



## Insurance and risk management for the Health and Care Industries

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POLICY WORDING

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## IMPORTANT NOTICE

Please read this Policy carefully to ensure that it is in accordance with your requirements and that you understand its terms, exclusions and conditions. Contact us immediately if any corrections are necessary.

Any enquiries you may have regarding your Policy may be addressed either to the insurance broker who arranged the Policy for you or directly to us.

## CLAIMS PROCEDURE

If you wish to make a claim, please contact us on 0800 587 8388 quoting your policy number. Please also refer to our on-line guidance on how to make a claim which can be found at [www.travelers.co.uk](http://www.travelers.co.uk)

## COMPLAINTS PROCEDURE

### Our Promise To You

1. We will acknowledge complaints promptly
2. We will investigate quickly and thoroughly
3. We will keep you informed of progress
4. We will do everything to resolve your complaint fairly
5. We will learn from our mistakes and use your feedback to continually improve our service

### What To Do If You Have A Complaint

If you have a complaint, please contact our Compliance Team on:

Tel: +44 (0) 203 207 6000  
Email: [CustomerRelations@travelers.com](mailto:CustomerRelations@travelers.com)  
Address: The Compliance Team, Travelers,  
30 Fenchurch Street, London, EC3M 3BD

Quoting your policy number or claim reference helps us handle your complaint quickly. We will respond as promptly as we can.

If your complaint cannot be resolved to your satisfaction and you are an eligible complainant, you may refer your complaint to the Financial Ombudsman Service (FOS) whose contact details are:

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)  
Address: Financial Ombudsman Service, Exchange Tower, Harbour Exchange, London, E14 9SR

Please note, your complaint needs to be referred to the FOS within six months of receiving our final response.

## USING PERSONAL INFORMATION

*How we treat information about you and your rights under data protection legislation.*

In order to provide our insurance services, we (Travelers Insurance Designated Activity Company (UK Branch) acting as a Data Controller) will collect certain personal information about you. The type of information that we collect will depend on our relationship with you. For example, you may be a Travelers policyholder, prospective policyholder or a third party making a claim under a Travelers' insurance policy.

If you provide us with personal information about a third party, you should share this notice with them.

We will also collect different types of information depending upon the kind of insurance cover we are being asked to provide or the kind of claim we are being asked to assess or pay.

Some of the information we collect may be classified as 'special category data', which is data that may contain information about physical or mental health, religious beliefs and criminal and disciplinary offences (including convictions).

Your personal information may be used in a number of ways including:

- considering an application for insurance,
- providing and administering an insurance policy,
- handling claims including claims validation,
- preventing and detecting fraud, including providing information to the relevant authorities.

Where relevant, we will share your information with other companies in the Travelers group, third parties such as claims handlers, loss adjusters, other insurers and reinsurers, fraud prevention agencies, service companies associated with our products, or as required by law (including providing the information to government or regulatory authorities). This may involve the transfer of your information to countries inside and outside the European Economic Area.

If your policy includes motor cover, your policy details will be added to the Motor Insurance Database (MID), run by the Motor Insurers Information Centre (MIIC).

We may also use your personal information for marketing purposes, but only in accordance with your marketing preferences.

For more information about how we process your data and the rights you have, please click:  
<https://www.travelers.co.uk/privacy-policy>

## SUMMARY OF CONFLICTS OF INTEREST POLICY

Travelers maintain an internal Conflict of Interest policy which identifies circumstances which may give rise to a potential for conflict of interest.

Where a conflict of interest or suspected conflict of interest has been identified, and cannot be reasonably avoided, we will disclose the general nature and or source of the conflict of interest to you and your insurance intermediary.

Travelers will not proceed and bind any insurance contract with you unless you the policyholder have acknowledged, in writing, that you are aware of the conflict of interest and still want to proceed with your insurance contract with us, and, that your intermediary confirms in writing the conflict does not damage your best interests.

## COOLING-OFF PERIOD

If you are a UK Consumer Policyholder you can cancel this policy within 14 working days from the date you received your insurance documentation ('the cooling-off period').

If you choose to cancel this policy during the cooling-off period, we will return your premium in full provided that you have not:

- a) made a claim under the policy, or
- b) changed any term or condition of the policy during the cooling-off period

The deemed date of receipt of your insurance documentation shall be the day of sending (if sent by email) or the second day after posting (if sent by post).

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## The Contract of Insurance

The Named Insured having made to the Company a Proposal and declaration and having paid or agreed to pay the premium to the Company the Company will provide the insurance indicated in the Policy Sections during the Period of Insurance stated in the Master Schedule or during any subsequent Period of Insurance for which the Company may accept payment subject to the terms conditions and exclusions contained herein or endorsed hereon

The Policy and the Proposal shall be read as one contract and unless otherwise stated any word or expression to which a particular meaning has been given in the general definitions or specific Section definitions in this Policy shall bear the same meaning wherever it appears in the Policy or specific Section respectively and unless the context requires otherwise

- (a) the singular includes the plural and vice versa
- (b) the male gender includes the female and neutral genders
- (c) person includes a body corporate

## General Definitions

**1. Abuse**

Abuse means any illegal or offensive act or omission that results in the maltreatment of a person including acts or omissions of a physical sexual verbal psychological emotional or financial nature

**2. Agent**

Agent means any person company firm or subcontractor directly appointed by the Named Insured to act on their behalf

**3. Ancillary Equipment**

Ancillary Equipment means air conditioning equipment generating equipment voltage regulating equipment temperature and humidity recording equipment electronic access equipment heat and smoke detection equipment gas flooding cylinders pipework and computer room partitioning used solely in connection with Computer and Telecommunication Equipment

**4. Bodily Injury**

Bodily Injury means

(a) death injury disease or illness of any person

- (b) (i) mental injury  
(ii) mental anguish  
(iii) shock

that results in a recognisable psychiatric injury

**5. Business**

Business means the business described in the Master Schedule carried on by the Named Insured at or from premises within the Territorial Limits and shall include

