual or threatened assault or violence.
 - ii) from any part of the **building** not occupied by **you** for the purpose of the **business**.
 - iii) from the open or from any outbuilding not communicating with the main **building** unless otherwise specified.
 - iv) to property in transit.
 - v) to **money** and securities of any description.
14. **Subsidence, ground heave or landslip** of any part of the site on which the property stands but not **consequential loss**
- i) to yards, car parks, roads, pavements, walls, gates and fences unless also affecting the structure of a **building**.
 - ii) caused by
 - a) normal settlement or bedding down of new structures.
 - b) settlement or movement of made up ground.
 - c) coastal or river erosion.
 - d) fire, subterranean fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe.
 - iii) which originated before the inception of this cover.
 - iv) resulting from
 - a) demolition, construction, structural alteration or repair of any property; or
 - b) groundwork or excavationat the same **premises**.
- Special condition applicable to cover 14**
- a) **You** must notify **us** immediately **you** become aware of any demolition, groundworks, excavation or construction being carried out on any adjoining site.
 - b) **We** shall then have the right to vary the terms or cancel this cover.

Section 2 – Business interruption

Clauses

1. **Alteration**

The insurance by this section shall be avoided if

- a) the **business** is wound up, carried on by a liquidator or permanently discontinued; or
 - b) **your** interest ceases otherwise than by death
- at any time after the commencement of this insurance unless **we** agree it may continue.

2. **Automatic reinstatement after loss**

The sums insured stated in the schedule will not be reduced by the amount of any claim unless **we** or **you** give written notice to the contrary. However, **you** must pay the additional premium required to reinstate the sum insured.

3. **Departments**

If the **business** is conducted in departments and their trading results can be calculated separately, clauses a) and b) of the item on **gross profit** or **revenue** shall apply separately to each department affected.

4. **Payments on account**

Payments on account will be made at **our** discretion during the **indemnity period** if desired.

5. **Prevention of access**

Consequential loss as a result of **damage** to property near the **premises** which prevents or hinders the use of the **premises** or access to them shall be deemed to be an **incident**, provided that **our** liability in respect of any one occurrence does not exceed the total of the sum insured (or 133.33% of the estimated amounts) or any limit of liability shown in the schedule.

6. **Utilities**

Consequential loss as a result of the accidental failure of the supply of electricity, gas or water at the **premises** or at the premises of any supply undertaking or as a result of **damage** to any of their pipes, stopcocks, meters, cabling and the like at the **premises** shall be deemed to be an **incident**, provided that **our** liability under this clause in respect of any one occurrence does not exceed the sum insured (or 133.33% of the estimated amount) shown in the schedule.

This extension does not cover **consequential loss**

- i) brought about by the deliberate act of any supply authority, by the exercise of any such authority of its power to withhold or restrict supply or by drought; or
- ii) following any failure which does not involve a total cessation of supply for at least 30 minutes.

7. **Suppliers and customers**

Consequential loss as a result of **damage** at any **customer's** or supplier's premises within member countries of the European Union, Norway, Switzerland and Iceland shall be deemed to be an **incident**, provided that **our** liability under this clause shall not exceed 10% of the sum insured (or 133.33% of the estimated amount) shown in the schedule or £250,000 whichever is the less.

8. **Temporary removal**

Consequential loss as a result of **damage**

- a) at any premises not occupied but used by **you** solely for storage purposes; or
- b) to computer systems, other records, machinery and plant (but not motor vehicles) removed for cleaning, renovation, repair or other similar purposes, patterns, models, moulds, plans and designs whilst temporarily removed from the **premises** and in transit by road, rail or inland waterway to and from the **premises**

in Great Britain, Northern Ireland, the Republic of Ireland, the Channel Islands or the Isle of Man shall be deemed to be an **incident**, provided that **our** liability shall not exceed 15% of the total of the sums insured (or 133.33% of the estimated amount) or £250,000 whichever is the less.

9. **Removal of computer disks and tapes condition**

It is a condition precedent to liability in respect of any claim for **damage** to computer disks, tapes or other recording materials (excluding paper records) under this policy that copies of all computer disks, tapes or other recording materials are made each day and the copies removed from the **premises** and kept at a secure location on a daily basis.

10. **Murder, disease or public health closure**

Loss resulting from interruption of, or interference with, the **business** by

- a) murder, suicide or serious crime at the **premises**;
- b) contagious or infectious human disease (excluding acquired immune deficiency syndrome (Aids) or an Aids related condition), an outbreak of which a competent public authority has stipulated shall be notified to them, manifested by any person whilst at the **premises** or within a 25 mile radius of it;
- c) closure, in whole or in part, of the **premises** by a competent public authority following defects in drains or other sanitary arrangements at the **premises**; or
- d) food or drink poisoning contracted at the **premises**

shall be deemed to be an **incident**, provided that **our** liability under this extension in respect of each and every claim shall not exceed the sum insured stated in respect of this sub section in the schedule or £100,000 whichever is the less.

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11. Additional expenses - employees' lottery win

We will indemnify **you** in respect of any additional expense **you** incur to prevent or limit a reduction in income during the **indemnity period** due to an **employee** or group of **employees** resigning from their posts within **your business** as a direct consequence of their securing a win in a lottery, including but not limited to

- a) recruitment and additional overtime costs; and
- b) the cost of employing temporary staff for amounts in excess of permanent full time rates of payment.

We will not indemnify **you** unless

- a) the **employee** or group of **employees** resign within fourteen days from the date of the successful lottery win; and
- b) the amount won by any one **employee** is not less than £100,000.

We will not pay under this extension more than £50,000 in any one **period of insurance**.

For the purposes of this extension only.

1. Indemnity period means the period during which the **business** results are affected due to an **employee** or group of **employees** resigning from their posts within **your business** as a direct consequence of their securing a win in a lottery, starting from the date of their first departure.
2. Maximum indemnity period means one month.
3. Lottery means
 - a) UK National Lottery prize draws including scratchcards.
 - b) UK National Football Pools (Littlewoods and Vernons).
 - c) Euro Millions lottery.
 - d) Irish National lottery.
 - e) UK Premium Bond prize draws.

Optional clauses

(These apply only if stated in the schedule)

12. Contract sites

Consequential loss as a result of **damage** at any site in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man which **you** do not occupy but where **you** are carrying out a contract shall be deemed to be an **incident** provided that **our** 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); or
- b) the amount

shown in the schedule as the limit.

13. Specified customers

Consequential loss as a result of **damage** at the premises of **customers** detailed in the schedule shall be deemed to be an **incident** provided that **our** 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); or
- b) the amount

shown in the schedule as the limit.

14. Specified suppliers

Consequential loss as a result of **damage** at the premises of suppliers detailed in the schedule shall be deemed to be an **incident** provided that **our** 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); or
- b) the amount

shown in the schedule as the limit.

15. Transit

Consequential loss as a result of **damage** to **your** property whilst in transit by road, rail or inland waterway in Great Britain or Northern Ireland shall be deemed to be an **incident** provided that **our** 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); or
- b) the amount

shown in the schedule as the limit.

We shall not be liable for any loss arising from delay or loss of use of the conveying road or rail vehicle or waterborne craft.

Exclusion

1. Pollution and contamination

We shall not be liable for loss resulting from **pollution**.

However, **we** will cover **consequential loss** caused by

- a) **pollution** which itself results from any cover insured (other than cover 10); or
- b) any cover insured (other than cover 10) which itself results from **pollution**

provided it is not otherwise excluded.

Section 2 – Business interruption

Appendix A – Gross profit (declaration-linked basis)

Additional definitions

The following words will have the same meaning wherever they appear in this section or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Notes

1. To the extent that **you** are accountable to the tax authorities for Value Added Tax all terms in this section shall be exclusive of it.
2. For the purpose of these definitions any adjustment implemented for current cost accounting shall be disregarded.

Annual turnover

The **turnover** during the twelve months immediately before the date of the **incident**.

Estimated gross profit

The amount **you** declare to **us** as representing the **gross profit** which **you** anticipate will be earned by the **business** during the financial year most nearly concurrent with the **period of insurance** (proportionately increased where the **maximum indemnity period** exceeds twelve months).

Gross profit

The amount of the **turnover** (net of discounts allowed), closing stock and work in progress less the amount of the opening stock, work in progress and **specified working expenses**.

N.B. For the purpose of this definition gross profit is as defined but the words and expressions used shall (subject to Note 2 above) have the meaning attached to them in **your** usual accounting methods, due provision being made for depreciation of stock and work in progress.

Limit of liability

133.33% of the **estimated gross profit** stated in the schedule and 100% of the sums insured on other items.

Our liability shall not be reduced by the amount of any loss as long as **you** agree to pay the appropriate additional premium for such automatic reinstatement of cover.

Rate of gross profit

The rate of gross profit earned on the **turnover** during the financial year immediately before the date of the **incident**.

Specified working expenses

- a) 100% of purchases (less discounts received).
- b) 100% of discounts allowed.
- c) 100% of bad debts written off.

Standard turnover

The **turnover** during that period in the twelve months immediately before the date of the **incident** which corresponds with the **indemnity period**. **We** will adjust the figures as necessary to provide for the trends or special circumstances affecting the **business** before or after the **incident** or which would have affected the **business** had the **incident** not occurred.

Turnover

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

Claims - basis of settlement

The insurance by this item is limited to loss of **gross profit** not exceeding the **limit of liability** due to

- a) reduction in **turnover**; and
- b) increase in cost of working

and the amount payable as indemnity shall be

1. 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**
2. 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 total of
 - a) the sum produced by applying the **rate of gross profit** to the amount of reduction thereby avoided; plus
 - b) 25% of the sum insured by this item (but not more than £250,000)

Section 2 – Business interruption

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**.

Additional increased cost of working (if insured) is limited to additional expenditure in consequence of the **incident** in excess of the amount recoverable under clause b) above, necessarily and reasonably incurred to maintain the **business** during the **indemnity period**.

Memoranda

1. **Alternative premises**

If during the **indemnity period** goods are sold or services carried out elsewhere than at the **premises** for the benefit of the **business** either by **you** or by others on **your** behalf, **we** shall take into account the **money** paid or payable for such sales or services in arriving at the **turnover** during the **indemnity period**.

2. **Professional accountants**

We will pay for professional accountants' charges **you** reasonably incur for producing and certifying any particulars, details, information or evidence that **we** may require under the terms of the claims conditions, provided that the amount payable under this memorandum together with the amount otherwise payable under this section does not exceed the **limit of liability**.

3. **Renewal**

You shall before each renewal tell **us** the **estimated gross profit** for the financial year most nearly concurrent with the next **period of insurance**.

4. **Premium adjustment**

The first and annual premiums for **gross profit** are provisional and are based on the **estimated gross profit** for the financial year most nearly concurrent with the **period of insurance**.

Within six months of the expiry of each **period of insurance**, **you** shall give **us** a declaration of the **gross profit** earned during the financial year most nearly concurrent with the **period of insurance** as confirmed by **your** auditors.

If any **incident** has occurred giving rise to a claim for loss of **gross profit**, **we** shall increase the declaration 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 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**, **we** will allow a pro rata return of premium not exceeding 50% of such premium.
- b) is greater than the **estimated gross profit** for the relative **period of insurance**, **you** shall pay a pro rata additional premium.

5. **Uninsured standing charges**

If any standing charges of the **business** are not insured by this section (having been deducted in arriving at the **gross profit**), then in calculating the amount recoverable 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.

Section 2 – Business interruption

Appendix B – Gross revenue (declaration-linked basis)

Additional definitions

The following words will have the same meaning wherever they appear in this section or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Notes

1. To the extent that **you** are accountable to the tax authorities for Value Added Tax all terms in this section shall be exclusive of it.
2. For the purpose of these definitions any adjustment implemented for current cost accounting shall be disregarded.

Annual revenue

The **revenue** during the twelve months immediately before the date of the **incident**.

Estimated revenue

The amount **you** declare to **us** as representing the **revenue** which **you** anticipate will be earned by the **business** during the financial year most nearly concurrent with the **period of insurance** (proportionately increased where the **maximum indemnity period** exceeds twelve months).

Limit of liability

133.33% of the **estimated revenue** stated in the schedule and 100% of the sums insured by other items.

Our liability shall not be reduced by the amount of any loss as long as **you** agree to pay the appropriate additional premium for such automatic reinstatement of cover.

Revenue

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

Standard revenue

The **revenue** during that period in the twelve months immediately before the date of the **incident** which corresponds with the **indemnity period**. **We** will adjust the figures as necessary to provide for the trends or special circumstances affecting the **business** before or after the **incident** or which would have affected the **business** had the **incident** not occurred.

Claims - basis of settlement

The insurance by this item is limited to loss of **revenue** not exceeding the **limit of liability** due to

- a) reduction in **revenue**; and
- b) increase in cost of working

and the amount payable as indemnity shall be

1. 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**
2. 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 total of
 - a) the amount of reduction in **revenue** thereby avoided; plus
 - b) 25% of the sum insured by this item (but not more than £250,000)

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**.

Additional increased cost of working (if insured) is limited to additional expenditure in consequence of the **incident** in excess of the amount recoverable under clause b) above necessarily and reasonably incurred to maintain the **business** during the **indemnity period**.

Memoranda

1. Alternative premises

If during the **indemnity period** goods are sold or services carried out elsewhere than at the **premises** for the benefit of the **business** either by **you** or by others on **your** behalf, **we** shall take into account the **money** paid or payable for such sales or services in arriving at the **revenue** during the **indemnity period**.

Section 2 – Business interruption

2. **Professional accountants**

We will pay for professional accountants' charges you reasonably incur for producing and certifying any particulars, details, information or evidence that **we** may require under the terms of the claims conditions provided that the amount payable under this memorandum together with the amount otherwise payable under this section does not exceed the limit of liability.

3. **Renewal**

You shall before each renewal tell **us** the **estimated revenue** for the financial year most nearly concurrent with the next **period of insurance**.

4. **Premium adjustment**

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

Within six months of the expiry of each **period of insurance**, **you** shall give **us** a declaration of the **revenue** earned during the financial year most nearly concurrent with the **period of insurance** as confirmed by **your** auditors.

If any **incident** shall have occurred giving rise to a claim for loss of **revenue**, **we** shall increase the declaration 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**, **we** will allow a pro rata return of premium not exceeding 50% of such premium.
- b) is greater than the **estimated revenue** for the relative **period of insurance**, **you** shall pay a pro rata additional premium.

Section 2 – Business interruption

Appendix C – Additional cost of working

Claims - basis of settlement

The insurance by this item is limited to additional cost of working due to additional expenditure and costs necessarily and reasonably incurred in order to minimise any interruption or interference with the **business** during the **indemnity period** but not exceeding the sum insured stated in the schedule.

Memorandum

1. **Professional accountants**

We will pay for professional accountants' charges **you** reasonably incur for producing and certifying any particulars, details, information or evidence that **we** may require under the terms of the claims conditions provided that the amount payable under this memorandum together with the amount otherwise payable under this section does not exceed the sum insured.

Section 2 – Business interruption

Appendix D – Rent receivable

Additional definitions

The following words will have the same meaning wherever they appear in this section or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Notes

1. To the extent that **you** are accountable to the tax authorities for Value Added Tax all terms in this section shall be exclusive of it.
2. For the purpose of these definitions any adjustment implemented for current cost accounting shall be disregarded.

Annual rent receivable

The **rent receivable** during the twelve months immediately before the date of the **incident**.

Rent receivable

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

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**.

We will adjust the figures as necessary to provide for trends or special circumstances affecting the **business** before or after the **incident** or which would have affected the **business** had the **incident** not occurred.

Claims - basis of settlement

The insurance by this item is limited to loss of **rent receivable** not exceeding the sum insured stated in the schedule due to

- a) loss of **rent receivable**; and
- b) increase in the cost of working

and the amount payable as indemnity shall be

1. 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**
2. 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**.

However, if the sum insured by this item is less than the **annual rent receivable** (proportionately increased where the **maximum indemnity period** exceeds twelve months) the amount payable shall be proportionately reduced.

Memoranda

1. Alternative trading clause

If during the **indemnity period**, **you** or others on **your** behalf provide accommodation or services elsewhere than at the **premises** for the benefit of the **business**, **we** shall take into account the **money** paid or payable for such accommodation or services in arriving at the **rent receivable** during the **indemnity period**.

2. Professional accountants

We will pay for professional accountants' charges **you** reasonably incur for producing and certifying any particulars, details, information or evidence that **we** may require under the terms of the claims conditions provided that the amount payable under this memorandum together with the amount otherwise payable under this section does not exceed the sum insured.