- (a) the ownership repair maintenance decoration or occupancy of the property (except any premises at or from which any Portfolio Company carries on business) by the Named Insured
- (b) the provision and management by the Named Insured of catering sports social welfare and educational organisations and fire first aid medical dental ambulance and security services
- (c) the participation by the Named Insured in exhibitions and corporate events in connection with the business interests of the Named Insured
- (d) in respect of the Employers' Liability Section and Public and Products Liability Section the execution of private duties undertaken by an Employee for any partner director or senior official of the Named Insured but only if such private duties are undertaken with the consent of the Named Insured

Business shall not include any business carried on by or on behalf of a Portfolio Company

**6. Claim Investigation Expenses**

Claim Investigation Expenses means costs and expenses incurred

- (a) by the Company or  
(b) on behalf of the Company

to a third party in connection with the investigation handling or control of any claim but does not include claimants and defence costs and expenses or other prosecution defence costs as indemnified under this Policy

**7. Company**

Company means Travelers Insurance Designated Activity Company (UK Branch)

**8. Compensation**

Compensation means compensatory damages imposed by law including interest which may be awarded on such damages

**9. Computer and Telecommunication Equipment**

Computer and Telecommunication Equipment means a network of machine components microprocessors computer chips or other computerised or electronic components or equipment capable of accepting information processing it according to a plan and producing the desired results Computer and Telecommunication Equipment includes fixed disks and tape drives printers visual display unit screens modems personal computers remote terminals interconnection wiring and telecommunication equipment

**10. Computer Fraud**

Computer Fraud means the dishonest or fraudulent electronic transfer through the use of any computer system of Money securities or other property or any other pecuniary advantage or financial benefit to the deprivation of a Third Party

For the purposes of this definition

Securities means negotiable and non-negotiable instruments or contracts representing either Money or other property

Other property means tangible property other than Money or securities

Money includes electronic cash equivalents

Computer Fraud does not include Computer Misuse

**11. Computer Misuse**

Computer Misuse means deliberate or accidental misuse abuse or contamination or corruption of hardware equipment software programs data records or information in relation to any computer

Computer misuse includes the modification destruction or theft of data or information entrusted to the Insured by the Named Insured's customers or

suppliers that is held on the Computer or Telecommunication System

Computer Misuse does not include Denial of Access and Computer Fraud

**12. Computer or Telecommunication System**

Computer or Telecommunication System means Computer and Telecommunication Equipment and tapes disks CD's or other magnetic or optical storage devices and Ancillary Equipment that form part of a computer network owned leased or rented by the Named Insured or for which the Named Insured is legally responsible

**13. Computer Virus**

Computer Virus means a piece of code that is designed to corrupt and which has the effect of corrupting (and may destroy alter contaminate or degrade the integrity quality or performance of) data or any computer application software computer network or computer operating system and related software

**14. Cybermedia**

Cybermedia means the internet usenet any extranet the world wide web any web-site e-mail including any electronic bulletin board chatroom or newsgroup

**15. Data**

Data means facts concepts or information converted to a form useable in the Named Insured's computer operations owned leased or rented by the Named Insured or for which the Named Insured is legally responsible

**16. Deductible**

Deductible means the amount for which the Named Insured is responsible the application of which is further defined in General Exclusion - Deductible

**17. Defined Peril**

Defined Peril means fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal

**18. Denial of Access**

Denial of Access means the inability of a Third Party who is authorised by the Named Insured to

- (a) gain access to the Computer or Telecommunication System or
- (b) use the Computer or Telecommunication System to communicate with other computers or computer networks

through the use of Cybermedia in a manner in which the Third Party is legally entitled

**19. Employee**

Employee means any

- (a) person under a contract of service or apprenticeship with the Named Insured
- (b) labour only subcontractor or labour master or any person supplied by such subcontractor or master
- (c) self-employed person providing labour only
- (d) person hired to or borrowed by the Named Insured
- (e) person under work experience or any similar scheme
- (f) volunteer worker acting under the authority of the Named Insured

whilst working directly for the Named Insured in connection with the Business

**20. Event**

Event means an occurrence or series of occurrences consequent on or attributable to one source or original cause giving rise to indemnity under this Policy

**21. Fixed Media**

Fixed Media means Media integral to Computer and Telecommunication Equipment

**22. GDPR**

GDPR means Regulation EU 2016/679 as it forms part of the laws of England and Wales Scotland and Northern Ireland and any applicable legislation act or regulation adopted to enact the provisions of that Regulation including any equivalent or subsequent legislation act or regulation

**23. Hacking Event**

Hacking Event means an attack that allows unauthorised access to the Computer or Telecommunication System by electronically circumventing the security systems and procedures

**24. Inception Date**

Inception Date means the date on which the Policy becomes effective

**25. Infringement of Intellectual Property Rights**

Infringement of Intellectual Property Rights means

- (a) the infringement or violation of any
  - copyright patent
  - title slogan trade mark trade name trade dress service mark service name
  - registered design
  - trade secret
  - moral right
  - database right
  - semiconductor topography right
  - or other intellectual property right or law
- (b) plagiarism or any act of passing off or unauthorised use or appropriation of confidential

information or domain name or metatag or  
Uniform Resource Location

**26. Injury**

Injury means

- (a) Bodily Injury
- (b) false arrest wrongful detention or false imprisonment or malicious prosecution of any person
- (c) wrongful entry or eviction or other invasion of the right of private occupancy

**27. Insured**

Insured means

- (a) the Named Insured and
  - (b) in respect of the Employers' Liability Section and Public and Products Liability Section at the request of the Named Insured
    - (i) any director partner or Employee of the Named Insured in respect of liability for which the Named Insured would have been entitled to indemnification under this insurance if the claim had been made against the Named Insured
    - (ii) any officers committees or members of the catering sports social welfare health and safety and educational organisations fire first aid medical dental ambulance and security services owned by the Named Insured in their respective capacities as such
    - (iii) any officers or trustees of any pension scheme of the Named Insured
- and
- (c) the legal personal representative of any party covered hereunder in accordance with paragraph (b) above

Provided that the Company's aggregate liability to all persons firms bodies corporate or entities comprising the Named Insured and any other party or parties shall not exceed any of the specified amounts detailed in the Schedules as sums insured or limits of indemnity or the amount of any other limit stated in the Policy

**28. Media**

Media means any material on which Data or Programs are recorded

**29. Money**

Money means current coin bank and currency notes postal and money orders bankers drafts cheques giro drafts and payment orders travellers cheques crossed warrants bills of exchange current postage revenue and national insurance stamps stamped national insurance cards national savings certificates war

bonds premium savings bonds franking machine impressions debit and credit and charge card sales vouchers luncheon vouchers trading stamps VAT input documents travel tickets travel warrants authenticated travel certificates telephone paycards and consumer redemption vouchers

For the purposes of the Property Damage Section Money includes securities for money

For the purposes of the Network Security Section Money includes electronic cash equivalents

**30. Named Insured**

Named Insured means persons firms bodies corporate or entities as specified in the Master Schedule or their legal personal representative

**31. Period of Insurance**

Period of Insurance means the period stated in the Master Schedule

**32. Policy**

Policy means this policy document comprising its general definitions conditions and exclusions and the Sections stated as operative in the Master Schedule or any Schedule or endorsement applicable thereto

**33. Portfolio Company**

Portfolio Company means any firm body corporate or entity (other than any Named Insured)

- (a) in which the Named Insured has at any time had a debt or equity interest
- (b) in which the Named Insured has at any time had a management or board position
- (c) to which the Named Insured has at any time agreed to provide a financial guarantee

**34. Product**

Product means anything tangible (including containers packaging or labels) manufactured sold supplied hired out repaired serviced altered upgraded installed erected processed tested treated stored or transported by or on behalf of the Named Insured in connection with the Business after it has ceased to be in the custody or control of the Named Insured

**35. Program**

Program means a sequence of instructions given to a computer that is either purchased or written on a custom basis owned leased or rented by the Named Insured or for which the Named Insured is legally responsible

**36. Proposal**

Proposal means all information provided and all statements or declarations made to the Company by or on behalf of the Named Insured

**37. Reinstatement of Data**

Reinstatement of Data means the reinstatement of Data following accidental loss distortion corruption or erasure of such Data

- 38. Reinstatement of Programs**  
Reinstatement of Programs means the reinstatement of any Program following accidental loss distortion corruption or erasure of such Program
- 39. Renewal Date**  
Renewal Date means the first day immediately subsequent to the expiry of the Period of Insurance
- 40. Schedule**  
Schedule means the schedule to the Policy
- 41. Stock**  
Stock means stock merchandise goods held in trust materials of trade work in progress and finished goods which the Named Insured owns or for which the Named Insured is responsible
- 42. Territorial Limits**  
Territorial Limits means Great Britain Northern Ireland the Isle of Man or Channel Islands
- 43. Third Party**  
Third Party means a person firm or company other than the Insured
- 44. Unfixed Media**  
Unfixed Media means Media (other than Fixed Media and paper records of any description) owned by or leased hired or rented to the Named Insured
- 45. Working Hours**  
Working Hours means the whole period during which the vehicle is being used by its driver in connection with the Business including travel to and from the place of work and any break in such journey but shall not include when the vehicle is parked for any overnight rest period



# General Conditions

## 1. Misrepresentation and fraud

This insurance shall be voidable

- (a) if the Insured has concealed or misrepresented or failed to declare any fact or circumstance material to the insurance or its subject matter or
- (b) if the Insured or anyone acting on the Insured's behalf has committed fraud attempted fraud or sworn falsely concerning this insurance or its subject matter

whether before or after loss

With respect to any misrepresentation or non-disclosure by any Insured the Company waives its right to avoid or rescind this Policy in whole or in part provided that

- (i) such nondisclosure or misrepresentation was innocent and free from any fraudulent conduct or intent to deceive
- (ii) the Company shall be entitled to amend the terms conditions and premium for this Policy upon review of any information previously misrepresented or not disclosed to the Company and
- (iii) the Company shall be entitled to determine the effective date of any amendments in consequence of the exercising of their rights under this Condition

## 2. Alteration

The Named Insured shall give notice to the Company as soon as is reasonably practicable of any fact or circumstance affecting the risks insured by this Policy which is or might be material to the Company

## 3. Assignment

Assignment of interest under this Policy shall not bind the Company without its written consent

## 4. Reasonable Care

The Insured at its own expense

- (a) shall take all reasonable precautions to prevent or diminish losses or liability arising in connection with the insured risks
- (b) is expected to comply with and make all reasonable endeavours to comply with all statutory obligations and regulations imposed by any authority

## 5. Claims (Duties owed by the Insured)

### Special Definition

Letter of Claim or Claim Notification Form where used in this condition means any written communication indicating an intention to claim against the Insured that specifies sufficient information about the incident to

enable it to be investigated and includes at least preliminary information as to the nature of the injury or damage sustained and as defined in any protocols issued under the Civil Procedure Rules (or any amendments or supervening legislation)

- (a) If circumstances should exist which may give rise to a claim under this Policy or on the happening of any Event the Insured shall as soon as possible give notice thereof to the Company in writing
- (b) Subject to the provisions set out in sub paragraph (g) below in respect of third party liability claims the Insured shall acknowledge and provide a response as required in accordance with and within the time period fixed for that purpose in the relevant pre-action protocol issued under the Civil Procedure Rules and shall promptly forward a copy of the Letter of Claim or Claim Notification Form and any such response to the Company

Following receipt by the Insured of a pre-action Letter of Claim or Claim Notification Form in addition to the above the Insured shall as soon as possible provide to the Company copies of all documents records and minutes of meetings necessary to consider the claim fully The Insured shall also give to the Company all such proofs and information with respect to any claim as the Company may require together with (if demanded) a statutory declaration of the truth of such claim and of any matters relating thereto

- (c) The Insured shall immediately forward every service of writ summons or claim form impending prosecution notice requiring arbitration notice of an inquest or fatal accident inquiry in connection with any such circumstance or Event aforesaid to the Company unacknowledged
- (d) Other than as prescribed in (b)
  - (i) within seven days in the case of Damage caused by riot civil commotion strikers locked-out workers persons taking part in labour disturbances or malicious persons or
  - (ii) within thirty days in the case of any other circumstance or Event aforesaid

or such further time as the Company may in writing allow the Insured shall give full particulars of the Damage circumstance or Event