3. Return of premium

If the **rent receivable** earned (proportionately increased 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 **your** auditors is less than the sum insured, **we** will make a pro rata return of premium not exceeding 50% of the premium paid on such sum insured for such **period of insurance**. If any **incident** shall have occurred giving rise to a claim under this section, the return of premium shall be made in respect only of so much of the difference as is not due to the **incident**.

Section 2 – Business interruption

Appendix E – Research expenditure

Additional definitions

The following words will have the same meaning wherever they appear in this section or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Notes

1. To the extent that **you** are accountable to the tax authorities for Value Added Tax all terms in this section shall be exclusive of it.
2. For the purpose of these definitions any adjustment implemented for current cost accounting shall be disregarded.

Annual research expenditure

The aggregate amount of the **research expenditure** incurred during the twelve months immediately before the date of the **incident**. **We** will adjust the figures as necessary to provide for trends or special circumstances affecting the **business** before or after the **incident** or which would have affected the **business** had the **incident** not occurred.

Insured amount per week

One-fiftieth part of the **research expenditure** incurred during the financial year immediately before the date of the **incident**.

Research expenditure

The total expenditure on research by **you** at the **premises** less the relative cost of raw materials consumed.

Claims - basis of settlement

The insurance by this item is limited to the loss sustained by **you** in respect of

- a) **research expenditure** and
- b) increase in cost of working

and the amount payable as indemnity shall be

1. in respect of **research expenditure**, for each working week in the **indemnity period** during which the activities of the **business** are in consequence of the **incident**
 - a) totally interrupted or totally given over to the re-working of projects affected by the **incident** the **insured amount per week**; or
 - b) partially interrupted or partially given over to the re-working of projects affected by the **incident**, an equitable proportion of the **insured amount per week** based upon the time rendered ineffective because of the **incident**
2. in respect of increase in cost of working, the additional expenditure necessarily and reasonably incurred solely in consequence of the **incident** in order to minimise the interruption but the amount payable under this heading shall not exceed the additional amount that would have been payable under paragraph 1 above for loss of **research expenditure** if no such increase in cost of working had been incurred

less any sum saved during the **indemnity period** in respect of such of **research expenditure** as may cease or be reduced in consequence of the **incident**.

However, if the sum insured by this item is less than the **annual research expenditure** (proportionately increased where the **maximum indemnity period** exceeds twelve months) the amount payable under paragraphs 1 and 2 above shall be proportionately reduced.

Section 2 – Business interruption

Appendix F – Loss of book debts

Additional definitions

The following words will have the same meaning wherever they appear in this section or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section of the wording.

Notes

1. To the extent that **you** are accountable to the tax authorities for Value Added Tax all terms in this section shall be exclusive of it.
2. For the purpose of these definitions any adjustment implemented for current cost accounting shall be disregarded.

Book debts

The financial amounts due to **you** but not yet paid in respect of goods or services supplied by **you** to **customers** on a credit or hire purchase basis and for which they have accepted delivery.

Outstanding debit balances

Where there are monthly declarations, the total declared under the last statement adjusted for

- a) bad debts;
- b) amounts debited (or invoiced but not debited) and credited to customer accounts in the period between the date to which the statement applied and the date of **damage**; and
- c) any abnormal trade condition which had or could have a material effect on the **business**

OR

A reasonable estimate of the total outstanding debits at the date of the **damage** after adjustment for bad debts and as agreed between **you** and **us** provided that this estimate does not exceed 75% of the sum insured as set out in the schedule.

Claims - basis of settlement

The insurance by this item is limited to the loss not exceeding the sum insured sustained by **you** in respect of

- a) loss of **book debts**; and
- b) additional expenditure

and the amount payable as indemnity shall be

1. in respect of loss of **book debts**, the amount of total **outstanding debit balances** less the total of amounts of **outstanding debit balances** traced or received.
2. in respect of additional expenditure, the amount necessarily and reasonably incurred solely in consequence of the **incident** in order to trace and establish the amount of customer debit balances but the amount payable under this heading shall not exceed the additional amount that would have been payable under a) for loss of **book debts** if no such increase in additional expenditure had been incurred.

Memoranda

1. Professional accountants

We will pay for professional accountants' charges **you** reasonably incur for producing and certifying any particulars, details, information or evidence that **we** may require under the terms of the claims conditions provided that the amount payable under this memorandum together with the amount otherwise payable under this section does not exceed the sum insured.

2. Declaration

Within 30 days of the end of each calendar month, **you** will advise **us** in writing of the total amount of **outstanding debit balances** as shown in **your** accounts. If **you** do not advise **us**, **we** shall take the maximum sum insured as the total amount declared.

At the end of each **period of insurance** the actual premium shall be calculated on the average amount insured i.e. the total of the amounts declared divided by the number of declarations. If the actual premium is greater than the first or annual premium paid, **you** shall pay **us** the difference. If it is less **we** will refund the difference to **you** but only up to one half of the first or annual premium paid.

3. Automatic reinstatement

We will not reduce the sum insured by the amount of any loss as long as **you** pay the extra premium on the amount of the loss from the date it occurred to the date of the expiry of the **period of insurance**.

Special condition

It is a condition precedent to our liability that

- a) **your** books of account and other business books or records in which **you** record customer accounts are kept in fire resisting safes or cabinets when not in use; and
- b) **you** must calculate the total of outstanding customers' accounts every month and keep a record of each month's total (including back-up copies of computer data) in a place other than at the **premises**.

Section 3 – Money

Part 1 – Loss of money

Definitions

The following words will have the same meaning wherever they appear in this section or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Alarmed premises

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

Business hours

The usual working hours (including overtime) during which **you** or **your employees** entrusted with **money** are on the **premises** for the purpose of the **business**.

Estimated annual amount of money

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.

Intruder alarm system

The component parts including the means of communication used to transmit signals detailed in the alarm specification agreed by **us**.

Keyholder

You or any **responsible person** or keyholding company **you** authorise

1. to accept notification of faults or alarm signals relating to the **intruder alarm system**; and
2. to attend and allow access to the **premises**.

At least one keyholder must be available at all times.

Limits any one loss

As stated in the schedule in respect of the following.

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 draft, crossed warrants, national savings certificates, premium savings bonds, unused units in franking machines, credit company sales vouchers and VAT invoices.
2. **Money** other than as described in item 1 not contained in locked safes
 - a) in **your premises** outside **business hours**.
 - b) in the private houses of **your** principals or authorised **employees** or the premises of solicitors or authorised agents to the extent that **money** is not otherwise insured.
 - c) 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** other than as described in item 1 from locked safes outside **business hours**. **We** shall not be liable for loss of **money** from any safe or strongroom not listed in the schedule above a limit of £1,500 in total.
4. Any other loss of **money** other than as described in item 1 insured by this section.

Responsible person

You or any person **you** authorise to be responsible for the security of the **premises**.

Insuring clause

We will indemnify **you** in respect of the following.

1. Loss of or damage to **money**, **your** property or for which **you** are 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 where **employees** are working.
 - d) on the **premises**.
 - e) at the private houses of **your** principals or authorised **employees** or the premises of solicitors or authorised agents, to the extent that **money** is not otherwise insured, up to a maximum amount of £500 for any one loss or any higher limit shown in the schedule for any one loss.
 - f) deposited in any bank night safe and within bank premises until removed by a bank official, up to a maximum amount of £5,000 for any one loss or any higher limit shown in the schedule for any one loss.
 - g) on the **premises** outside of **business hours** as shown in the schedule.
 - h) on the **premises** outside of **business hours** in a locked safe or strongroom as shown in the schedule.

Section 3 – Money

2. Loss of or damage following robbery or attempted robbery to any safe or strongroom at the **premises**, any container, case, bag or waistcoat used for the carriage of **money** or any stamp franking machine used for **your business**.
3. **Damage** to clothing and personal effects (including up to £25 per person for personal **money**) belonging to **you** or any of **your** directors, partners or **employees** following robbery or any attempted robbery subject to a limit any one person of £500.

Special conditions

- A. It is a condition precedent to **our** liability under item 3 of the schedule (**money** from locked safes outside **business hours**) that outside **business hours** the safes are kept locked and the keys of the safes are not be left on the **premises** unless
1. the **premises** are occupied by **you** or an authorised **employee**, in which case such keys if left on the **premises** must be kept in a secure place not in the vicinity of the safes; or
 2. if the **premises** are **unoccupied**, the keys to the safe(s) detailed under item 3 on the schedule are placed in a separate locked safe or strongroom and the keys to this removed from the **premises**. In this event **our** maximum liability shall not exceed the limit of liability stated in the schedule under item 3 or £5,000 whichever is the less in respect of loss of **money**.

If **you** do not comply with this special condition, **we** will deal with any loss of **money** under Item 2 i) of the schedule (**money** not contained in locked safes in **your premises** outside **business hours**), provided that **our** maximum liability shall not in the aggregate exceed the **limit any one loss** stated in the schedule.

B. **Intruder alarm**

(Applies only if stated in the schedule)

It is a condition precedent to **our** liability in respect of **damage** that

1. the **alarmed premises** are protected by the **intruder alarm system** whenever they are closed for business or left unattended.
2. the **intruder alarm system** is 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 agreed with **us**.
3. no alteration to or substitution of
 - a) any part of the **intruder alarm system**;
 - b) the procedures agreed with **us** for police or any other response to any activation of the **intruder alarm system**; or
 - c) the maintenance contractshall be made without **our** written agreement.
4. no structural alteration of or changes in the layout to the **premises** that could affect the operation of the **intruder alarm system** shall be made without **our** written consent.
5. the **alarmed premises** shall not be left without at least one **responsible person** on them without **our** agreement unless the **intruder alarm system** is set in its entirety with the means of communication used to transmit signals in full operation.
6. all keys to the **intruder alarm system** are removed from the **premises** when they are left unattended.
7. the **keyholders** will keep all codes for the operation of the **intruder alarm system** secret and will not leave details of them on the **premises**.
8. **you** shall appoint at least two **keyholders** and lodge written details (which must be kept up to date) with the police and the alarm company who are contracted to maintain the alarm.
9. if the **intruder alarm system** is activated or the communication signal interrupted then, unless alternative procedures have been agreed with **us** in writing, a **keyholder** will attend the **premises** as soon as reasonably possible following notification and will not leave without there being at least one **responsible person** on the **premises** until the provisions of paragraph 5 have been complied with.
10. in the event of **you** receiving any notice
 - 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; or
 - c) from the installing company or other such company as agreed by **us** that the **intruder alarm system** cannot be returned to or maintained in fully working order

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you shall advise **us** as soon as possible and in any event not later than 10.00 am on the next working day and comply with all **our** subsequent requirements.

Special provision

It is a condition precedent to **our** liability that before **we** agree the alarm specification and maintenance contract arrangements **you** shall comply with all the requirements detailed above as if **we** had agreed the specification and maintenance arrangements.

Exclusions

We will not be liable for losses from the following.

1. By theft by any of **your** directors, partners or **employees**
 - a) not discovered within fourteen working days of its occurrence; or
 - 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.
2. Arising elsewhere than in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.
3. From an unattended vehicle unless the vehicle is stolen at the same time or the vehicle is securely locked and **money** stored out of sight at the time of the loss.
4. Due to the dishonest acts of any person in **your** employment or service not discovered within fourteen days of the actual occurrence.
5. Due to falsification of accounts.
6. More specifically insured under another policy except for any amount in excess of the amount payable under this policy.
7. Arising from shortages due to error, omission, depreciation in value or the use of counterfeit **money**.
8. Of **money** or contents from any gaming or vending machine in excess of £500.
9. Arising from consequential loss of any kind.
10. **Damage to money** during transit by post (other than registered post).

Part 2 – Personal injury (robbery)

Definitions

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

Bodily injury

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.

Insured person

You or any director, principal, partner or **employee**.

Loss of limb

- A. in the case of an upper limb, the physical severance of four fingers through or above the meta-carpo phalangeal joints or permanent total loss of use of an entire arm or hand.
- B. in the case of a lower limb, the physical severance at or above the ankle or permanent total loss of use of an entire leg or foot.

Loss of sight

Permanent and total loss of sight which will be considered as having occurred

- A. in both eyes if the **insured person's** name is added to the Register of Blind Persons on the authority of a fully qualified ophthalmic specialist.

Section 3 – Money

- B. in one eye if the degree of sight remaining after correction is 3/60 or less on the Snellen scale (meaning seeing at 3 feet what the **insured person** should see at 60 feet).

Medical expenses

The cost of medical, surgical or other remedial attention, treatment or appliances given or prescribed by a qualified member of the medical profession and all hospital, nursing home or ambulance charges.

Permanent total disablement

Bodily injury (not resulting in **loss of limbs** or **loss of sight**) which is the sole and direct cause of the **insured person** being totally disabled and prevented from attending to any business or occupation, with proof satisfactory to **us** that such disablement has continued for 104 weeks from the date of the occurrence and will in all probability continue for the remainder of the life of the **insured person**.

Temporary total disablement

Bodily injury which is the sole and direct cause of the **insured person** being totally disabled and prevented from attending to their business or occupation.

Temporary partial disablement

Bodily injury which is the sole and direct cause of the **insured person** being partially disabled and prevented from attending to a substantial part of their business or occupation.

Insuring clause

- a) **We** will pay the benefits stated in the schedule in respect of **bodily injury** sustained by the **insured person** as a result of robbery or attempted robbery arising in the course of the **business** and within two years resulting in the following.
1. Death.
 2. **Loss of sight.**
 3. **Loss of limbs.**
 4. **Permanent total disablement** (other than by **loss of limbs** or **loss of sight**).
 5. **Temporary total disablement .**
 6. **Temporary partial disablement.**
 7. **Damage** to clothing or personal effects belonging to **you** or any of **your employees** subject to a limit of £500 any one person.
- b) **We** will reimburse **you** in respect of **medical expenses** necessarily incurred in the treatment of the **insured person** up to 15% of any amount paid under benefit 5 and 6.

Benefits

The benefits applicable are as stated in the schedule.

Limits of amounts payable

1. The benefit under item 5 and 6 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 items 1, 2 or 3, any weekly benefit being paid in connection with the same injury will cease.
3. **Permanent total disablement** shall have lasted for 104 weeks and have been proved to **our** satisfaction to be permanent and without expectation of recovery before benefit under item 4 becomes payable.
4. Payment of a claim under one of the items 1, 2, 3 or 4 will end the cover granted insofar as it applies to the **insured person** concerned.
5. No benefit shall be payable for more than one of the items 1, 2, 3 or 4 in respect of the same injury.
6. 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.

Section 3 – Money

Special conditions

- A. The cover under this part of the section applies only to persons between the ages of 16 and 70 years.
- B. **Bodily injury** must occur in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

Claims condition

- a) **You** shall provide all certificates, information and evidence required by **us** in the form prescribed by **us** at **your** expense. The **insured person** shall as often as required submit to medical examination on **our** behalf and expense in connection with any claim. In the event of the death of an **insured person**, **we** are entitled to have a post mortem examination at **our** own expense.
- b) **We** shall not be affected by notice of any trust, charge, lien, assignment or other dealing with this section and **our** liability shall be discharged when **you** or **your** personal representative receive any compensation payable.
- c) The **insured person** or their personal representative shall have no right to claim from or sue **us**.
- d) If more than one party has 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.

Exclusions

We will not be liable for the following.

- 1. Loss arising elsewhere than in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.
- 2. Loss more specifically insured under another policy except for any amount in excess of the amount payable under this policy.
- 3. Loss arising from consequential loss of any kind.

Section 4 – Trade all risks

Definitions

The following words will have the same meaning wherever they appear in this section or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Alarmed premises

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

Intruder alarm system

The component parts including the means of communication used to transmit signals detailed in the alarm specification agreed by **us**.

Keyholder

You or any **responsible person** or keyholding company **you** authorise

1. to accept notification of faults or alarm signals relating to the **intruder alarm system**; and
2. to attend and allow access to the **premises**.

At least one keyholder must be available at all times.

Property insured

Property belonging to **you** or for which **you** are responsible as set out in the schedule.

Responsible person

You or any person **you** authorise to be responsible for the security of the **premises**.

Territorial limits

The limits chosen by **you** and shown in the schedule attaching to this policy.

- A. At **your business premises**;
- B. Anywhere in the UK;
- C. Anywhere in the EU; or
- D. Anywhere in the world.

Insuring clause

We will indemnify **you** for **damage** by any cause not specifically excluded to **property insured** set out in the schedule anywhere in the **territorial limits**, provided the **damage** occurs within the **period of insurance** and subject to the limits specified in the schedule.