- (e) The Insured if required by the Company shall attend all proceedings and assist the Company in the giving of evidence and the attendance of witnesses and shall give the Company all information and assistance and do and concur in doing whatever the Company may require in connection with any circumstance event or claim
- (f) The Insured shall bear its own costs and expenses under this Condition save to the extent that specific cover is provided within the Policy

- (g) No admission offer promise payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company

## 6. Claims (Company's rights)

- (a) The Company may
  - (i) investigate handle and control any claim notified to it at its absolute discretion and may settle compromise or make ex-gratia payments in respect thereof and generally conduct any proceedings process or actions related to such claim as it deems appropriate and the costs incurred by the Company in this undertaking (including Claim Investigation Expenses) shall be subject to any Deductible shown in the relevant Section Schedule under which the claim is being brought by the Insured irrespective of whether an indemnity is subsequently provided to the Insured in respect of such claim
  - (ii) at its discretion take over and control the legal representation of the Insured at any inquest inquiry or other proceedings in any Court concerning any matter that has or may give rise to a claim hereunder and the defence and settlement of any claim The Company shall conduct such representation defence and settlement of claims as it sees fit to do In the event that the Company makes any payment the Insured will on demand pay to the Company the amount of the Deductible applicable
- (b) In respect of any applicable specified amount detailed in the Schedules as a limit of indemnity or the amount of any other limit stated in the Policy the Company may at any time pay to the Insured the amount specified (less any sum already paid and less the amount of any Deductible) or any lesser amount for which any claim or claims can be settled (or where no such limit applies pay the amount for which any claim or claims can be settled less any sum already paid and less the amount of any Deductible) and shall then cease to have the conduct and control of the negotiations actions or proceedings and be under no further liability in respect of such claim or claims except for costs and expenses incurred prior to the date of such payment for which the Company is liable hereunder The Company shall not be responsible for any loss which the Insured may claim to have sustained by reason of the Company having acted in such a way

## 7. Subrogation

The Company shall be subrogated to all of the Insured's rights of recovery against any person or organisation before or after any claims payment under this insurance and the Insured shall provide all relevant information and assistance in this regard Any

recovery made shall be applied first to the Company's outlay and then to the Insured's Deductible in priority to any outstanding uninsured loss of the Insured in the absence of agreement to the contrary

The Company shall not exercise such rights against any Employee unless the claim in question has been brought about or contributed to by the dishonest fraudulent criminal or malicious act error or omission of that Employee

## 8. Contribution and Average

If at the time of any claim in respect of an Event arising under this Policy there is any other insurance or indemnity effected by or on behalf of the Insured covering the same claim or any part thereof the Company will not be liable to pay or contribute more than its rateable proportion with respect to such claim including any costs and expenses in connection therewith

If any other insurance effected by or on behalf of the Named Insured is expressed to cover any of the property belonging to the Named Insured or for which they are responsible insured under this Policy but is subject to any provision whereby it is excluded from ranking concurrently with this Policy either in whole or in part or from contributing rateably to the loss destruction or damage the liability of the Company shall be limited to such proportion of the loss destruction or damage as the sum insured under this Policy bears to the value of such property

If any other insurance on any of the property insured under this Policy is subject to any condition of average or underinsurance the insurance on such property under this policy if not already subject to an underinsurance condition shall be subject to such condition of average or underinsurance in like manner

## 9. Arbitration

If any difference shall arise between the Company and the Insured as to the amount to be paid under this Policy (liability being otherwise admitted) such difference (provided it does not concern the interpretation of the terms of the Policy) shall be referred to an arbitrator to be appointed by the parties in accordance with the statutory provisions for the time being in force

Where any difference is referred to arbitration the making of an award shall be a prerequisite to any right of action against the Company

## 10. Policy Interpretation

The parties to this contract agree that the Policy and any dispute concerning its interpretation or application is to be subject to and to be construed in accordance with English law (or Scottish law where the Named Insured's registered address is in Scotland)

Each party agrees (subject as provided in General Condition – Arbitration) to submit if required to the exclusive jurisdiction of any Court of competent jurisdiction within England (or Scotland where the proper law of the contract is Scottish) and to comply



with all requirements necessary to give such Court exclusive jurisdiction

**11. Cross Liabilities**

Where the Named Insured comprises more than one party the Company will indemnify each Named Insured in the same manner and to the same extent as if a separate Policy had been issued to each provided that the total amount payable shall not exceed the specified amount detailed in the Schedule or elsewhere in the Policy as the Limit of Indemnity regardless of the number of parties claiming to be indemnified

Provided that

- (a) the Company shall not indemnify the Named Insured against liability for which an indemnity is or would be granted under any Employers' Liability insurance but for the existence of this Policy
- (b) in respect of any claim under the Professional Indemnity Section or Cybermedia Liability Section (where operative) this condition will only apply where the claim does not emanate originally from the Named Insured

**12. Contracts (Rights of Third Parties) Act 1999**

A person firm body corporate or entity who is not the Named Insured has no right under the Contracts (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

**13. Premium Adjustment**

Where the premium for the Policy or any Policy Section is subject to a premium adjustment the Named Insured shall within one month of the expiry of the Period of Insurance forward to the Company such information as the Company may require The Company shall thereupon adjust the premium subject to any minimum premium specified by the Company

**14. Cancellation**

The Company may cancel this Policy or any Section of this Policy at any time by giving at least thirty days notice by recorded delivery letter to the Named Insured at the last known address The Named Insured shall be entitled to the return of a proportionate part of the premium corresponding to the unexpired Period of Insurance

However under the Road Risks or Motor Fleet Sections the Company will not allow the Named Insured such return premium until they have received back any certificate and disc on issue

**15. Risk Improvements**

Any risk improvements deemed necessary by the Company following the Company's survey of the risk shall be complied with and implemented within the time specified by the Company

The Company reserves the right to review all the terms and conditions of the Policy following any survey

**16. Jurisdiction**

Any indemnity provided by this Policy in respect of legal liability to pay Compensation (including claimants costs and expenses) shall operate in accordance with the law of any country but not in respect of any judgement award payment 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 payment or settlement either in whole or in part)

Provided that the indemnity provided by the Employers' Liability Section where operative will not apply to any action for Compensation brought against the Insured in any court outside the European Union

**17. Abuse**

In so far as indemnity is provided under the Public and Products Liability Section or Professional Indemnity Section in respect of any legal liability or prosecution defence costs and expenses directly or indirectly resulting from caused by contributed to attributed to or in any way related to Abuse it is understood and agreed that

- (a) any of the specified amounts detailed in the Schedules as limits of indemnity or the amount of any other limit stated in the Policy shall (where not already so stated) be the total amount payable in the aggregate in respect of all claims during any one Period of Insurance and which amount shall be inclusive of all claimants' and defence costs and expenses and prosecution defence costs and expenses to the extent indemnified for
- (b) where legal liability is not attributable to a single identifiable event that occurs at a single fixed time and place then for the purpose of what constitutes one claim in respect of the provision of indemnity under this Policy and the application of the Deductible and inter alia paragraph (a) of General Exclusion – Deductible all occurrences of Abuse suffered by any individual Third Party claimant committed during the Period of Insurance shall be considered individually as one claim
- (c) for the purposes of this condition the reference to Period of Insurance in paragraphs (a) and (b) above shall include any period prior to the Period of Insurance where the insurance is subject to a retroactive date provision which relates to a period prior to the Period of Insurance during which any act or omission giving rise to indemnity under the insurance may have been committed
- (d) the insurance provided by the Public and Products Liability Section and Professional Indemnity Section shall not indemnify

- (i) any medical or dental practitioner whomsoever or
- (ii) any other person who is an Insured against any legal liability or prosecution defence costs and expenses directly or indirectly resulting from caused by contributed to attributed to or in any way related to Abuse committed by that individual person which is
  - A. dishonest or criminal or fraudulent or
  - B. the result of deliberate wrongdoing or recklessness

Indemnity shall continue to apply in respect of the Named Insured's vicarious liability for such acts of another person but not where Abuse arises out of acts or omissions authorised by the Named Insured or at the request of or with the approval of the Named Insured where such authorisation request or approval is dishonest or criminal or fraudulent or results from deliberate wrongdoing or recklessness

- (e) where indemnity is provided to indemnify the Named Insured for their vicarious liability for the acts of the person or persons committing such Abuse it is hereby noted and agreed with regard to the application of General Condition – Subrogation that the Company shall exercise such rights against any Employee committing such Abuse which is dishonest or criminal or fraudulent or the result of deliberate wrongdoing or recklessness

#### 18. Sanctions

This Policy shall not be deemed to provide cover nor shall the Company have any liability to pay any claim or provide any benefit hereunder to the extent that the provision of such cover payment of such claim or provision of such benefit would expose the Company to any sanction prohibition or restriction under United Nations resolutions or the trade or economic sanctions laws or regulations of the European Union United Kingdom or United States of America

#### 19. Claims Preparation Costs

The insurance provided by the Property Damage Business Interruption Computer All Risks and Fidelity Guarantee Sections of the Policy where operative extends to cover expenses reasonably and necessarily incurred by the Named Insured or on the Named Insured's behalf for external consultants appointed by the Named Insured acceptable and agreed by the Company for preparation presentation certification or verification of a Specified Claim

Specified Claim means a claim or series of claims in respect of an Event under one or more of the Sections stated in this general condition for an amount in total that is equal to or in excess of £250,000 excluding the costs insured by this general condition

The liability of the Company under this general condition shall not exceed:

- A. £25,000 in respect of a Specified Claim for an amount in total that is between £250,000 and £500,000 both amounts inclusive
- B. £50,000 in respect of a Specified Claim for an amount in excess of £500,000

such limits to the liability of the Company under this general condition being payable in addition to any specified sums insured or other limits stated in the Policy and not being subject to any Deductible

The Company shall not be liable under this general condition for any expense incurred in seeking to overturn decisions made by the Company regarding its liability to make any payment under this Policy or the amount of any such payment

#### 20. No Warranties or Conditions Precedent

No term in this Policy including where expressed as a warranty or condition precedent shall be deemed a warranty or condition precedent such as to automatically discharge the Company from any liability upon its breach The Company shall enforce any term that would otherwise be deemed a warranty or condition precedent as a policy condition only

## General Exclusions

The Company shall not be liable

### 1. War and Allied Risks/Dispossession of Property/Radioactive Contamination

in respect of any loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused or occasioned by or happening through or in consequence of

- (a) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power except to the extent stated in the Special Provision – Employers' Liability Section and Motor Fleet Section and Road Risks Section below
- (b) permanent or temporary dispossession of any property resulting from confiscation nationalisation commandeering or requisition by any lawfully constituted authority except to the extent stated in the Special Provision – Employers' Liability Section and Motor Fleet Section and Road Risks Section below
- (c)
  - (i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
  - (ii) the radioactive toxic explosive or other hazardous properties of any nuclear installation reactor or other nuclear assembly or nuclear component thereof
  - (iii) any weapon or device employing atomic or nuclear fission and or fusion or other like reaction or radioactive force or matter
  - (iv) the radioactive toxic explosive or other hazardous or contaminating properties of any radioactive matter but the exclusion in this paragraph (iv) shall not extend to radioactive isotopes other than nuclear fuel when such isotopes are being prepared carried stored or used for commercial agricultural medical scientific or other similar peaceful purposes
  - (v) any chemical biological bio-chemical or electromagnetic weapon

but in respect of Bodily Injury sustained by an Employee this exclusion 1(c) shall apply only when the Named Insured under a contract or agreement has undertaken either to indemnify another party or to assume the liability of another party in respect of such Bodily Injury

### Special Provision Employers' Liability Section and Motor Fleet Section and Road Risks Section

Subject otherwise to the terms of the Policy

- (a) General Exclusion 1(a) shall not apply and indemnity shall continue to operate to the extent provided for as follows

the insurance provided under the Employers' Liability Section where operative shall continue to satisfy the requirements of the relevant law applicable in Great Britain Northern Ireland the Isle of Man the Island of Guernsey the Island of Jersey or the Island of Alderney or where so extended to offshore installations in any waters outside the United Kingdom to which the Employers' Liability (Compulsory Insurance) Act 1969 or any amending primary legislation applies and in this regard the amount of the Limit of Indemnity inclusive of all claimants' and defence costs and expenses payable under Cover clause – Claimants' Costs and Expenses Cover clause – Defence Costs and Expenses and Cover clause – Health and Safety at Work Act Prosecution Defence Costs as stated in the Employers' Liability Section shall only be for the minimum amount required by such relevant law (and accordingly reduced to such amount where the amount of the Limit of Indemnity stated in the Employers' Liability Section is higher)