Clauses

1. Interest

It is understood that other parties may have an interest in certain **property insured** by this policy. The nature and extent of this interest must be disclosed in the event of **damage**.

2. Subrogation waiver

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

- a) any company standing in the relation of parent to subsidiary (subsidiary to parent) to **you** as defined in the Companies Act or Companies (N.I.) Order current at the time of the **damage**.
- b) any company which is a subsidiary of a parent company of which **you** are a subsidiary as defined in the Companies Act or Companies (N.I.) Order current at the time of the **damage**.

3. Reinstatement

Subject to the following special conditions, the basis upon which **we** will calculate the amount payable in respect of **property insured** by all items, other than stock or rent, shall be the reinstatement of the property damaged to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new.

For this purpose reinstatement means

- a) the rebuilding or replacement of property damaged which may be carried out in any manner suitable to **you** requirements or on another site as long as **our** liability is not increased; or
- b) the repair or restoration of property damaged.

Special conditions

1. **Our** liability for the repair or restoration of property partly damaged shall not exceed the amount which would have been payable had such property been wholly destroyed.

Section 4 – Trade all risks

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 exceeds its sum insured at the start of any **damage**, **our** liability shall not exceed that proportion of the amount of the **damage** which the 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 clause shall be made
 - a) unless reinstatement commences and proceeds as quickly as possible.
 - b) until the cost of reinstatement shall have been actually incurred.
 - c) if the **property insured** at the time of its **damage** shall be insured by any other insurance effected by or on **your** behalf which is not upon the same basis of reinstatement.
 4. All the other terms and conditions of the policy shall apply in respect of any claim payable under this clause so far as they are able.
- NB:** This clause does not apply to claims for **employees**, principals' or directors' personal effects.

Special condition

(Applies only if stated in the schedule)

A. Intruder alarm

It is a condition precedent to **our** liability in respect of **damage** that

1. the **alarmed premises** are protected by the **intruder alarm system** whenever they are closed for business or left unattended.
2. the **intruder alarm system** is 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 agreed with **us**.
3. no alteration to or substitution of
 - a) any part of the **intruder alarm system**;
 - b) the procedures agreed with **us** for police or any other response to any activation of the **intruder alarm system**; or
 - c) the maintenance contractshall be made without **our** written agreement.
4. no structural alteration of or changes in the layout to the **premises** that could affect the operation of the **intruder alarm system** shall be made without **our** written consent.
5. the **alarmed premises** shall not be left without at least one **responsible person** on them without **our** agreement unless the **intruder alarm system** is set in its entirety with the means of communication used to transmit signals in full operation.
6. all keys to the **intruder alarm system** are removed from the **premises** when they are left unattended.
7. the **keyholders** will keep all codes for the operation of the **intruder alarm system** secret and will not leave details of them on the **premises**.
8. **you** shall appoint at least two **keyholders** and lodge written details (which must be kept up to date) with the police and the alarm company who are contracted to maintain the alarm.
9. if the **intruder alarm system** is activated or the communication signal interrupted then, unless alternative procedures have been agreed with **us** in writing, a **keyholder** will attend the **premises** as soon as reasonably possible following notification and will not leave without there being at least one **responsible person** on the **premises** until the provisions of paragraph 5 have been complied with.
10. in the event of **you** receiving any notice
 - 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; or
 - c) from the installing company or other such company as agreed by **us** that the **intruder alarm system** cannot be returned to or maintained in fully working order**you** shall advise **us** as soon as possible and in any event not later than 10.00 am on the next working day and comply with all **our** subsequent requirements.

Special provision

It is a condition precedent to **our** liability that before **we** agree the alarm specification and maintenance contract arrangement, **you** shall comply with all the requirements detailed above as if **we** had agreed the specification and maintenance arrangements.

Section 4 – Trade all risks

Exclusions

We will not pay for the following.

1. Any consequential loss.
2. Financial loss caused by the loss of use or malfunction of the **property insured**.
3. **Damage** arising from
 - a) faulty or defective design materials, inherent vice or latent defect.
 - b) mechanical, electrical, electronic, computer breakdown, failure or derangement.
 - c) wear and tear, gradual deterioration, the action of light, atmospheric conditions or other gradually operating cause.
 - d) process of cleaning, restoring or repairing.
 - e) process of production, packing, treatment, testing or commissioning.
 - f) confiscation or detention by Customs or government officials.
 - g) disappearance or shortage identified only by stocktaking.
 - h) riot, civil commotion occurring elsewhere than in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.
4. **Damage** resulting from theft or attempted theft or unexplained disappearance or shortages
 - a) from an unattended vehicle unless the item stolen is stored in a locked boot; or
 - b) of **property insured** which is unattended unless there is forcible and violent entry or exit.
5. **Damage** to
 - a) **property insured** loaned or hired out by **you**.
 - b) glass and other fragile or brittle materials unless as a direct result of fire, theft or accident to the vehicle in which the **property insured** was being transported.
 - c) **property insured** left in the open by theft, attempted theft, storm or flood.
 - d) **property insured** carried on the outside of vehicles unless as a direct result of collision or overturning.
6. **Damage** caused by **pollution**.
However **we** will cover **damage** to the **property insured** caused by
 - a) **pollution** which itself results from fire, lightning, explosion, aircraft or other aerial devices dropped therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any pipe, tank or apparatus, sprinkler leakage or impact by any road vehicle or animal; or
 - b) any of the above named covers which itself results from **pollution**
provided it is not otherwise excluded.
7. **Damage** occurring outside the **territorial limits**.
8. The **excess** shown in the schedule.

Section 5 - Goods in transit

Definitions

The following words will have the same meaning wherever they appear in this section of the policy or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

High value property

Cigars, cigarettes and tobacco, non-ferrous metals, wines and spirits, clocks and watches, photographic equipment, furs, jewellery, gold, silver, precious stones and precious metals, radio, TV, hi-fi and video equipment, computers, mobile phones, video tapes, cassettes, CDs and DVDs, antiques and works of art belonging to **you** or for which **you** are responsible.

In transit

The period of time beginning when the **property insured** comes under the control of the carrier and ending when it is delivered. This will include loading, temporary housing en route for a period not exceeding 30 days and unloading. This will also include return transits to **you** from **your** customers.

Property insured

Goods or merchandise belonging to **you** or for which **you** are responsible incidental to the **business**. This excludes any property carried for hire or reward.

Territorial limits

Great Britain, Northern Ireland, the Republic of Ireland, the Channel Islands and the Isle of Man including direct sea or air transit between these territories.

Vehicle

Vehicle including any trailer attached to it.

Insuring clause

We will at **our** option indemnify **you** by payment or reinstatement for accidental damage to the **property insured** while **in transit** within the **territorial limits** from any of **your premises** whilst being carried by **vehicles** operated by **your** hauliers, rail or by parcel post.

We will not pay more than the limits shown in the schedule and **you** will be responsible for any **excess** that applies.

Extensions

We will extend this section to cover the following.

1. Extra costs and expenses necessarily incurred in reloading onto any vehicle any **property insured** which has fallen from the **vehicle** and removing debris of the **property insured** following **damage** which is not excluded or following accident to the **vehicle**. **Our** limit of liability will not exceed £2,500.
2. **Damage** to containers, tarpaulins, ropes, chains and other fastenings owned by **you** or in **your** charge and control while carried on any **vehicle**.
3. **Damage** to the personal effects of the driver and his attendant up to a maximum amount of £500. **We** will not be responsible for the first £25 of each claim. **We** will not indemnify **you** or **your** driver for **damage** to any item insured by any other insurance policy.
4. Expenses reasonably incurred for which **you** are responsible in transferring the **property insured** to any other vehicle following fire, collision, overturning or impact of the **vehicle** including carrying the **property insured** to the original destination or to place of collection.
5. Costs and expenses reasonably incurred by **you** in re-securing the **property insured** following a dangerous movement of the load **in transit** for an amount not exceeding £500 any one event.
6. Any vehicle used temporarily in substitution of any **vehicle** referred to in the schedule applicable to this section whilst it is out of use for maintenance, repair or official vehicle testing. Any substitute vehicle will be subject to the terms applicable to the original **vehicle**.

Section 5 - Goods in transit

Special conditions

A. Due care

It is a condition precedent to **our** liability under this section that

1. in respect of any **vehicle you** own or operate under **your** control that
 - a) it is maintained in an efficient and roadworthy condition and is regularly serviced with particular attention to the roadworthiness of steering, brakes, tyres, lights and all security devices fitted;
 - b) all protective devices specified in the schedule and all other security devices fitted are properly maintained and not changed without **our** written agreement; and
 - c) whenever the **vehicle** containing the **property insured** is left unattended
 - i) all doors and boot are locked and all windows and other openings are securely closed; and
 - ii) all protective devices are put into operation.
2. **you** take all reasonable care in the selection and employment of drivers and should obtain satisfactory written references as to their ability, integrity and honesty from two previous employers before **property insured** is entrusted to them.
3. **you** ensure the reasonable monitoring of the performance of **your** drivers and attendants is carried out.
4. **you** take due care to make sure that each package or parcel insured is securely and adequately packed according to the nature of the goods and that each package or parcel is correctly and fully addressed. **You** should obtain proper receipts from the postal and rail authorities and any other carrier and keep them for **our** inspection at any time.

B. Alarm

(Applies only if stated in the schedule)

We will not be liable for any **damage** by theft or attempted theft from any unattended **vehicle** unless the alarm system

1. is maintained and inspected in accordance with the terms and conditions of the installing company's agreement; and
2. put into operation and all alarm keys removed from the **vehicle**.

Claims condition

- a) **You** should keep any merchandise or package for which **you** are making a claim together with its packaging as far as possible in the same state as delivered so **we** or any person authorised by **us** can inspect it.
- b) **You** shall assist **us** at **our** expense in providing details of any claim against carriers or others for any **damage** for which **we** shall be liable.
- c) If **we** ask, **you** shall assign the claim against the carriers or others to **us** so **we** can make the claim in **our** own name.
- d) Once a claim has been paid, any compensation recovered from the carriers or others for any **damage** shall belong to **us**, except that any amount recovered in excess of the sum paid by **us** as compensation shall belong to **you**.
- e) Once a claim has been paid, the property for which payment is made shall belong to **us**.

Exclusions

We will not be liable for **damage**

1. to **money**, deeds, bonds, documents, manuscripts, business books and computer system records, patterns, moulds, models, designs, plans.
2. to **high value property** unless specifically insured.
3. to livestock or other living creatures.
4. to explosives or goods of a dangerous nature.
5. to tools of trade.
6. caused by deterioration due to change in temperature of **property insured** carried in a chilled, refrigerated, frozen or insulated condition unless caused by an accident to the **vehicle**.
7. caused by
 - a) wear and tear, gradual deterioration, contamination, depreciation, evaporation, leakage spillage or shortage of weight, inherent vice, insects, mildew, vermin or nature of the **property insured**;
 - b) normal atmospheric conditions where the **property insured** is on an open vehicle unless it is properly protected;

Section 5 - Goods in transit

- c) mechanical, electrical, electronic, computer breakdown, failure or derangement unless external **damage** occurs first to the **property insured**;
 - d) delays, loss of market or other consequential loss;
 - e) not making full and complete declarations or not getting receipts for parcels, packages or consignments.
8. resulting from theft or attempted theft or unexplained disappearance
- a) from an unattended **vehicle** unless the item stolen is stored in a locked boot; or
 - b) of **property insured** which is unattended unless there is forcible and violent entry or exit.
9. caused by strikes, riots, civil commotion and malicious damage in Northern Ireland.
10. to **property insured** carried on vehicles other than those listed in the schedule.
11. to **property insured** in any **vehicle you** own or which is in **your** custody or control while it is being used for private purposes outside the normal course of **your business**.
12. caused by nationalisation, confiscation, requisition or destruction by order of any government, public or local authority.
13. to **property insured** arising as a result of packing which was inadequate to withstand normal handling during transit or from overloading of the **vehicle**.
14. to **property insured** more specifically insured.

Section 6 – Computer breakdown

Definitions

The following words will have the same meaning wherever they appear in this section of the policy or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Breakdown

Damage to an item of **equipment** resulting from the actual breaking, distortion or electrical burn-out of any part whilst in use at the **premises** arising from defects in the item of **equipment** causing sudden stoppage of its function and requiring its repair or replacement but excluding **damage** caused by fire or by any cause external to the **equipment**.

We shall not be liable for breakdown of any **equipment** that is not the subject of a maintenance contract with a competent computer maintenance firm, affording free parts and free labour for repairs necessitated by breakdown arising from wear and tear or the fault of the maintenance firm. This proviso shall be of no effect in respect of any **equipment** whilst it is the subject of a guarantee provided by the manufacturer or supplier under which equivalent services are afforded.

Computer virus

Any software program routine code or system or any part thereof which causes loss, distortion, destruction, corruption of or restricted access to any information data program routines or software forming part of any computer media.

Equipment

- a) Computer equipment including fixed disks and interconnected wiring used for processing electronic data together with visual display units, printers and data carrying materials but excluding any such equipment controlling any manufacturing process.
- b) Ancillary equipment solely for use with the computer equipment comprising air conditioning, cooling equipment, generating equipment, voltage regulating equipment, telecommunication links, electronic access equipment and temperature and humidity recording equipment.
- c) Data carrying materials being current and back-up disks, tapes and other materials (excluding paper records of any description).

Insuring clause

We will indemnify you for **damage** to the **equipment** insured as stated in the schedule due to **breakdown** occurring whilst the **equipment** is at your premises.

Extensions

1. Incompatibility of computer records

In the event of a claims settlement resulting in the replacement of **equipment** insured with **equipment** which is incompatible with your undamaged computer data and programme records, we will indemnify you for

- a) the costs of modification of the **equipment**; or
- b) the costs of replacing or reinstating programmes or data necessarily and reasonably incurred with our consent to achieve compatibility.

We will not pay more than £10,000 under this extension.

2. Increased costs of working/reinstatement of data

In the event of

- a) **damage** for which we are liable above, or would be liable but for the application of any excess, which causes interruption or interference with the computer operations of the **business** for a period of at least 24 consecutive hours;
- b) total or partial failure for a period of at least 30 consecutive minutes of the supply of electricity to the **premises** which is not caused by a deliberate act of the supply undertaking, unless performed for the sole purpose of safeguarding life or protecting a part of the supply undertaking's system, or by a scheme of rationing, unless necessitated solely by physical damage to a part of the supply undertaking's system;
- c) total failure for a period of at least 30 consecutive minutes of the electricity supply to an item of **equipment** resulting from sudden and unforeseen **damage** to the distribution equipment within the **premises**;
- d) total failure for a period of at least 24 consecutive hours of the supply of telecommunication services at the **premises** which is not caused by a deliberate act of the supply authority, unless performed for the sole purpose of protecting their equipment, or by your use of machinery and **equipment** which is not accepted by the telecommunications authority as properly installed and compatible with the telecommunications system;

Section 6 – Computer breakdown

- e) the accidental or malicious erasure, destruction, distortion or corruption of data or programmes on the **equipment** resulting from an identifiable cause but excluding the permanent or temporary loss of or loss of use of or inaccessibility of data or programmes directly resulting from pre-existing faults in or unsuitability of programmes or computer systems software and also excluding losses caused by a malicious act and discovered later than twelve months after the loss was initiated; or
- f) prevention or hindrance of the use of or access for a period of at least 24 consecutive hours to an item of **equipment** caused by **damage** of any property at or in the vicinity of the **equipment** within the **premises**

we will indemnify **you** for

- a) the increase in cost of working; and
- b) the cost of replacement of and reinstatement of data on to data carrying media

and the amount payable as indemnity is the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing interruption of or interference with the **business** which but for such expenditure would have taken place in consequence thereof during the period beginning with the occurrence and ending not later than the indemnity period stated in the schedule immediately thereafter during which the results of the **business** are affected.

This indemnity includes the reasonable charges payable by **you** to **your** professional accountants or auditors for producing any particulars or details or any other proofs, information or evidence as may be required under the claims conditions and reporting that such particulars or details are in accordance with **your** books of account or other business books or documents.

We will not pay more than the amounts stated in the schedule for

- a) increased cost of working excluding the costs of reinstatement of data and replacing data carrying media; or
- b) the costs of reinstating data and programmes and replacing data carrying media.

3. Consulting engineers' fees and claims investigation costs

We will indemnify **you** for all costs incurred with **our** consent, including consulting engineers' fees, in investigating possible repairs (whether or not successful) or the reinstatement of an item of **equipment** but not the costs of preparing any claim.

We will not pay more than £5,000 in total in respect of such fees and costs.