- (b) General Exclusions 1(a) and (b) shall not apply and indemnity shall continue to operate to the extent provided for as follows

the insurance provided under the Motor Fleet Section and Road Risks Section where operative shall continue to satisfy the requirements of the relevant law applicable in Great Britain Northern Ireland the Isle of Man the Island of Guernsey the Island of Jersey or the Island of Alderney in respect of the Insured's legal liability for

- (i) Bodily Injury to any person
- (ii) damage to property up to the minimum amount required by such relevant law in respect of any one Event

In the event that any part of this exclusion is found to be invalid or unenforceable the remainder shall remain in full force and effect

### 2. Property Coverages - Civil Commotion in Northern Ireland under the

- (a) Property Damage Section
- (b) Business Interruption Section
- (c) Computer All Risks Section

in respect of any loss destruction or damage in Northern Ireland directly or indirectly caused or occasioned by or happening through or in consequence of civil commotion

### 3. Property Coverages - Terrorism under the

- (a) Property Damage Section
- (b) Business Interruption Section
- (c) Computer All Risks Section
- (d) Network Security Section

or any Difference in Conditions or Limits Provision of the Policy

for loss destruction or damage or cost or expense of whatsoever nature directly or indirectly caused or occasioned by or happening through or in consequence of a Terrorist Act or any action taken in controlling preventing suppressing or in any way relating to a Terrorist Act other than in respect of loss destruction or damage in England and Wales and Scotland to the extent provided for in the Terrorism Insurance Section of this Policy where operative

In any action suit or other proceedings where the Company alleges that by reason of this exclusion any loss destruction or damage or cost or expense of whatsoever nature is not covered by this Policy the burden of proving that such loss destruction or damage or cost or expense is covered shall be upon the Insured

#### For the purposes of this exclusion:

- (a) in respect of loss destruction or damage
  - (i) outside England and Wales and Scotland or
  - (ii) to any property which is insured in the name of a private individual and is occupied by that individual for residential purposes

Terrorist Act means an act or acts (whether threatened or actual) of any person or persons involving the causing or occasioning or threatening of harm of whatever nature and by whatever means made or claimed to be made in whole or in part for political religious ideological or similar purposes

- (b) (i) in respect of loss destruction or damage in England and Wales and Scotland other than loss destruction or damage as described in (a) (ii) above Terrorist Act means an act or act of any 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
- (ii) **England Wales Scotland – Non Pool Re (Wrap)**

In the event of an occurrence of loss destruction or damage described in paragraph (b) (i) not being certified by Her Majesty's government or Her Majesty's Treasury or any successor relevant authority

to have been an act of terrorism in accordance with this definition of Terrorist Act stated in paragraph (b) (i) and such refusal is upheld by the decision of a validly constituted tribunal this exclusion shall not apply

- (c) Difference in Conditions or Limits Provision means any provision contained within the Policy which provides that should any policy issued to indemnify any subsidiary company of the Named Insured which operates from premises outside Great Britain Northern Ireland the Channel Islands or the Isle of Man (hereinafter called the "Locally Issued Policy") by virtue of its scope of cover or definitions or conditions not indemnify the Insured in whole or in part in respect of loss destruction or damage as insured under the Policy at such premises then the Policy subject to its terms and conditions shall provide indemnity to the extent that such indemnity is not provided by the relevant Locally Issued Policy but which would have been provided had the Locally Issued Policy followed the terms and conditions of this Policy

In the event that any part of this exclusion is found to be invalid or unenforceable the remainder shall remain in full force and effect

### 4. Liability Coverages - Terrorism under the

- (a) Employers' Liability Section
- (b) Public and Products Liability Section
- (c) Professional Indemnity Section
- (d) Road Risks Section
- (e) Motor Fleet Section
- (f) Cybermedia Liability Section

or any Difference in Conditions or Limits Provision of the Policy

for legal liability loss damage cost or expense of whatsoever nature directly or indirectly caused or occasioned by or arising from a Terrorist Act or any action taken in controlling preventing suppressing or in any way relating to a Terrorist Act except to the extent stated in the Special Provision – Employers' Liability Section and Motor Fleet Section and Road Risks Section below

In any action suit or other proceedings where the Company alleges that by reason of this exclusion any legal liability loss damage cost or expense of whatsoever nature is not covered by this Policy the burden of proving that such legal liability loss damage cost or expense is covered shall be upon the Insured

#### For the purposes of this exclusion

Terrorist Act means an act or acts (whether threatened or actual) of any person or persons involving the causing or occasioning or threatening of harm of whatever nature and by whatever means made or claimed to be made in whole

or in part for political religious ideological or similar purposes

Difference in Conditions or Limits Provision means any provision contained within the Policy which provides that should any policy issued to indemnify any subsidiary company of the Named Insured which operates from premises outside Great Britain Northern Ireland the Channel Islands or the Isle of Man (hereinafter called the Locally Issued Policy) by virtue of its scope of cover or definitions or conditions not indemnify the Insured in whole or in part in respect of legal liability loss damage cost or expense as insured under the Policy then the Policy subject to its terms and conditions shall provide indemnity to the extent that such indemnity is not provided by the relevant Locally Issued Policy but which would have been provided had the Locally Issued Policy followed the terms and conditions of this Policy

### **Special Provision Employers' Liability Section and Motor Fleet Section and Road Risks Section**

Subject otherwise to the terms of the Policy this General Exclusion shall not apply and indemnity shall continue to operate to the extent provided for as follows

- (a) the insurance provided under the Employers' Liability Section where operative shall continue to satisfy the requirements of the relevant law applicable in Great Britain Northern Ireland the Isle of Man the Island of Guernsey the Island of Jersey or the Island of Alderney or where so extended to offshore installations in any waters outside the United Kingdom to which the Employers' Liability (Compulsory Insurance) Act 1969 or any amending primary legislation applies and in this regard the amount of the Limit of Indemnity inclusive of all claimants' and defence costs and expenses payable under Cover clause – Claimants' Costs and Expenses Cover clause – Defence Costs and Expenses and Cover clause –Health and Safety at Work Act Prosecution Defence Costs as stated in the Employers' Liability Section shall only be for the minimum amount required by such relevant law (and accordingly reduced to such amount where the amount of the Limit of Indemnity stated in the Employers' Liability Section is higher)
- (b) the insurance provided under the Motor Fleet Section and Road Risks Section where operative shall continue to satisfy the requirements of the relevant law applicable in Great Britain Northern Ireland the Isle of Man the Island of Guernsey the Island of Jersey or the Island of Alderney in respect of the Insured's legal liability for
  - (i) Bodily Injury to any person
  - (ii) damage to property up to the minimum amount required by such relevant law in respect of any one Event

In the event that any part of this exclusion is found to be invalid or unenforceable the remainder shall remain in full force and effect

### **5. Deductible**

in respect of the amounts stated as a Deductible for the first part of each and every claim hereunder under one or more Sections of this Policy in respect of an Event including Claim Investigation Expenses incurred in investigating such claim irrespective of whether an indemnity is subsequently provided to the Insured For the purpose of the application of the Deductible it is agreed that

- (a) in respect of the Employers' Liability Section Public and Products Liability Section Professional Indemnity Section Cybermedia Liability Section and the third party liability coverage applying to the Motor Fleet Section and Road Risks Section where operative all claims under each respective Section attributable to
  - (i) the same act or omission
  - (ii) a series of acts or omissions consequent upon or attributable to the same original cause or source

will be regarded as one claim under each respective Section (for the avoidance of doubt for which the Company's liability shall not exceed any of the specified amounts detailed in the Schedules as limits of indemnity or the amount of any other limit stated in the Policy and the amount of the Deductible shall form part of such limit of indemnity and the limit of indemnity shall not apply in excess of the amounts stated as a Deductible)

- (b) in respect of the Property Damage Section Business Interruption Section and Computer All Risks Section where operative
  - (i) loss or damage arising from one Event which affects one or more Premises or Business Premises (as defined in the above referenced Sections)
  - (ii) loss or damage to insured property arising during any one period of 72 consecutive hours and caused by storm tempest flooding or escape of water from tanks apparatus or pipes

shall be deemed a single Event and be treated as one claim

### **6. Cyber Risk - Third Party under the**

- (a) Public and Products Liability Section
- (b) Professional Indemnity Section

in respect of legal liability inclusive of claimants' and defence costs and expenses for and arising out of

**(a) Defamation and Intellectual Property Rights**

- (i) Defamation or malicious falsehood including libel slander injurious falsehood trade libel slander of title slander of goods or disparagement of goods
- (ii) Infringement of Intellectual Property Rights

which is committed or occasioned through the use of Cybermedia

**(b) Personal Rights**

- (i) Infringement of any right to privacy (other than in relation to Data Protection) including privacy in photographs and films or rights under the European Convention on Human Rights
- (ii) Breach of confidence or unauthorised disclosure
- (iii) Unfair treatment that is based on a person's age ethnic background marital status nationality physical or mental disability race colour religion sex or sexual orientation

which is committed or occasioned through the use of Cybermedia

**(c) Computer Virus**

Transmission of any Computer Virus through the use of Cybermedia but this exclusion shall not apply to Bodily Injury or physical damage to tangible property including any resulting loss of use of that property other than

- (i) physical damage to hardware and ancillary equipment and
- (ii) loss destruction of corruption of or damage to software programs data or information

in relation to any computer

**(d) Data Protection**

Contravention of the requirements of the GDPR which is committed or occasioned through the use of Cybermedia

**(e) Computer Fraud and Computer Misuse**

Computer Fraud or Computer Misuse committed or occasioned through the use of Cybermedia but in respect of Computer Misuse this exclusion shall not apply to Bodily Injury or physical damage to tangible property including any resulting loss of use of that property other than

- (i) physical damage to hardware and ancillary equipment and

- (ii) loss destruction of corruption of or damage to software programs data or information

in relation to any computer

**(f) Denial of Access**

- (i) Denial of Access

**7. Punitive and other Non - Compensatory Damages** in respect of

- (a) exemplary damages
- (b) punitive damages
- (c) aggravated damages
- (d) liquidated damages or damages by way of penalty or fine
- (e) the multiplied portion of any compensatory damage award or any payment similar in nature to (a) (b) (c) or (d) above

**8. Asbestos**

under the

- (a) Public and Products Liability Section
- (b) Professional Indemnity Section

in respect of legal liability inclusive of claimants' and defence costs and expenses directly or indirectly resulting from caused by contributed to attributed to or in any way related to

- (a) the actual alleged or threatened absorption ingestion or inhalation of asbestos in any form by any person or
- (b) the existence of asbestos in any form

**9. Silica**

under the

- (a) Public and Products Liability Section
- (b) Professional Indemnity Section

in respect of legal liability inclusive of claimants' and defence costs and expenses arising out of an Event occurring within the United States of America its territories and possessions Puerto Rico and Canada directly or indirectly resulting from caused by contributed to attributed to or in any way related to

- (a) the actual alleged or threatened absorption ingestion or inhalation of silica in any form or in combination with any other particulate suspension or dust by any person or
- (b) the existence of silica in any form or in combination with any other particulate suspension or dust



# Property Damage Section

## Definitions

In this Property Damage Section the following terms shall have the following meanings. If a term below is also defined in the General Definitions the definition below replaces the General Definition for purposes of this Property Damage Section.