4. Temporary repairs and expediting permanent repairs

We will indemnify **you** for the reasonable additional expenses incurred with **our** consent in making a temporary repair or in carrying out a permanent repair to an item of **equipment**.

Our liability under this extension shall not exceed £25,000 or 50% of the cost of such damage whichever is the lesser.

5. Removal of debris/protection from further damage

We will indemnify **you** for the costs and expenses necessarily incurred with **our** consent in

- a) removing debris, dismantling or demolishing any part of an item of **equipment** which has sustained **damage** insured under this section; and
- b) protecting any part of an item of **equipment** whether damaged or not provided that this is necessitated by insured **damage**.

We will not pay more than £10,000 in total in respect of this extension.

6. Additional rental charge

If, as a direct result of **damage** insured, the lease or hire contract in force at the time of the accident in respect of the damaged **equipment** is cancelled by the owners of the **equipment** and replaced by a new one in respect of similar property to that damaged but at a rental charge rate above that payable under the cancelled contract, **we** will indemnify **you** for the additional rental charges to be paid during the two years commencing from the time of such **damage**.

We will not pay more than £25,000 in total in respect of this extension.

7. Refilling charges

We will indemnify **you** for the cost of refilling the cylinders of any gas-flooding systems installed solely for the protection of the computer **equipment** arising out of the accidental discharge of such system.

We will not pay more than £5,000 in total in respect of this extension.

8. Additions

The insurance extends to include additions to **equipment** occurring after the commencement of the **period of insurance** up to next renewal provided that this cover shall not exceed 10% of the total sum insured on **equipment** or £30,000 whichever is the lesser.

9. Anti-theft device

We will indemnify **you** to replace or repair any anti-theft device which is permanently fitted to **equipment** following **damage** covered under this section.

We will not pay more than £5,000 in total in respect of this extension.

Section 6 – Computer breakdown

Basis of settlement

1. In respect of **damage** to an item of **equipment** for which, at the time of the **damage**, all parts are obtainable from its manufacturer or the agent or factors of the manufacturer at list prices, the basis of indemnity shall be reinstatement of the property damaged and this shall mean
 - a) its replacement by similar **equipment** in a condition equal to but not better or more extensive than its condition when new; or
 - b) the repair of the **damage** and the restoration of the damaged portion of the **equipment** to a condition substantially the same as but not better or more extensive than its condition when newsubject to the following.
 - i) The work must be carried out as quickly as possible.
 - ii) If at the time of repair or reinstatement the sum representing 85% of the cost which would have been incurred in reinstatement if all **equipment** had been destroyed or damaged exceeds its sum insured, the amount payable shall be proportionately reduced.
 - iii) **Our** liability shall not exceed the sum representing the cost which could have been paid if the **equipment** had been wholly destroyed.
2. In respect of **damage** to **equipment** not falling within the terms of 1 above, the basis of indemnity will be
 - a) the cost of replacement by similar property of similar capacity in a condition equal to but not better or more extensive than its condition when new;
 - b) if all the necessary parts to repair the **damage** are obtainable from the manufacturer, their agent or factor at list prices, the cost of repair of the **equipment**; or
 - c) if all the necessary parts to repair the **damage** to the **equipment** are not obtainable from the manufacturer, their agent or factor at list prices, the cost of an equivalent repair to similar property of similar capacity for which all spare parts are obtainable at list prices.subject to the following.
 - i) The work of replacement or repair must be carried out as quickly as possible.
 - ii) If, at the time of repair or reinstatement, the sum representing 85% of the cost which would have been incurred in reinstatement if all **equipment** had been destroyed or damaged exceeds its sum insured, the amount payable shall be proportionately reduced.
 - iii) **Our** liability shall not exceed the sum representing the cost which could have been paid if the **equipment** had been wholly destroyed.

Limit of indemnity

We will not pay more than the sum insured against any one item of **equipment** or in total the sum insured stated in the schedule plus any extra amounts for which **we** are liable under the extensions specified above.

Special condition

1. **Precautions**
You shall at all times take precautions to maintain in efficient working condition and available for immediate use any standby or spare machinery or any other loss-minimising factors in existence when this insurance was first effected.

Exclusions

We will not provide cover for the following.

1. Repair or replacement necessitated solely by wasting, wearing away or wearing out caused by or resulting from ordinary use or working, rusting or gradual deterioration of any part of an item of property but **we** shall be liable for the cost of **damage** insured by this section resulting from such causes.
2. Increase in cost of working incurred as a result of
 - a) temporary interference with transmissions to and from satellites due to atmospheric weather, solar or lunar conditions.
 - b) failure of any satellite before it attains its full operating function or whilst in or beyond the final year of its design life.
3. Prototype **equipment**.
4. **Equipment** more than 10 years old at inception of the policy.
5. Loss of use of **equipment** or any other consequential loss except as provided for under Extension 2.
6. Any loss recoverable under any guarantee, maintenance, rental, hire or lease agreement or contract.
7. The **excess** shown in the schedule.
8. **Damage**, liability or expense arising from a **computer virus**.

Section 7 - Frozen foods

Definitions

The following words will have the same meaning wherever they appear in this section or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Breakdown

1. Mechanical or electrical failure of any part of the **refrigerating plant** requiring repair or replacement before it can resume working.
2. Sudden and unforeseen internal explosion causing **damage to refrigerating plant**. This does not cover the failure of flanged, screwed or flat joints of any description.
3. **Damage** by frost to the condenser, cylinder, compressor and any water jackets if such **damage** renders the **refrigeration plant** inoperative.

Refrigerating plant

All working parts, frames and bedplates including motor compressors, pumps, condensers, evaporators, valves, piping, automatic controls, thermostats and wiring all forming part of the refrigerating unit.

Insuring clause

We will indemnify **you** in respect of **damage** to foodstuffs which belong to **you** or are held by **you** in trust or on commission for which **you** are responsible whilst contained

- a) in the **refrigerating plant** detailed in the schedule; and
- b) elsewhere in **your premises** which, but for the occurrence of an incident covered by this section, would have been placed in **your refrigerating plant**

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 **refrigerating plant**.
 - iii) accidental failure of the supply of electricity.
 - iv) accidental **damage** to the **refrigerating plant**.
- b) accidental leakage of refrigerant or refrigerant fumes from the **refrigerating plant**.

Exclusions

1. We will not be liable for loss resulting from
 - a) any interruption to the supply of electricity which does not exceed sixty consecutive minutes.
 - b) any interruption to the supply of electricity brought about by the deliberate act of any supply authority or by the exercise by any such authority of its power to withhold or restrict supply.
 - c) wear and tear, deterioration or gradually developing flaws or defects, partial fractures in the **refrigerating plant** or incorrect setting of thermostats and automatic controls.
 - d) the **refrigerating plant** itself.
2. 10% of each and every loss (minimum £100) after the application of the General condition of average in the event of **damage** involving **refrigerating plant** over 5 years old at the time of such **damage**.

Special condition

Maintenance

On the expiry of any guarantee period, **you** shall

- a) effect a maintenance contract on any of the **refrigerating plant** which does not have hermetically sealed motors and compressors;
- b) maintain the maintenance contract throughout the currency of this insurance; and
- c) keep a proper record of all examinations, adjustments and replacements carried out.

In the event of a claim or possible claim under this section, **we** will not be liable for further **damage** relating to the defective **refrigerating plant** until it has been repaired to **our** satisfaction.

Section 8 – Employers' liability

Definitions

The following words will have the same meaning wherever they appear in this section of the policy or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Bodily injury

Death, injury, illness, disease or nervous shock.

Business

The business carried on in the **United Kingdom** including the following activities

- a) ownership, use, repair, maintenance and decoration of premises occupied by **you**;
- b) repair or maintenance of vehicles or plant owned or used by **you**;
- c) the provision and management of canteen, social, sports, educational and welfare organisations for the benefit of any **employee** and first aid, fire, security and ambulance services;
- d) participation in exhibitions held in member countries of the European Union in connection with the business specified in the schedule; and
- e) private work undertaken for **you** by any **employee** or for any director or **employee** with **your** prior consent.

Costs and expenses

- a) Claimants costs and expenses arising in respect of any claim against **you** which may be the subject of indemnity under this policy.
- b) All cost and expenses incurred by **you** with **our** written consent in respect of any claim against **you** which may be the subject of indemnity under this policy.

Offshore

From the time of embarkation by an **employee** onto a conveyance at the point of final departure to an offshore rig or offshore platform until disembarkation by that **employee** from a conveyance on to land upon return from an offshore rig or offshore platform.

United Kingdom

England, Scotland, Wales, Northern Ireland, the Channel Islands and the Isle of Man.

You/your

- a) The insured named in the schedule;
- b) Any associated or subsidiary company of the insured provided it has been notified to **us**;
- c) At your request
 - i) any director or **employee** while acting on behalf of or in course of their employment or engagement with you in respect of liability for which you would have been entitled to indemnity under this policy if the claim against any such person had been made against you.
 - ii) any officer, member or **employee** of your social, sports or welfare organisation or fire, first aid or ambulance service in their respective capacity as such.
 - iii) any of your directors, partners or senior officials in respect of private work carried out by any **employee** for them with your consent.
 - iv) any principal for legal liability in respect of which you would have been entitled to indemnity under this policy if the claim had been made against you arising out of work carried out by you under a contract or agreement.
 - v) your personal representatives (in the event of your death) in respect of liability incurred by you provided that if indemnity is extended to any party described in paragraphs a) to c) above that party shall be subject to the terms of this policy so far as they can apply and in any event **our** liability shall not exceed the limit of indemnity.

Section 8 – Employers' liability

Insuring clause

We will indemnify **you** against

- a) all sums which **you** shall become legally liable to pay as damages; and
- b) **costs and expenses**

in the event of **bodily injury** sustained by any **employee** which arises out of and in the course of their employment by **you** in the **business** and which is caused

- 1. in the **United Kingdom**.
- 2. elsewhere in the world in respect of temporary non-manual visits by any **employee** provided that such **employee** is normally resident in the **United Kingdom**.

Limit of indemnity

- 1. The amount specified in the schedule.

Our liability 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 the series consequent on or attributable to one source or original cause shall not exceed the limit of indemnity.

The limit of indemnity shall be the maximum amount payable including **costs and expenses**.

- 2. Notwithstanding anything contained in paragraph 1 above, **our** liability under this section for damages and **costs and expenses** payable in respect of any one claim arising out of any one event or all events of a series consequent on or attributable to one source or original cause and arising out of **terrorism** or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use or exposure to asbestos or materials or products containing asbestos shall not exceed £5 million.

Employers' liability compulsory insurance

The indemnity granted by this section is deemed to be in accordance with the provisions of any law enacted in the **United Kingdom** relating to compulsory insurance of liability to **employees**.

If however, **we** pay any sum which would not have been paid but for the provisions of such law, then **you** shall repay such sum to **us**.

Extensions

These extensions are subject to all other terms of this policy so far as they can apply unless otherwise stated.

- 1. **Unsatisfied court judgements**

In the event that

- a) a judgement for damages is obtained against any company or individual operating from premises within the **United Kingdom** by any **employee** in respect of **bodily injury** caused during any **period of insurance** arising out of and in the course of their employment by **you** in the **business** and
- b) it remains unsatisfied in whole or in part six months after the date of such judgement

we will indemnify the **employee** or their personal representative up to the limit of indemnity for the amount of damages and awarded costs which remain unsatisfied as long as

- i) there is no appeal outstanding;
- ii) any payment made by **us** shall only be in respect of **bodily injury** which would otherwise be within the scope of cover of this section of the policy;
- iii) any payment made by **us** shall only be in respect of liability for which **you** would have been entitled to indemnity under this section of the policy if the judgement had been made against **you**; and
- iv) **we** shall be entitled to take over and prosecute for **our** own benefit any claim against any other party and **you**, the **employee** or their personal representatives shall give all information and assistance required.

- 2. **Contractual liability**

Notwithstanding General exclusion 3, **we** will indemnify **you** under this section against liability in respect of **bodily injury** assumed by **you** to the extent that any contract or agreement entered into by **you** with any principal so requires provided that

- a) the liability arises out of the performance by **you** of such contract or agreement;

Section 8 – Employers’ liability

- b) the conduct and control of claims is vested in **us**;
- c) the indemnity granted shall apply only in respect of liability to any **employee**; and
- d) nothing in this extension shall increase **our** liability to pay any amount in excess of the limit of indemnity under this section.

For the purpose of this extension, “principal” means the other party to a contract or agreement for whom **you** are undertaking work or services where such party is responsible for setting out the terms of the contract or agreement.

3. **Cross liabilities**

If the policyholder named in the schedule comprises more than one party, **we** will treat each party as though a separate policy had been issued to each of them.

However, nothing in this extension shall increase **our** liability to pay any amount in excess of the limit of indemnity under this section.

4. **Compensation for court attendance**

In the event of any of **your** directors, partners or **employees** attending court as a witness at **our** request in connection with a claim in respect of which **you** are entitled to indemnity under this policy, **we** will provide compensation at the following rates for each day on which attendance is required.

- a) Any director or partner £250 per day
- b) Any **employee** £150 per day

5. **Legal expenses arising from Health and Safety legislation including Corporate Manslaughter**

In the event of

- a) any act, omission or incident or alleged act, omission or incident leading to criminal proceedings brought in respect of a breach of the Health and Safety at Work Act 1974, Corporate Manslaughter and Corporate Homicide Act 2007 or similar legislation in the **United Kingdom** or
 - b) an incident which results in an enquiry ordered under the Health and Safety Inquiries (Procedure) Regulations 1975
- we** will provide indemnity against **costs and expenses** incurred in representing **you** in such proceedings, including appealing the results of such proceedings, as long as the proceedings relate to an act, omission or incident or alleged act, omission or incident which has been committed during the **period of insurance** within the **United Kingdom** and in the course of the **business**.

The following conditions apply.

1. **Our** total liability in respect of all **costs and expenses** shall not exceed £1 million in the aggregate during any one **period of insurance**.
2. **We** will indemnify **you** where such **costs and expenses** arise as a result of any matter which is the subject of indemnity under this policy.
3. **We** will only be liable for **costs and expenses** incurred in respect of legal representation appointed by **us**.
4. If there is any other insurance or indemnity in force covering the same costs and expenses, **our** liability shall be limited to a proportionate amount of the total costs and expenses but subject always to the limit of indemnity of £1 million.
5. This indemnity will not apply
 - i) in respect of fines or penalties of any kind;
 - ii) to proceedings consequent upon any **bodily injury** deliberately caused by **you**; or
 - iii) to persons other than **you** or any of **your** directors, partners, proprietors or **employees**.

Condition

It is a condition precedent to **our** liability that **you** do not manufacture, mine, process, distribute, test, remediate, remove, store, dispose of, sell or use asbestos or materials or products containing asbestos.

Exclusions

1. **We** will not indemnify **you** under this section against liability for **bodily injury** to an **employee** in circumstances where compulsory insurance or security is required by Road Traffic Act legislation.
2. **We** shall not indemnify **you** under this section against liability arising **offshore**.

Section 9 – Public/products liability

Definitions

The following words will have the same meaning wherever they appear in this section of the policy or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Bodily injury

Death, injury, illness, disease or nervous shock.

Business

The business carried on in the **United Kingdom** including the following activities.

- a) Ownership, use, repair, maintenance and decoration of premises occupied by **you**.
- b) Repair or maintenance of vehicles or plant owned or used by **you**.
- c) The provision and management of canteen, social, sports, educational and welfare organisations for the benefit of any **employee** and first aid, fire, security and ambulance services.
- d) Participation in exhibitions held in member countries of the European Union in connection with the business specified in the schedule.
- e) Private work undertaken for **you** by any **employee** or for any director or **employee** with **your** prior consent.

Contract work executed

Work carried out by **you** or on **your** behalf away from **your** normal place of business or that of the party who carried out the work on **your** behalf and which at the time of the event giving rise to a claim under this insurance is no longer **your** property and not under the control of **you** or of any **employee**.

Costs and expenses

- a) Claimants costs and expenses arising in respect of any claim against **you** which may be the subject of indemnity under this section.
- b) All cost and expenses incurred by **you** with **our** written consent in respect of any claim against **you** which may be the subject of indemnity under this section.

Offshore

From the time of embarkation by an **employee** onto a conveyance at the point of final departure to an offshore rig or offshore platform until disembarkation by that **employee** from a conveyance on to land upon return from an offshore rig or offshore platform.

Products

Any tangible products or goods (including containers, labelling, instructions or advice provided in connection therewith) which are manufactured, sold, supplied, erected, repaired, altered, treated, designed, tested, installed, formulated, constructed, or serviced by **you** in the course of the **business**.

Property

Property which is both material and tangible.

United Kingdom

England, Scotland, Wales, Northern Ireland, the Channel Islands and the Isle of Man.

You/your

- a) The insured named in the schedule;
- b) Any associated or subsidiary company of the insured provided it has been notified to **us**;
- c) At your request
 - i) any director or **employee** while acting on behalf of or in course of their employment or engagement with you in respect of liability for which you would have been entitled to indemnity under this section if the claim against any such person had been made against you.
 - ii) any officer, member or **employee** of your social, sports or welfare organisation or fire, first aid or ambulance service in their respective capacity as such.
 - iii) any of your directors, partners or senior officials in respect of private work carried out by any **employee** for them with your consent.
 - iv) any principal for legal liability in respect of which you would have been entitled to indemnity under this section if the claim had been made against you arising out of work carried out by you under a contract or agreement.
 - v) your personal representatives (in the event of your death) in respect of liability incurred by you provided that indemnity is extended to any party described in paragraphs a) to c) above that party shall be subject to the terms of this policy so far as they can apply and in any event **our** liability shall not exceed the limit of indemnity.

Section 9 – Public/products liability

9A – Public liability

Insuring clause

We will indemnify **you** under this section of the policy against

- a) all sums which **you** shall become legally liable to pay as damages; and
- b) **costs and expenses**

in the event of

1. accidental **bodily injury** to any person other than any **employee**;
2. accidental **damage to property**; or
3. obstruction, loss of amenities, trespass, nuisance or interference with any right of way, light, air or water

occurring during the **period of insurance** and arising out of **your business**

- i) in the **United Kingdom**
- ii) elsewhere in the world other than the United States of America or Canada arising out of business visits by directors or non-manual **employees** ordinarily resident in the **United Kingdom**.

Limit of indemnity

1. **Our** liability in respect of all claims arising out of one original cause shall not exceed the limit of indemnity detailed in the schedule irrespective of the number of claims or claimants.
2. **Costs and expenses** are payable in addition to the limit of indemnity detailed in the schedule apart from any claim brought in the United States of America or Canada or any territory within their jurisdiction where the limit of indemnity shall be the maximum amount payable including **costs and expenses**.

Extensions

These extensions are subject to all other terms of this policy so far as they can apply unless otherwise stated.

1. **Defective premises**
We will indemnify **you** against liability in respect of **bodily injury** or **damage to property** arising in respect of any premises disposed of by **you**. This indemnity does not apply to any **costs or expenses** incurred in repairing, replacing or making any refund in respect of any such premises.
2. **Leased premises**
We will indemnify **you** against liability for **damage** to premises or fixtures or fittings thereof which are leased to **you**. This indemnity does not apply in respect of liability for
 - i) **damage** if the liability is assumed under any tenancy or other agreement and would not have attached in the absence of such an agreement; or
 - ii) the first £250 of such **damage**.
3. **Contingent liability (non-owned vehicles)**
We will indemnify **you** in respect of legal liability for **bodily injury** and **damage to property** arising out of the use of any motor vehicle, which is not **your property** or leased or hired to **you** and is not provided by **you**, while being used in connection with the **business**.
This indemnity does not apply in respect of
 - i) **damage** to such vehicle;
 - ii) **bodily injury** or **damage to property** while such vehicle is being driven by **you**;
 - iii) liability arising from circumstances in which it is compulsory for **you** to insure or provide security in respect of such vehicle as a requirement of relevant Road Traffic Act legislation; or
 - iv) a vehicle being used outside the **United Kingdom**.

For the purposes of this extension "**you**" is restricted to paragraphs a) and b) of Definitions only.

4. **Overseas personal liability**
Where **you** or any of **your** directors or **employees** are temporarily visiting a country outside the **United Kingdom** in connection with the **business**, we will provide indemnity to **you** and to
 - a) any of **your** directors or **employees**; or
 - b) any spouse or child of **your** director or **employee** accompanying them

Section 9 – Public/products liability

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

The indemnity will not apply to legal liability

- i) arising out of the ownership or occupation of land or buildings; or
- ii) in respect of which any person referred to above is entitled to indemnity under any other insurance.

5. **Data Protection legislation**

We will provide an indemnity to **you** and, at **your** request, any of **your** directors, partners or **employees** against legal liability to pay damages and claimants **costs and expenses** for damage or distress as described in Section 13 of the Data Protection Act 1998.

However this extension shall not apply in respect of

- i) the payments of fines or penalties;
- ii) the costs of replacing, reinstating, rectifying or erasing any personal data;
- iii) liability arising from or caused by a deliberate act or omission of any person eligible for an indemnity by this extension if the result thereof could reasonably have been expected by **you** or any other person having regard to the nature and circumstances of such act or omission;
- iv) claims which arise out of circumstances notified to previous insurers and known to **you** at inception of this extension; or
- v) liability where indemnity is provided by any other insurance.

6. **Car park and cloakroom liability**

We will provide indemnity against legal liability in respect of accidental **damage** to vehicles or personal effects of other persons which **you** hold in trust or in **your** custody or control as long as

- a) they are not being stored by **you** for a fee or other consideration; and
- b) they are not held in trust by **you** or in **your** custody or control for the purpose of work being carried out on such property.

7. **Consumer Protection Act and Food Safety Act**

We will provide indemnity to **you** and any of **your** directors, partners or **employees** up to the limit of indemnity in respect of

- a) costs of prosecution awarded against **you** and any of **your** directors, partners or **employees**; and
- b) legal fees and expenses incurred with **our** consent

in the defence of and arising from criminal proceedings brought, or in an appeal against conviction in respect of breach of Part II of the Consumer Protection Act 1987 or of Part II of the Food Safety Act 1990, as long as the proceedings relate to an offence committed or alleged to have been committed during the **period of insurance** and in the course of the **business**.

The indemnity will not apply

- i) to fines or penalties of any kind;
- ii) where indemnity is provided by any other insurance; or
- iii) in respect of proceedings consequent upon any deliberate act or omission.

8. **Wrongful arrest**

We will indemnify **you** against all sums **you** shall become legally liable to pay as compensation for wrongful arrest, malicious prosecution, false imprisonment, defamation or assault of any person (other than an **employee**) occurring during the **period of insurance** and arising out of any theft or suspicion of theft at the **premises**.

Exclusions

We will not indemnify **you** under this section against liability for the following.

1. For **damage to property** belonging to **you** or in the custody or control of **you** or any **employee** other than
 - i) **property** including motor vehicles belonging to an **employee** or visitor; or
 - ii) any premises including contents (not being premises leased to **you**) which are temporarily occupied by **you** for the purpose of carrying out work in or to such premises.
2. Arising from the ownership, possession or use under the control of **you** or any **employee** of any mechanically propelled vehicle in circumstances where compulsory insurance or security is required under any Road Traffic Act legislation.
3. Arising out of the ownership, possession or use by **you** or on **your** behalf of any aircraft or other aerial devices, hovercraft, **offshore** installation or watercraft (other than hand - propelled or wind - powered watercraft whilst on inland waterways).
4. Arising from any **products** after they have ceased to be in **your** custody or control other than food or drink for consumption on **your premises**.
5. Caused by or arising out of
 - i) advice, design or specification given by **you** for a fee; or
 - ii) professional services rendered by **you** or on **your** behalf.

Section 9 – Public/products liability

6. For damage to **contract work executed**.
7. For the costs incurred by anyone in
 - i) recalling or making refunds in respect of any **products** or **contract work executed**; or
 - ii) remedying any defects or alleged defects in land or buildings or structures or other premises disposed of by **you**.

9B – Products liability

Insuring clause

We will indemnify **you** under this section of the policy against

- a) all sums which **you** shall become legally liable to pay as damages; and
- b) **costs and expenses**

in the event of

1. accidental **bodily injury** to any person; or
2. accidental **damage to property**

occurring anywhere in the world during the **period of insurance** and caused by any **products**.

Limit of indemnity

1. Our liability for all sums payable in respect of any one **period of insurance** shall not exceed the limit of indemnity detailed in the schedule.
2. **Costs and expenses** are payable in addition to the limit of indemnity under this section.

Exclusions

We will not indemnify **you** under this section against liability for the following.

1. Caused by or arising out of any **products** which
 - a) to **your** knowledge are for delivery or use in the United States of America or Canada; or
 - b) are sold, supplied, erected, repaired, altered, treated, installed in or for use in any aircraft, aerospace device, hovercraft or waterborne craft or for marine or aviation purposes.
2. For the costs incurred in the repair, reconditioning, replacement, removal or breaking out of any **products** or part thereof.
3. Arising out of **damage to products**.
4. For the costs incurred by anyone in recalling or making refunds in respect of any **products**.
5. Caused by or arising out of
 - a) advice, design or specification given by **you** for a fee; or
 - b) professional services rendered by **you** or on **your** behalf.

Section 9 – Public/products liability

Extensions applying to 9A – Public liability and 9B – Products liability

These extensions are subject to all other terms of this policy so far as they can apply unless otherwise stated.

1. Contractual liability

Notwithstanding General exclusion 3, **we** will indemnify **you** under this section against liability in respect of **bodily injury** or **damage to property** assumed by **you** to the extent that any contract or agreement entered into by **you** with any principal so requires provided that

- a) the liability arises out of the performance by **you** of such contract or agreement;
- b) the conduct and control of claims is vested in **us**; and
- c) nothing in this extension shall increase **our** liability to pay any amount in excess of the limit of indemnity under this section.

For the purpose of this extension, “principal” means the other party to a contract or agreement for whom **you** are undertaking work or services or providing **products** where such party is responsible for setting out the terms of the contract or agreement.

2. Cross liabilities

If the policyholder named in the schedule comprises more than one party, **we** will treat each party as though a separate policy had been issued to each of them.

However, nothing in this extension shall increase **our** liability to pay any amount in excess of the limit of indemnity under this section.

3. Compensation for court attendance

In the event of any of **your** directors, partners or **employees** attending court as a witness at **our** request in connection with a claim in respect of which **you** are entitled to indemnity under this **policy**, **we** will provide compensation at the following rates for each day on which attendance is required.

- a) Any director or partner £250 per day
- b) Any **employee** £150 per day

4. Legal expenses including Corporate Manslaughter

In the event of

- a) any act, omission or incident or alleged act, omission or incident leading to criminal proceedings brought in respect of a breach of the Health and Safety at Work Act 1974, Corporate Manslaughter and Corporate Homicide Act 2007 or similar legislation in the **United Kingdom**; or

- b) an incident which results in an enquiry ordered under the Health and Safety Inquiries (Procedure) Regulations 1975

we will provide indemnity against **costs and expenses** incurred in representing **you** in such proceedings, including appealing the results of such proceedings, as long as the proceedings relate to an act, omission or incident which has been committed during the **period of insurance** within the **United Kingdom** and in the course of the **business**.

The following conditions apply.

1. **Our** liability in respect of all **costs and expenses** shall not exceed £1 million in the aggregate during any one **period of insurance**.
2. **We** will only indemnify **you** where such **costs and expenses** arise as a result of any matter which is the subject of indemnity under this policy.
3. **We** will only be liable for **costs and expenses** incurred in respect of legal representation appointed by **us**.
4. If there is any other insurance or indemnity in force covering the same costs and expenses, **our** liability shall be limited to a proportionate amount of the total **costs and expenses** but subject always to the limit of indemnity of £1 million.
5. This indemnity will not apply
 - i) in respect of fines or penalties of any kind;
 - ii) to proceedings consequent upon any **bodily injury** deliberately caused by **you**; or
 - iii) to persons other than **you** or any of **your** directors, partners, proprietors or **employees**.

Section 9 – Public/products liability

Exclusions applying to 9A – Public liability and 9B – Products liability

We will not indemnify **you** under this section against liability for the following.

1. In respect of any judgement award or settlement made within countries which operate under the laws of the United States of America or Canada or to any order made anywhere in the world to enforce such judgement award or settlement in whole or in part.
2. Caused by or arising out of the deliberate, conscious or intentional disregard of **your** obligation to take all reasonable steps to prevent **bodily injury** or **damage to property**.
3. Caused by or arising out of liquidated damages clauses, penalty clauses or performance warranties unless such liability would have attached in the absence of such clauses or warranties.
4. Caused by or arising out of **pollution**.
But **we** will indemnify **you** against liability in respect of accidental **bodily injury** or accidental **damage to property** caused solely by **pollution** which results from a sudden, identifiable, unintended and unexpected incident and such incident takes place in its entirety at a specific and identified time and place during the **period of insurance** provided that
 - a) all **pollution** which arises out of any one incident shall be deemed to have occurred at the time such incident takes place;
 - b) **we** shall not indemnify **you** against liability in respect of **pollution** happening anywhere in the United States of America or Canada; and
 - c) nothing in these provisos shall increase **our** liability to pay damages, costs, fees and expenses in excess of the limit of indemnity in the schedule in the aggregate in respect of any one period of insurance.

Section 10 - Motor

Definitions

The following words will have the same meaning wherever they appear in this section of the policy or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Insured vehicle(s)

Any motor vehicle advised to **us** which **we** have accepted as being covered and for which **you** have paid or agreed to pay the premium.

Insuring clause

We will indemnify **you** against liability or **damage** directly arising from an accident arising out of the use of the **insured vehicles** described in the schedule in accordance with the terms, conditions and exclusions set out in this section occurring during the **period of insurance** or any subsequent period for which **we** agree to accept the premium.

Covers

1. Liability to third parties

We will indemnify the following in respect of their legal liability for death or bodily injury to any person and **damage** to property caused by or arising out of the use of the **insured vehicles** or trailer or during the loading or unloading of such vehicles or trailer.

- a) **You**.
- b) Any person permitted by **you** to drive provided that such person holds a licence to drive such vehicles or has held and is not disqualified from holding or obtaining such a licence unless a licence is not required by law.
- c) Any person (other than the driver) permitted by **you** to use the **insured vehicles** for social, domestic and pleasure purposes provided such cover is shown in the certificate of motor insurance.
- d) At **your** request any person being carried in or upon or entering or getting into or alighting from the **insured vehicles**.
- e) The legal representatives of any person who would have been entitled to indemnity under this cover.

Exclusions to cover 1

We shall not be liable in respect of the following.

- i) Death or bodily injury or **damage** caused by or arising beyond the limits of any carriageway or thoroughfare in connection with
 - a) the bringing of the load to such vehicle for loading; or
 - b) the taking away of the load from such vehicle after unloading.
- ii) Death or bodily injury to any person arising out of and in the course of their employment.
- iii) **Damage** to property or animals owned by or held in trust by **you** or in the custody or control of **you** or any other person claiming to be indemnified under this cover while being carried in the **insured vehicles**.
- iv) Any amount in excess of that stated in the schedule for **damage** to property in respect of any one claim or number of claims arising out of any one cause.
- v) Death or bodily injury to any person or **damage** to property directly or indirectly caused by **pollution**.
- vi) Death or bodily injury or **damage** arising while an item of self-propelled plant, a commercial vehicle or plant forming part of a commercial vehicle or attached to it is working as a tool of trade.
- vii) **Damage** to aircraft or death or bodily injury to any person being carried in it.
- viii) Any amount in excess of £1,000,000 in respect of **damage** to property where the liability arises from the carriage of goods of a hazardous nature where this has been declared to and approved by **us**.
- ix) Death or bodily injury or **damage** arising in respect of a detached trailer.
- x) **Damage** resulting from mis-delivery of the load from the vehicle.
- xi) Exemplary, aggravated or punitive damages.
- xii) Fixed penalties, fines or any costs arising from them.

2. Damage

We will indemnify **you** in respect of any **damage** to the **insured vehicles** caused by

- a) accidental impact.
- b) frost (provided all reasonable precautions are taken).
- c) wilful acts by any person not employed by **you**.

3. Fire damage

We will indemnify **you** in respect of **damage** to the **insured vehicles** caused by fire, lightning or explosion.

4. Theft

We will indemnify **you** in respect of the theft of the **insured vehicles** or **damage** caused by theft or attempted theft.

Section 10 - Motor

5. **Personal effects**
We will indemnify **you** in respect of the theft of personal effects subject to a maximum of £250 in respect of each and every claim.

6. **Glass and windscreen replacement**
We will indemnify **you** in respect of damaged or broken glass. Replacement glass should be fitted by a company authorised by **us**.

For the purpose of interpretation of covers 2, 3, 4, 5 and 6 'indemnity' shall be interpreted to mean the cost of repair, replacement or the monetary equivalent. The choice of the method of indemnity shall be at **our** discretion.

Exclusions to covers 2, 3, 4, 5 and 6

We shall not be liable in respect of the following.

- i) Loss of use, wear and tear, depreciation, mechanical, electrical, electronic or computer breakdowns, failures or breakages or **damage** to tyres unless resulting from an accident to the **insured vehicles**.
- ii) **Damage** to the **insured vehicles** arising out of theft or attempted theft unless **you** have removed the ignition keys from the vehicle and the vehicle is securely locked.
- iii) **Damage** to **money** or jewellery.
- iv) **Damage** to audio equipment over a limit of £600 (subject to the **excess** shown in the schedule) which is not the manufacturer's standard equipment fitted at first registration.
- v) **Damage** suffered by **you** due to any person obtaining any property by deception.
- vi) Diminution of value following a claim.
- vii) The first amount of each and every claim under these covers for which **you** are liable as shown in the schedule. Any limit under these covers is reduced by the value of the **excess** applicable.
- viii) Any amount in excess of the value disclosed by **you** or the current market value whichever is the lower.
- ix) **Damage** where **you** do not take adequate precautions.
- x) Glass and windscreen replacement or repair under cover 2.

7. **Medical expenses**
We will pay any doctor's or surgeon's fees incurred for attending **you** or any occupant (other than an **employee**) in respect of bodily injuries sustained as a direct result of a road accident involving the **insured vehicles**. The maximum amount for which **we** are liable is £250 for each person.

8. **Legal fees**
In respect of any death which may be the subject of indemnity under cover 1, **we** will at **your** request or at **our** own option arrange, provide and pay legal fees, incurred with **our** written consent, for representation in the event of proceedings being taken against **you** for manslaughter or reckless or dangerous driving causing death provided that

- a) the event causing death occurs in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands; and
- b) **you** are not entitled to similar indemnity under any other insurance.

The indemnity granted under this cover shall not apply to accidents occurring where **you** or any driver is accused of being under the influence of drugs or intoxicating liquor but **we** at **our** discretion reserve the right to provide such indemnity.

The maximum amount for which **we** are liable in respect of any one claim is £10,000.

9. **Vehicles loaned or hired**
We will indemnify under cover 1 the owner of a vehicle loaned or hired to **you** provided that

- a) the contract between the owner and **you** requires it; and
- b) the owner is not entitled to indemnity under any other insurance.

10. **Cross liabilities**
We will indemnify **you** and each associated and/or subsidiary company in respect of claims under cover 1 as if each was a third party.

11. **Unauthorised use**
We will indemnify **you** at **your** request in the terms of covers 1 and 2 (provided they are shown as applying in the schedule) while the **insured vehicles** are being used or driven by any person without **your** knowledge or consent.
However **we** shall not be liable under the terms of this cover to indemnify any person driving or using the vehicle.

12. **Indemnity to principals**
Cover 1 is extended to indemnify any principal of **yours** against liability at law arising out of the use of the **insured vehicles** in connection with any contract entered into between **you** and such principal provided that

- a) **we** shall not be liable for death or bodily injury or **damage** arising out of the negligence or other default of the principal or his employees or agents;
- b) such principal is not entitled to indemnity under any other insurance; and
- c) **we** shall have the sole conduct of any claim arising under the terms of this cover.

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13. **Movement of third party vehicles**
The indemnity provided by cover 1 shall extend to apply to any accident caused by or arising out of **your employees**
- driving or moving any vehicle not belonging to **you** for the sole purpose of relocation when it is interfering with the performance of **your business** directly connected with the use of **insured vehicles**; or
 - parking or moving of vehicles belonging to customers or visitors while such vehicles are on **your premises**.
- For the purposes of this cover the vehicles will not be regarded as property in **your** custody or control.
14. **Contingent liability**
We will indemnify **you** under cover 1 for **your** legal liability arising out of an accident caused by or in connection with any motor vehicle not belonging to **you** which is hired (otherwise than under a hire purchase agreement) by **you** for the purpose of **your business** provided that
- we** shall not be liable in respect of **damage** to such vehicle; and
 - we** shall not be liable to make any payment if at the time of the occurrence of any accident giving rise to a claim under this cover there is any other existing insurance covering the same liability. If there is, Claims condition 8 of this policy shall not apply.
15. **Sale or replacement of vehicle(s) insured**
- In the event of any **insured vehicle** being replaced or sold, **we** will at **our** discretion transfer the insurance provided by this policy to the new vehicle subject to acceptance and adjustment of premium.
 - In the event that during the **period of insurance** the number of **insured vehicles** under this policy reduces below the number declared at inception or renewal any return of premium shall be at **our** discretion.
 - No refund of premium will be given in respect of vehicles that are owned by **you** but are the subject of a Statutory Off Road Notice (SORN).
16. **Territorial limits and foreign travel**
- A. **We** will indemnify **you** under this policy in respect of vehicles registered in the United Kingdom as described in the certificate of motor insurance in respect of accidents occurring
- in Great Britain, Northern Ireland, the Isle of Man and the Channel Islands;
 - any other country that is a member of the European Union;
 - any other country which has made arrangements which meet the insurance conditions of and are approved by the Commission of the European Union and for which **we** have agreed to issue cover; and
 - during transit (including loading and unloading) between such countries by a recognised sea passage not exceeding 65 hours
- provided that in the event of **damage** to the **insured vehicles**, **our** liability in respect of the cost of delivery to **you** after repair shall be limited to the cost of delivery in the country other than the United Kingdom where the **damage** is sustained.
- B. **We** will reimburse **you** for any customs duties or charges **you** may have to pay as a direct result of any claim covered under this section.
17. **Foreign use declaration**
Cover 16 shall only apply in respect of the benefits of Covers 2, 3, 4, 5 and 6 (provided they are shown as applying in the schedule) where details of the foreign use have been declared to and approved by **us** and for which premium has been paid.

Clauses

1. **Right of recovery**
If **we** are required to indemnify **you** under cover 1 under or by virtue of the provisions of the law of any territory in which this policy operates, **you** shall repay to **us** all sums paid by **us** which **we** would not have been liable to pay but for the provisions of such law.
2. **Accidents and claims**
- After any accident, loss or event likely to give rise to a claim under this section, **you** or any person entitled to indemnity must advise **us** immediately and
 - provide full particulars in writing of the occurrence to **us**;
 - forward to **us** immediately and unanswered all letters from any third party and every claim, writ, summons or process **you** receive;
 - advise **us** of the time and place of any impending prosecution or inquest of fatal injury; and
 - use reasonable endeavours to obtain the names and addresses of all witnesses.
 - You** shall not make any admission of liability, payment or offer of payment, or incur legal expenses without **our** written consent and **you** shall not in any way act to the detriment or prejudice of **our** interest.
 - You** or anyone else claiming under this insurance must give all the assistance and information **we** require and comply

Section 10 - Motor

with all deadlines specified by **us** and the courts in the negotiation, proceedings, mediation and settlement of any claim.

- d) **We** are entitled to take sole control of all negotiations, proceedings and mediation, to use **your** name to settle, prosecute or defend any claim and to abandon the same at any time.
 - e) Where **you** bear any part of any claim as a result of an endorsement or condition of the section, **you** shall pay **us** the required amount on demand.
 - f) It is an express condition of this section that
 - i) **we** shall have and take full control of all third party claims including those where **you** under the terms of the section are liable for any amount; and
 - ii) **we** are entitled to make such payments as **we** think fit in respect of any claim.
3. **Repairs to the insured vehicle**
- a) If the total cost of permanent repairs to the **insured vehicle** required as a result of an accident does not exceed the repair authority sum shown in the schedule, **you** may authorise such repairs provided that a repairer approved by **us** is used and that all particulars of the accident are forwarded immediately to **us**.
 - b) If the total cost of permanent repairs is estimated to exceed the repair authority limit shown in the schedule, **you** must obtain **our** written consent before repairing or altering the damaged vehicle so that **our** representative may have an opportunity of examining the vehicle and of approving the arrangement for the repairs.
 - c) If the **insured vehicle** is disabled as a result of **damage** as defined under this section, **we** will pay for the reasonable cost of transporting the **insured vehicle** to the nearest approved repairers.
4. **Condition of vehicle**
- You** shall take all reasonable precaution to safeguard the **insured vehicles** and maintain them in an efficient and roadworthy condition.
- We** shall not be liable for any loss, injury or **damage**
- a) caused through use of the **insured vehicles** in an unsafe condition either before or after the accident; or
 - b) in respect of any vehicle which does not meet statutory requirements for use on public roads.
- We** and **our** duly authorised representative shall at all times have free access to examine the **insured vehicles**.
5. **Obsolete parts**
- If any part of the **insured vehicles** or their accessories becomes unavailable or obsolete in pattern, **our** liability shall be restricted to the value of the part at the time of the accident but **we** will not pay more than the manufacturer's last list or quoted price.
6. **Cancellation or suspension of cover**
- We** may at any time cancel this insurance by seven days' notice by special delivery to **your** last known address. Provided **you** return the certificates of motor insurance within seven days, **we** will return a pro-rata portion of the premium.
- If the premium for this policy is being paid through a finance house then in the event of cancellation of the policy any refund of premium will be paid to the finance house.
7. **Breach of licence conditions**
- You** shall comply at all times with the terms and conditions applicable to any operators or other licence issued to **you**.
8. **Loss of licence**
- In the event of **you** losing **your** operator's licence or going into liquidation, insolvency or bankruptcy, the cover provided by this section will be reduced to the minimum required by the Road Traffic Acts.
9. **Notification of vehicle details (MIC)**
- You** must supply details of any vehicle owned by **you** or in **your** care, custody or control or for which **you** are legally responsible and which is to be covered by this policy for entry on the Motor Insurance Database.

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Exclusions

We shall not be liable in respect of the following.

1. Any accident, injury, **damage** or liability caused, sustained or incurred where the **insured vehicles** are
 - a) being used for the carriage of explosives, chemicals, chemical by-products, acids or goods of a dangerous or inflammable nature unless this has been declared to and approved by **us**;
 - b) carrying a load in excess of that for which it was constructed or in excess of the maximum carrying capacity advised to **us**; or
 - c) being used in an unsafe condition either before or after an accident.
2. Any accident, injury, **damage** or liability caused, sustained or incurred where the load on the **insured vehicle** is being carried in an unsafe condition or manner either before or after an accident.
3. Any liability which attaches to **you** by reason of any agreement which would not attach apart from such agreement.
4. Any accident, injury, **damage** or liability directly or indirectly caused by, happening through or in consequence of
 - a) earthquake, volcanic eruption or meteorite impact;
 - b) actual or threatened war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;
 - c) confiscation, nationalisation, requisition or destruction of or damage to property by or under the order of any government or public or local authority;
 - d) **terrorism**;
 - e) riot and civil commotion, martial law; or
 - f) the act of any lawfully constituted authority.
5. **Damage** to any property or any loss, expense, consequential loss or legal liability of any nature directly or indirectly resulting from, caused by or contributed to as a result of
 - a) ionising radiation or contamination by radioactivity from any nuclear fuel or nuclear waste from the combustion of nuclear fuel;
 - b) the radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or its nuclear components; or
 - c) seepage or **pollution**.
6. **Damage** directly or indirectly caused by pressure waves caused by aircraft and other aerial devices.
7. Any accident, **damage** to any aircraft, any liability or injury arising as a result or any consequential loss in connection with any aircraft operation arising from the presence of the **insured vehicles** in any area to which aircraft have access.
8. Damages, liabilities, costs and expenses in respect of judgements delivered or obtained otherwise than by a court within the jurisdiction of the approved countries on the continent of Europe or as specified in this section of the policy.
9. Any liability or costs arising from **your** failure to provide information, statements or documents necessary to defend a claim within deadlines prescribed by the courts.
10. Liability or **damage** occurring where the **insured vehicles** are being used otherwise than as permitted by the certificate of motor insurance.
11. Liability or **damage** occurring where **you** (unless **you** are a passenger) do not hold a full licence to drive the **insured vehicles** or, being the holder of a provisional licence, are not conforming with its terms and limitations.

Section 11 - Professional indemnity

Definitions

The following words will have the same meaning wherever they appear in this section of the policy or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Circumstance(s)

Any one or more of (but not restricted to) the following which may be the subject of indemnity under this policy.

- a) An intimation of an intention to claim against **you**.
- b) Any known direct or indirect criticism or dispute relating to performance (whether expressed, implied, justified or not) of **you** or a party for whom and for which **you** are responsible which might give rise to third party loss or **damage**.
- c) Any awareness **you** have of a failing or real doubt of the efficacy of performance by **you** or a party for whom and for which **you** are responsible which might give rise to third party loss or **damage**.
- d) Any awareness **you** have that materials, goods, services or actions whether taken, specified, designed or recommended by **you** or a party for whom and for which **you** are responsible have failed to meet the standard required and which might result in some third party loss or **damage**.

Claim

A claim or series of claims (whether by one or more than one claimant) arising from or in connection with or attributable to any one act, error, omission or originating cause or source or the dishonesty of any person or group of persons acting together and any such series of claims shall be deemed to be one claim for all purposes under this policy.

Computer system

Any computer, data processing equipment media or part thereof, or system of data storage and retrieval, or communications system, network, protocol or part thereof, or storage device, microchip, integrated circuit, real-time clock system or similar device or any computer software (including but not limited to application software, operating systems, runtime environments or compilers), firmware or microcode used, owned, operated or relied upon by **you**.

Documents

Deeds, wills, agreements, maps, plans, records, books, letters, certificates, computer system records, forms and documents of whatsoever nature whether written, printed or reproduced by any other method (other than bearer bonds, coupons, bank notes, currency notes and negotiable instruments).

Excess

The first part of any **claim** for which **you** are responsible, the amount of which is stated in the schedule.

You/your

The person or persons, partnership, firm or company, including their executors or personal representatives, named in the schedule.

Section 11 - Professional indemnity

Insuring clauses

1. Indemnity

We agree to indemnify **you** up to the limit of indemnity stated in the schedule against all sums which **you** shall become legally liable to pay as damages and claimant's costs and expenses as a result of any **claim** first made against **you** and notified to **us** during the **period of insurance** stated in the schedule arising out of any negligent act, negligent error or negligent omission on the part of

- a) **you**;
- b) any of **your employees**, partners or directors (whether current or previous); or
- c) any other person, persons, firm or company including subcontractors, agents or consultants acting for or on behalf of **you** and for whom **you** are responsible

in the course of the conduct of **your business** as stated in the schedule.

2. Costs and expenses

We agree to pay all costs and expenses incurred with **our** written consent in the investigation, defence or settlement of any **claim**.

3. Limit of underwriters' liability

Our total aggregate liability under this policy shall not exceed the limit of indemnity stated in the schedule (which for the purpose of this clause shall be deemed to include all costs and expenses incurred with **our** consent in the investigation, defence or settlement of any **claim**) in respect of all **claims** made against **you** during any one **period of insurance**.

4. Excess

We shall only be liable for that part of each and every **claim** (which for the purpose of this clause shall be deemed to include all costs and expenses incurred in the investigation, defence or settlement of any **claim**) which exceeds the **excess** stated in the schedule.

Payment of the **excess** by **you** is a condition precedent to **you** being indemnified by **us** and **you** shall confirm **your** ability and agreement to pay if **we** reasonably request it.

If **we** incur any expenditure, which by virtue of this clause is **your** responsibility, then this expenditure shall be reimbursed to **us** forthwith.

5. Dishonesty of employees

We agree to indemnify **you** up to the limit of indemnity stated in the schedule against any sum that **you** shall become legally liable to pay as a result of any **claim** against **you** during the **period of insurance** brought about or contributed to by any dishonest, fraudulent, criminal or malicious act or omission of any of **your employees**.

For the purposes of this extension, the term '**employee**' excludes any of **your** directors or partners.

6. Loss of documents

We agree to indemnify **you** up to a maximum amount of £100,000 for any reasonable costs and expenses incurred with **our** consent in replacing or restoring any **document** which is damaged during the **period of insurance**, subject to an **excess** of £100 each and every **claim** or loss.

Cover is subject to the following.

- a) Any **claim** for costs and expenses incurred by **you** under this extension must be fully supported by bills or accounts which shall be subject to approval by a competent person nominated by **us**.
- b) **Our** total liability under the policy shall not be increased by reason of this extension.
- c) **We** will not pay for any loss brought about or contributed to by the dishonesty of **your** partners, directors or other **employees**.

7. Libel and slander

We agree to indemnify **you** against all sums which **you** shall become legally liable to pay as damages and claimant's costs and expenses as a result of any **claim** made against **you** during the **period of insurance** for libel and slander by **you** in the course of the conduct of **your business** as stated in the schedule.

8. Intellectual property rights

We agree to indemnify **you** against

- a) all sums which **you** shall become legally liable to pay as damages and claimant's costs and expenses as a result of any **claim** made against **you** during the **period of insurance** stated in the schedule arising from unintentional or inadvertent
 - i) breach, infringement or unauthorised use of copyright, patents, registered designs, trade marks, trade secrets; or
 - ii) passing off, breach of the Data Protection Act or other breach of confidentiality; and
- b) costs incurred in prosecuting any **claim** for an injunction and/or for damages arising out of those circumstances referred to in paragraph a) subject to **you** bearing the first £50 of each and every **claim**.

For the purpose of this clause "**claim**" shall be deemed to include **our** costs.

Section 11 - Professional indemnity

Exclusions

We shall not be liable to indemnify **you** under this section against any **claim** caused by, contributed to or arising from the following.

- a) **Employers' liability**
Bodily injury, sickness (including mental stress), disease or death sustained by **you** or any person arising out of and in the course of their employment by **you** under any contract of service or apprenticeship, or for any breach of any obligation owed by **you** as an employer or an **employee**.
- b) **Mobile/immobile property**
Your ownership, possession or use including loss of use by **you** or on **your** behalf of any land, buildings, aircraft, watercraft, vessel or mechanically propelled vehicle.
- c) **Dishonesty**
Any dishonest, fraudulent, malicious or illegal act or omission by **you**, or any of **your** present or previous directors, principals or partners.
- d) **Contractual liability**
Any liability assumed by **you** under any express warranty, agreement or guarantee unless such liability would have attached to **you** irrespective of such express warranty or guarantee.
- e) **Goods or products**
The sale, supply, repair, alteration, construction, manufacture (including its supervision), installation or maintenance of goods or products by **you**, any related company or by **your** sub-contractors.
- f) **Insolvency**
Your insolvency or bankruptcy.
- g) **Pollution**
Seepage or **pollution** whether directly or indirectly.
- h) **Other insurance**
Any **circumstances** or **claims** in respect of which **you** are entitled to indemnity under any other insurance except in respect of any excess beyond the amount which is payable under such other insurance.
- i) **Prior claims or circumstances**
Any **circumstances** or **claims** which could give rise to a **claim** under this policy of which **you** are aware, or ought reasonably to be aware, at inception of this policy, whether notified under any other insurance or not.
- j) **Radioactive contamination/nuclear assemblies**
 - i) Ionizing radiation 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 its nuclear components.
- k) **War risks**
War, invasion, act of foreign enemies, hostilities (whether war be declared or not), **terrorism**, civil war, rebellion, revolution, insurrection, military or usurped power, confiscation, nationalization, requisition or destruction of or **damage** to property by or under the order of any government, public or local authority.
- l) **Territorial limits**
Work in connection with contracts situated outside the European Union, Channel Islands or the Isle of Man.
- m) **Jurisdiction limits**
Action for damages brought in a court of law outside the European Union, Channel Islands or the Isle of Man.
- n) **Fines**
Any award of punitive or exemplary damages whether as fines, penalties, multiplication of compensatory awards or damages, or in any other form whatsoever.
- o) **Controlling interest**
Any associated, parent or subsidiary company or by any person or entity having a financial or executive interest in the **business** unless such **claim** is for an indemnity or contribution in respect of a **claim** made by an independent third party against the said associated, parent or subsidiary company, person or entity and arises out of services rendered by **you**.

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- p) **Date related failure**
Failure of any **computer system**, whether or not **your** property, to be date or time compliant including failure of any correction, attempted correction, conversion, renovation, rewriting or replacement of any **computer system** relating to date or time compliance.
- q) **Financial matters**
Negligence on **your** part in connection with the effecting or maintenance of insurance or in connection with the provision of finance or advice on financial matters.
- r) **Contractor**
Any contract where **you** act as a contractor whether in conjunction with **your** profession as stated in the schedule or not.
- s) **Trading losses**
Any trading losses incurred by **you**.
- t) **Insured's remuneration**
Any claim for reimbursement of or **your** liability to reimburse, for whatever reason, any fees, commission, costs or other charges paid or payable to **you** or remuneration of whatsoever nature due to any of **your** directors, partners, principals or **employees**.
- u) **Additional compensation**
Any order or agreement to pay compensation in excess of any amount that would be payable pursuant to statute or common law.
- v) **Injury or death**
Actual or alleged bodily injury, sickness, disease, emotional distress (other than emotional distress arising from any libel or slander), mental anguish, mental stress or the death of any person, unless arising out of a negligent act, negligent error or negligent omission.
- w) **Cyber liability**
i) Any electrical, data transmission, telecom or satellite system failure or interruption or any interruption or failure of the service provided to **you** by **your** internet service provider; or
ii) a third party's unauthorised alteration, **damage** to or destruction of anything on **your** web site, e- mail, intranet, extranet, network or **computer system**.
- x) **Asbestos and toxic mould**
i) Asbestos or any materials containing asbestos in whatever form or quantity;
ii) the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, moulds, spores or mycotoxins of any kind;
iii) any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, moulds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, moulds, spores or mycotoxins; or
iv) any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, moulds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, moulds, spores or mycotoxins.

Conditions

1. **Claims notification**
It is a condition precedent to liability under this section that **you** shall give immediate notice in writing during the **period of insurance** to **us** of
- a) any claim made against **you**;
- b) receipt of notice from any person or entity of their intention to make a **claim** against **you** for the results of any negligent act, negligent error or negligent omission; or
- c) any **circumstances** of which **you** shall become aware which might reasonably be expected to give rise to a **claim** being made against **you**, giving reasons for the anticipation of such **claim**, with full particulars as to dates and persons involved.

Regardless of any previous notice, **you** shall give written notice to **us** immediately upon receipt of any **claim** form, particulars of **claim**, arbitration notice or any other formal document commencing legal proceedings.

If notice has been given as required by paragraphs b) or c) above, any subsequent **claim** against **you** arising out of the notified intention to make a **claim** or the circumstances made shall be deemed to have been made during the **period of insurance**.

NOTE: The Civil Procedure Rules enable the court to impose severe costs sanctions on litigants who act unreasonably either before or after the commencement of proceedings whether or not the litigant in question is successful in its case. Pre-action protocols will

Section 11 - Professional indemnity

set standards by which the reasonableness of the litigant's conduct will be judged. In order to try to ensure that the requirements of the rules in any protocol are met, notifications must be made to **us** immediately that a **claim** is made and before a response is given to the claimant. As this is a condition precedent to liability under the policy, non-compliance with it entitles **us** to refuse to provide indemnity in respect of the relevant **claim**.

2. **Claims handling**

- a) **You** shall not admit liability for, settle any **claim** or incur any costs or expenses without **our** written consent. **We** shall be entitled at **our** complete discretion to take over and conduct in **your** name the defence or settlement of any **claim**.
- b) **You** shall not be required to contest any legal proceedings unless a Queen's Counsel to be mutually agreed upon by **you** and **we** shall advise that such proceedings should be contested.
- c) **You** shall be entitled at **your** own risk to contest any **claim** or legal proceedings which in **our** opinion should be compromised or settled provided that **we** shall not be liable for any damages, costs or expenses incurred directly or indirectly as a result of **your** refusal to compromise or settle such **claim** or legal proceedings.
- d) **You** shall give **us** such information, co-operation and assistance as **we** may reasonably require, including but not limited to, any statements or depositions as may be required under the Civil Procedure Rules.
- e) **We** may at any time in connection with any **claim**, pay to **you** the limit of indemnity stated in the schedule (after deduction of any sums already paid) or any lesser amount for which the **claim** can be settled and upon such payment being made, **we** shall relinquish the conduct and control of and be under no further liability in connection with the **claim**.

3. **Retroactive date**

Where a retroactive date is stated in the schedule, the cover provided by this policy will not apply to **claims** made against **you** by reason of any act, error or omission committed or alleged to have been committed before that date.

4. **Waiver of subrogation against directors or employees**

If any payment is made under this policy and **we** are thereupon subrogated to **your** rights of recovery in relation thereto, **we** agree not to exercise any such rights against any of **your** current or former directors or **employees** unless the **claim** is brought about or contributed to by the dishonest, fraudulent, criminal or malicious act or omission of the director or **employee**.

5. **Disclosure of the policy or identity of the underwriters**

You shall not without **our** prior written consent disclose to any third party the terms of this policy or the identity of the underwriters.

Section 12 – Management Protector

Part A – Personal accident and employee dishonesty

Additional definitions

The following words will have the same meaning wherever they appear in this section or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Benefit

The limit of indemnity shown in the schedule in respect of all **eligible persons**.

Eligible person

Any insured person noted in the schedule.

Loss

With regard to

- i. hand or foot - actual severance through or above the wrist or ankle joints respectively;
- ii. eye - entire and irrevocable loss of sight;
- iii. thumb and index finger - actual severance through or above the joint that meets the hand at the palm.

Loss shall not include any civil or criminal fines or penalties.

Policy Territory

Great Britain, Northern Ireland, the Republic of Ireland, the Channel Islands and the Isle of Man

Insuring clause

Subject to all of the terms, conditions and exclusions to this section, and the General conditions and General exclusions to the policy.

Section 1 – Personal Accident

If an **eligible person** sustains accidental bodily injury whilst on the **premises** or undertaking **business** within the policy territory during the **period of insurance** which within two years solely and independently of any other cause results in death or disablement, **we** will pay **you** the percentage amount appropriate of the **benefit** as follows:

Loss of:	% of Benefit sum insured:
Life	100%
Both hands of both feet:	100%
Either hand or foot and sight of one Eye	100%
One hand and one foot	100%
Sight of both eyes	100%
Either hand or foot	50%
Sight of one eye	50%
Thumb and index finger of same hand	25%

Conditions

1. If more than one **loss** results from any one accidental bodily injury, only one amount, the largest, will be paid.
2. The maximum amount **we** will pay in the aggregate under this and any other policy of Personal Accident Insurance issued by **us** in **your** name in respect of all eligible **persons** suffering bodily injury in the same accident or series of accidents contributed to, caused by, or consequent upon the same original cause, event or circumstance is £50,000.
3. If a claim exceeds the amount specified in condition 2 above, **we** will pay an amount which is proportionately reduced until the total does not exceed £50,000.

Special Conditions

1. Acceptance of benefit

If **we** have paid a claim under the Personal Accident Section of the policy and **you** have accepted payment, **we** will not have to make any further payments for the same claim.

2. Claims Evidence

You must provide at **your** own expense any evidence in support of a **loss**. An **eligible person** must undergo as many medical examinations in connection with any claim as **we** may require at **our** own expense.

Section 12 – Management Protector

3. Disappearance

If an **eligible person** disappears and after a suitable period of time it is reasonable to believe that he has died as a result of accidental bodily injury the **benefit** will be paid provided that **you** sign an agreement that if it is later found to be wrong, any amount paid will be refunded to **us**.

4. Exposure

Death or dismemberment resulting from exposure to the elements will be considered to have been caused by accidental bodily injury.

Exclusions

This section does not provide cover for any **loss**

1. caused by intentional self-injury, suicide or attempted suicide, sexually transmitted conditions, mental or nervous disorder, anxiety, stress or depression, AIDS or HIV infection.
2. caused by or arising directly or indirectly from serving in any branch of the Military or Armed Forces.
3. caused by or arising directly or indirectly from being under the influence of drugs, alcohol or other intoxicants.
4. arising directly or indirectly from participation in any crime, riot or civil commotion.
5. caused by flying as a pilot or member of aircrew.
6. caused by flying as a passenger in any aircraft that is not a multi-engined fixed wing aircraft licensed by a Civil Aviation Authority which flies according to a published service frequency and timetable showing departure days and departure and arrival times.
7. caused by or arising directly or indirectly from the dispersal, release, or application of pathogenic or poisonous biological or chemical materials.
8. caused by or arising directly or indirectly from self-exposure to needless peril (except in an attempt to save human life).
9. caused by or arising directly or indirectly from participation in winter sports, skydiving / parachuting, hang gliding, bungee jumping, scuba diving, mountain climbing (where ropes or guides are customarily used), riding or driving in races or rallies using a motorized vehicle or bicycle, caving or pot-holing, hunting or equestrian activities, skin diving or other underwater activity, rafting or canoeing involving white water rapids, yachting or boating outside coastal waters (2 miles), participation in any sport which provides the individual's major source of income, any sporting activity not authorized or regulated by the school.
10. caused by or arising directly or indirectly from sickness or disease (not resulting from accidental bodily injury), any naturally occurring condition or degenerative process, any gradually operating cause, or any physical or medical condition which existed in the 24 months prior to inception of cover.
11. caused by or arising directly or indirectly from medical or surgical treatment except as may be necessary solely as a result of injury.
12. caused by or arising directly or indirectly from any injury which shall result in hernia.
13. of any person after the expiry of the **period of insurance** during which that person reaches age 75 years.

Section 12 – Management Protector

Section 2– Employee Dishonesty

Additional definitions

The following words will have the same meaning wherever they appear in this section or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording.

Loss

Direct financial loss (other than salary or other remuneration) of money, securities or tangible property owned by **you** or in **your** care, custody or control and for which you are liable, in connection with any act or series of related acts of fraud or dishonesty. Loss shall not include costs, fees or other expenses incurred in establishing the existence or amount of any loss.

Insuring clause

We shall indemnify **you** for your direct **loss** which occurs during the **period of insurance** as a direct result of an act or series of related acts of fraud or dishonesty committed during the **period of insurance** by any identified **employee**, who is paid wholly or mainly by salary or wages, (acting alone or in collusion with others) with the principal intent to cause **you** to sustain a **loss** and to obtain financial benefit for such **employee** (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other **employee** benefits earned in the normal course of employment) which is first discovered by you during the **period of insurance**.

Special Conditions

1. Cancellation as to any employee

Cover under this section shall be deemed cancelled in respect of any **employee** immediately upon discovery by **you** or by any of **your** directors or officers not in collusion with such **employee**, of any dishonest or fraudulent act on the part of such **employee**, and further dishonest or fraudulent acts committed by such **employee** are excluded.

2. Recoveries

Recoveries, less the actual cost of recovery, made after **loss** will be distributed as follows.

- a) First, you shall be reimbursed for **loss** exceeding the limit of liability or settlement (whichever is less) and the retention amount (if applicable).
- b) Second, **we** shall be reimbursed for the settlement made.
- c) Third, **you** shall be reimbursed for **loss** equal to the retention amount.

3. Management controls

It is a condition precedent to **our** liability under this section that **you** shall at all times comply with the following statements, evidence of which must be available at the time of claim.

- i) The statutory accounts are independently audited
- ii) **Stock** is independently and physically checked (at least once every six months) by an **employee** not responsible for daily **stock** handling or ordering.
- iii) Cheque requisition/payment instructions and payment authorisation are segregated functions undertaken by separate people.
- iv) the ordering, certification of receipt, and verification of supporting documentation before cheque or payment instructions are authorised for goods or services are performed by different **employees** acting independently.
- v) Cash in hand and petty cash shall be checked independently of employees responsible at least monthly.
- vi) Monthly reconciliation is performed on all bank accounts and debtors accounts, independently of **employees** in a position to receive payment of an account.
- vii) Written references are obtained and checked for all new **employees** (except school-leavers) covering at least the preceding 2 years of continuous employment, where the **employee** is to be responsible for money, securities, stock or accounts.

4. Change in control of the insured

If, during the **period of insurance** a change in control of the policyholder takes place, then the cover provided under this section is amended to apply only to acts committed which give rise to a loss occurring prior to the effective date of the change of control.

You shall give **us** written notice of the change in control as soon as practicable, but not later than 30 days after the effective date of the change in control.

Exclusions

This section does not cover for any

1. **loss** that results from the complete or partial non-payment or default under any credit arrangement, loan, lease or rental agreement, invoice, or payments made or withdrawals from any customer's account involving items which are not finally paid for any reason.

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2. **loss** caused by any **employee** from and after the time that **you** or **any** of your directors or officers shall have knowledge or information that such **employee** has committed any dishonest or fraudulent act whether such act be committed before or after the date of employment by **you**.
3. **loss** the proof of which is dependent solely upon a profit and **loss** computation or comparison of inventory records with an actual physical count.
4. **loss** which arises out of the voluntary giving or surrendering of property in exchange or purchase, unless such **loss** is caused by an **employee**, or by forgery, counterfeiting or fraud by any other person whether or not in collusion with an **employee**.
5. indirect or consequential loss of any nature.
6. costs, fees and other expenses incurred by **you** in establishing the existence of or amount of **loss**.
7. costs of defending any legal proceeding brought against **you**.
8. **loss** caused by any broker, factor, commission, consignee, contractor or any other agent or representative of the same general character.
9. **loss** due to **loss** of and/or damage to proprietary information, trade secrets, confidential processing methods, or other confidential information of any kind.
10. **loss you** first discovered prior to, or subsequent to, the **period of insurance**.
11. **loss** arising from any act or any series of related acts committed outside the Policy Territory.
12. **loss** committed by any **employee** who at the time of committing the fraudulent or dishonest act owns or controls more than 5% of **your** issued share capital.

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Part B - Legal expenses

- 1) Legal costs - all reasonable and necessary costs chargeable by the **nominated representative** on a standard basis and the costs incurred by opponents in civil cases if **you** or an **insured person** has been ordered to pay them or pay them with our agreement.
- 2) Accountant's costs - all costs reasonably incurred by the **nominated representative**.
- 3) Attendant expenses - any **insured person's** salary or wages for the time that they are off work to attend any court or tribunal hearing at the request of the **nominated representative** or as a defendant based on
 - a) the time any **insured person** is off work including the time it takes to travel to and from the court or tribunal, calculated to the nearest half day assuming that a whole day is eight hours;
 - b) where any **insured person** works full time, the salary or wages for each whole day equal to 1/250th of the **insured person's** yearly salary or wages; or
 - c) where any **insured person** works part-time, the salary or wages as a proportion of their weekly salary or wages provided that **we** will only pay for each half or whole day that the court or tribunal will not pay for.

Nominated representative

Lawyer or accountant or other suitably qualified person who has been appointed by **us** to act for **you** or an **insured person** in accordance with the terms of this extension.

In respect of claims for **injury**, the **nominated representative** must have signed either a collective conditional fee agreement or a conditional fee agreement with **us**.

Cover

We will indemnify **you** or an **insured person** against legal expenses incurred in respect of any insured incident stated below arising in connection with the business provided that

- a) the insured incident is notified to **us** during the **period of insurance** and arises within the **geographical limits**;
- b) any legal proceedings will be dealt with by a court or other body which **we** agree to within the **geographical limits**; and
- c) in civil claims it is always more likely than not that **you** or an **insured person** will recover **damages**, obtain other legal remedy which **we** have agreed to or make a successful defence.

Insured incidents

1. Employment disputes and compensation awards

A) Employment disputes

We will represent **you** in

- i) defending **your** legal rights prior to the issue of legal proceedings in a court or tribunal following the dismissal of an **employee**;
- ii) defending **your** legal rights in legal proceedings in respect of any **dispute** with an **employee**, ex-**employee** or a trade union acting on behalf of an **employee** or ex-**employee** which arises out of or relates to a contract of employment with **you**; or
- iii) defending **your** legal rights in legal proceedings in respect of any **dispute** with an **employee**, ex-**employee** or prospective **employee** under legislation for unlawful discrimination on the grounds of sex, race, disability, religious belief or political opinion

provided that **you** have sought and followed advice from the **legal advice service** before taking any action for the purpose of

- a) dismissing an **employee** for any reason; or
- b) making an intended significant variation in an **employee's** terms and conditions of employment.

Exclusions

- i) Any claim in respect of **damages** for **injury** or **damage** to property; or
- ii) any claim arising from or relating to any transfer of **business** which falls within the scope of the Transfer of Undertakings (Protection of Employment) Regulations 1981 or the Acquired Rights Directive.

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B) Compensation awards

We will pay

- i) any basic and compensatory award; or
- ii) an order for compensation for unlawful discrimination on the grounds of sex, race, disability, religious belief or political opinion

in respect of a claim **we** have accepted under insured incident 1. A) Employment disputes provided that

- i) in cases relating to performance conduct, a material variation in an **employee's** terms and conditions of employment or dismissal, **you** have throughout the employment **dispute**
 - i) followed the ACAS Code of Disciplinary Practice and Procedures in Employment as prepared by the Advisory Conciliation and Arbitration Service; and
 - ii) sought and followed advice from the legal advice service.
- ii) for an order of compensation for unlawful discrimination on the grounds of sex, race, disability, religious belief or political opinion, **you** have at all times sought and followed the advice of the **legal advice service** since the date when **you** should have known about the employment **dispute**;
- iii) for any compensation award for redundancy, alleged redundancy or unfair selection for redundancy, **you** have sought and followed the advice of the **legal advice service** prior to serving notice of dismissal; and
- iv) the compensation is awarded by tribunal under a judgement made after full argument and otherwise than by consent or default or is payable under settlement approved in writing in advance by **us**.

Exclusions

- i) Any compensation award relating to the following.
 - a) Trade union activities, trade union membership or non-membership.
 - b) Pregnancy or maternity rights.
 - c) Health & Safety related dismissals brought under Section 28 of the Trade Union Reform and Employment Rights Act 1993.
 - d) Statutory rights in relation to trustees of occupational pension schemes.
 - e) Statutory rights in relation to Sunday shop and betting work.
- ii) Non payment of money due under the relevant contract of employment or statutory provision relating to it.
- iii) Any compensation award or increase in compensation award ordered by the tribunal for failure to comply with the recommendation it has made, including non-compliance with a reinstatement or re-engagement order.

C) Service occupancy

We will negotiate for **your** legal rights against an **employee** or ex-**employee** to recover possession of premises owned by **you** or for which **you** are responsible.

Exclusion

- i) Any claim relating to defending **your** legal rights, other than defending a counter-claim.

2. Legal defence

A) **We** will defend **you** or an **insured person's** legal rights following

- i) an event which leads to **you** or an **insured person** being prosecuted in a court of criminal jurisdiction; or
- ii) civil action taken against **you** or an **insured person** for compensation under sections 22 or 23 of the Data Protection Act 1984.

We will also pay any compensation award made against **you** or an **insured person** under sections 22 or 23 of the Data Protection Act 1984.

B) **We** will defend **you** or an **insured person's** legal rights following civil action taken against **you** or an **insured person** for wrongful arrest in respect of an accusation of theft alleged to have been carried out during the **period of insurance**.

C) **We** will defend any **insured person's** legal rights if

- i) an event arising from their work as an **employee** leads to civil action being taken against them under legislation for unlawful discrimination on the grounds of sex, race, disability, religious belief or political opinion; or
- ii) civil action is taken against them as a trustee of a pension fund set up for the benefit of **your** employees.

D) **We** will represent **you** or an **insured person** in appealing against the imposition or terms of an improvement or prohibition notice, a suspension notice, an order of enforcement or enforcement deregistration or transfer prohibition notice under any of the following legislation.

- i) Health & Safety at Work etc Act 1974.
- ii) Food Safety Act 1990.
- iii) Fair Employment (Northern Ireland) Act 1989.
- iv) Data Protection Act 1984.
- v) Consumer Protection Act 1987.

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- E) **We** will represent **you** in appealing against the refusal of the Information Commissioner to register **your** application for registration provided that
- i) insofar as proceedings under the Health & Safety at Work etc Act 1974 are concerned the geographical limits shall be any place where the Act applies; and
 - ii) in respect of paragraph A) ii) above **you** have registered with the Information Commissioner.

Exclusion

- a) Any claim which leads to **you** or an **insured person** being prosecuted for infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

3. Property protection and injury

A) Property protection

We will negotiate for your legal rights in any civil action relating to material property which is owned by **you** or for which **you** are responsible following

- i) any event which causes or could cause physical loss, destruction of or **damage** to such material property; or
- ii) any nuisance or trespass.

Exclusions

Any claim relating to the following.

- i) A contract entered into by **you**.
- ii) Goods in transit.
- iii) Goods at premises other than those occupied by **you**, unless the goods are at such premises for the purpose of installation or use in work to be carried out by **you**.
- iv) Mining subsidence.
- v) A motor vehicle owned by, hired or leased to or used by **you** or an **insured person** other than loss of or **damage** to motor vehicles, where **you** are engaged in the business of selling motor vehicles.

B) Injury

At **your** request **we** will negotiate for any **insured person's** legal rights following an event which causes **injury** to an **insured person**.

Exclusions

Any claim relating to the following.

- i) Any **injury** which develops gradually or is not caused by a specific or sudden accident.
- ii) Defending any **insured person's** legal rights, other than defending a counter-claim.
- iii) A motor vehicle owned by, hired or leased to or used by **you** or an **insured person**.

4. Tax protection

We will represent, pursue or defend **your** rights if HM Revenue and Customs or the Department of Social Security

- a) makes any official investigation into **your** liability to taxation on income, profits or gains of **your** business;
- b) makes any investigation into **your** responsibility to comply with, or apply, the legislation concerning the assessment, deduction or collection of income tax or social security contributions relating to employment; or
- c) is in **dispute** with **you** concerning **your** liability to value added tax or **your** responsibility to comply with, or apply, the legislation concerning the assessment, collection or recovery of value added tax, provided that **you** have taken reasonable care that all returns are complete and correct and that such returns are submitted within the statutory time limits allowed.

Exclusions

Any claim relating to **your** prosecution or to the extent of anything done, or to be done

- i) after any matter first becomes referred to or dealt with by any special office of the Investigation Division or Collection Investigation Unit of HM Revenue & Customs;
- ii) in an official investigation before the government department has first expressed its dissatisfaction with the books and records **you** are required to produce for in-depth examination;
- iii) before the commencement of value added tax enforcement proceedings against **you**;
- iv) only because of some earlier official investigation into **your** tax affairs or some earlier Value Added Tax enforcement proceedings against **you**; or
- v) in preparing, challenging, appealing or otherwise processing any tax computation, assessment, demand or payment which **you** would necessarily deal with, notwithstanding that official investigation or **dispute**

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Limit of liability

Our liability shall not exceed

1. for all claims which result from one or more events arising at the same time and from the same original cause
2. for all claims which are notified to **us** during the **period of insurance**

Exclusions

This section does not cover the following.

1. Any legal expenses incurred before the written acceptance of a claim by **us**.
2. Any claim or any circumstances which might lead to a claim of which **you** were aware or should have been aware outside the **period of insurance**.
3. Fines, penalties, compensation or **damages** which **you** or an **insured person** are ordered to pay by a court or other authority order, other than compensation awards as covered under insured incidents 1. B) Compensation Awards and 2) A) ii) Legal defence.
4. Any claim relating to patents, copyright, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements.
5. Any claim relating to franchise or agency rights where **you** have the legal capacity to alter legal relations of another.
6. Any insured incident deliberately or intentionally solicited by **you** or an **insured person**.
7. A **dispute** with **us** not otherwise dealt with under special condition 10.
8. Any claim relating to a shareholding or partnership share in **you**, unless the shareholding was acquired under a scheme open to all **your** employees or a substantial number of them of a certain minimum grade other than **your** directors or partners.
9. An application for judicial review.
10. Any legal action **you** or an **insured person** take which **we** have not agreed to or where **you** or an **insured person** does anything that hinders **us** or the **nominated representative**.
11. Any claim if at the commencement or during the course of a claim notified under this extension
 - a) **you** are bankrupt;
 - b) **you** have filed a bankruptcy or winding up petition;
 - c) **you** have made an arrangement with creditors;
 - d) **you** have entered into a deed arrangement ;
 - e) **you** are in liquidation; or
 - f) part or all of **your** affairs or property is in the care or control of a receiver or administrator.

Special conditions

1. It is a condition precedent to our liability to meet any claim that **you** or an **insured person** shall
 - a) give notice to **us** in writing during the **period of insurance** immediately upon becoming aware of any insured incident or event which may give rise to a claim under this extension.
 - b) give **us** as soon as possible all the information, documents and assistance **we** need to deal with any claim under this extension.
 - c) give **us** the reason if **you** wish to appeal against any decision given in legal proceedings which must be done immediately and in any event before the deadline for lodging the appeal.
 - d) forward to **us** immediately upon receipt every form IT1, IT2 and IT3 issued by an industrial tribunal to **you** or an insured person.
 - e) notify **us** immediately upon receipt of
 - i) Inland Revenue form IR160 or the Inland Revenue's Code of Practice 11;
 - ii) a written expression of dissatisfaction by the Inland Revenue or the Department of Social Security following a visit or compliance inspection; or
 - iii) an assessment or written decision received from HM Customs and Excise.
2. You or an **insured person** shall
 - a) take reasonable steps to keep any amount **we** have to pay to a minimum; and
 - b) send everything **we** ask for in writing.
3.
 - a) **We** must have accepted a claim in writing before **we** can deal with it.
 - b) We will accept a claim when **we** are satisfied that
 - i) **we** have all the information that **we** need
 - ii) **you** or an **insured person** can identify any person with whom it is in **dispute**; and
 - iii) it is reasonable for **you** or an **insured person** to pursue or defend **your** legal rights (taking into account a reasonable estimate of **your** and/or an **insured person's** total legal expenses) and **you** or an **insured person** will probably achieve a worthwhile result.

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4.
 - a) **We** can take over and conduct and negotiate in **your** or an **insured person's** name any claim or legal proceedings at any time.
 - b) **We** may use a lawyer or other suitably qualified person working for them to represent, pursue or defend **your** or an insured person's rights if
 - i) the claim relates to an amount which is unlikely to exceed £3,000; or
 - ii) legal proceedings are unnecessary or can take place in the small claims court or industrial tribunal.In other situations, or if **we** think that **you** or an **insured person** need one to help to protect **your** legal rights, **we** will appoint a **nominated representative** to act on **your** or an **insured person's** behalf.
 - c) The **nominated representative** must co-operate fully with **us** at all times
 - d) **We** will have direct contact with the **nominated representative**.
 - e) You or an **insured person** must co-operate fully with **us** and the **nominated representative** and must keep **us** up-to-date with the progress of the claim.
 - f) You or an **insured person** must give the **nominated representative** any instructions that **we** require
5. If, following legal proceedings to which **we** have consented, **you** or an **insured person** wish to appeal or defend an appeal, the grounds for such appeal should be submitted to **us** immediately or as soon as practicable. Before **we** pay any legal expenses towards the appeal, **we** must agree that it is always more likely than not that the appeal will be successful.
6.
 - a) You or an **insured person** must tell **us** if anyone offers to settle a claim.
 - b) if **you** or an **insured person** do not accept a reasonable offer to settle a claim, **we** may refuse to pay any further legal expenses.
 - c) **We** may decide to pay **you** or an **insured person** the amount of **damages** that the **insured person** is claiming, or is being claimed against them, instead of starting or continuing legal proceedings.
7.
 - a) At our request, **you** or an **insured person** must tell the **nominated representative** to have legal expenses taxed, assessed or audited.
 - b) You or an **insured person** must take every step to recover legal expenses that **we** have to pay and must pay **us** any legal expenses that are recovered
8. If any **nominated representative** refuses to continue acting for **you** or an **insured person**, or if **you** or an **insured person** dismiss a **nominated representative**, the cover **we** provide will end at once unless **we** agree to appoint another **nominated representative**.
9. If **you** or an **insured person** settle a claim or withdraw **your** claim without our agreement or do not give suitable instructions to a **nominated representative**, the cover **we** provide will end at once and **we** will be entitled to re-claim any legal expenses paid.
10. If **we** and **you** or an **insured person** agree, arbitration can be used to settle any unresolved **dispute** about anything said in this policy or anything to do with the claim.

If arbitration is used, **you** or an **insured person** may still take the **dispute** to court or try to settle it in another way.
11. **We** may, at our discretion, require **you** or an **insured person** to obtain an opinion from Counsel at **your** or an **insured person's** expense as to the merits of a claim or proceedings.

If Counsel's opinion indicates that there are reasonable grounds for the pursuit or defence of a claim or proceedings, the cost of obtaining the opinion will be paid for by **us**.
12. **We** will not pay any claim that is or would be covered under any other policy if this extension did not exist.
13. All Acts of Parliament within the wording of this extension shall include equivalent legislation in Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

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Legal advice service

- 1) The service is provided on our behalf by MSL Legal Expenses Ltd and is available 24 hours per day seven days a week during the **period of insurance**.
- 2) To help **us** check and improve service standards all calls are recorded.
- 3) **We** will give **you** confidential legal advice over the phone on any commercial legal problem affecting the business under the laws of the member countries of the European Union, the Channel Islands, the Isle of Man, Switzerland and Norway.
- 4) **We** will not accept responsibility if the helpline services fail for reasons outside of our control.
- 5) MSL Legal Expenses Ltd can be contacted on 01245 396202 quoting reference AMLIN
- 6) Notification of any claim under this extension must be made in writing to
MSL Legal Expenses Ltd
1 Lakeside
Cheadle Royal Business Park
Cheadle
Cheshire
SK8 3GW
Claims Helpline 01245 396212
- 7) In all communications with **us** or the legal advice service, please quote **your** policy number.