### 1. Buildings

Buildings means the buildings at the Business Premises and includes

- (a) landlord's fixtures and fittings therein and thereon
- (b) outbuildings annexes and extensions
- (c) walls gates fences canopies and signs
- (d) surfaces and foundations of car parks yards roads pathways and pavements
- (e) Services but not where insured under Machinery Plant and All Other Contents (or where the designation under which such Property appears in the Named Insured's books would require such Property to be insured under Machinery Plant and All Other Contents)
- (f) foundations
- (g) Glass including framework alarm strips or fittings and lettering thereon

### 2. Damage or Damaged

Damage or Damaged means accidental loss or destruction of or damage

### 3. Glass

Glass means flat annealed fixed glass toughened and laminated glass stained glass illuminated signs and electric light fittings at the Business Premises

### 4. In Transit

In Transit means whilst in the course of a journey by any means including whilst in the process of

- (a) loading and unloading
- (b) being temporarily housed during transit for a period of no more than 30 days (excluding whilst in storage at rental or under contract for storage packing or distribution)

and concluding when the Property has either been placed at the Premises or receipt acknowledged by a consignee

### 5. Machinery Plant and All Other Contents

Machinery Plant and All Other Contents includes

- (a) fixtures and fittings other than landlord's fixtures and fittings
- (b) tenants' improvements alterations and decorations
- (c) Services but not where insured under Buildings (or where the designation under which such Property appears in the Named Insured's books would require such Property to be insured under Buildings)
- (d) office equipment other than as described in (g) and (h) below
- (e) deeds plans designs documents manuscripts business books and records (other than property Programs or Data described in (h) and (i) below) but only for their value as materials together with the cost of clerical labour expended in reproducing them and not for the value to the Named Insured of the information contained therein
- (f) patterns models and moulds up to their value as materials together with the cost of labour expended in reinstating them in so far as they are not otherwise insured
- (g) directors' partners' Employees' and visitors' pedal cycles tools instruments and other personal effects up to a limit of £1,000 per person in so far as they are not otherwise insured

Additionally where there is not a Computer All Risks Section forming part of this Policy Machinery Plant and All Other Contents includes

- (h) Computer and Telecommunication Equipment (including Fixed Media and Unfixed Media for their value as materials but not Programs or Data) and Ancillary Equipment
- (i) in the event of accidental loss distortion corruption or erasure of Programs or Data recorded on Fixed Media or Unfixed Media insured by this Property Damage Section the Company will pay the costs necessarily and reasonably incurred by the Named Insured in
  - (i) the Reinstatement of Programs or the Reinstatement of Data but not for the value to the Named Insured of the Data contained therein
  - (ii) associated documentation and source materials excluding the value to the Named Insured of the information contained therein for an amount not exceeding £25,000 in respect of any one Event

Machinery Plant and All Other Contents does not include Stock or other Property Insured specified in the Schedule

#### 6. Premises and Business Premises

Premises means those premises at the addresses described in the List Of Premises And Other Locations Schedule attaching to the Master Schedule forming part of this Policy and identified by the Premises Code shown against it

Business Premises means those Premises which the Named Insured owns occupies or is responsible for

#### 7. Property and Property Insured

Property and Property Insured means as described in the Schedule and Specification forming part of this Property Damage Section

#### 8. Rent

Rent means periodic payments made to the Named Insured or by the Named Insured for the lease of Buildings

#### 9. Sanitary Ware

Sanitary Ware means wash basins lavatory pans or other sanitary fittings at the Business Premises

#### 10. Services

Services means above ground and underground telephone gas water and electric installations fixed oil and diesel fuel tanks fixed liquefied petroleum gas tanks septic tanks cess pits drains sewers piping ducting cables wires fibre optic or integrated services digital network lines and associated control gear and accessories on the Business Premises and extending to the public mains but only to the extent of the Named Insured's responsibility

### Cover

#### 1. General

If during the Period of Insurance the Property Insured described in the Schedule or any part thereof shall be Damaged (other than by an excluded cause) the Company will pay to the Named Insured the value of the Property or the amount of the Damage at the time of the happening of such Damage in accordance with the Basis of Settlement (or as otherwise provided for herein) or at the Company's option reinstate replace or repair such Property or any part thereof provided that the Company's liability in respect of each insured item shall be limited to the Sum Insured for that item in the Schedule

#### 2. Temporary Removal

Subject to the limit specified in the Schedule the insurance provided by this Property Damage Section on Property Insured at the Premises is extended to cover such property whilst temporarily away from the Premises within the Territorial Limits during the Period of Insurance for the purposes of renovation repair service or cleaning

This clause does not cover

- (a) Damage to explosive goods any other goods of a dangerous nature deeds plans designs documents manuscripts business books computer system records or Stock
- (b) Property more specifically insured under the Optional Extension – Goods in Transit

#### 3. Mortgagee/freeholder/Lessor

The interest of the mortgagee freeholder lessor in the insurance provided by this Property Damage Section shall not be prejudiced by any act or neglect of the Named Insured or occupier of any Building whereby the risk of Damage is increased without the authority or knowledge of the mortgagee freeholder lessor provided the mortgagee freeholder lessor shall immediately on becoming aware thereof give notice in writing to the Company and pay an additional premium if required

#### 4. Non-invalidation

The insurance provided by this Property Damage Section shall not be invalidated by any act or omission or by any alteration whereby the risk of Damage is increased unknown to or beyond the control of the Named Insured provided that immediately after the Named Insured becomes aware thereof the Named Insured gives notice to the Company and pays an additional premium if required

#### 5. Workmen

Workmen are allowed in or about any of the Business Premises for the purpose of carrying out minor alterations minor repairs decorations and maintenance without prejudice to this insurance

#### 6. Architects' Surveyors' Legal and Other fees

The insurance provided by this Property Damage Section in respect of Property Insured also applies to architects' surveyors' legal and other professional fees necessarily incurred in the reinstatement of the Property Insured consequent upon Damage thereto but not for preparing any claim it being understood that the amount payable for such fees shall not exceed those authorised under the scale of charges of the respective professional bodies at the time of such reinstatement and provided that

- (a) unless (b) below applies the Company's liability for Damage and fees shall not exceed in total the Sum Insured in respect of each insured item of Property Insured
- (b) where there is a specific item in the Schedule for architects' surveyors' legal and other professional fees the Company's liability shall not exceed the Sum Insured in respect of such item in respect of any one Event

#### 7. Automatic Reinstatement

In the absence of written notice by the Company or the Named Insured to the contrary within 30 days of notification of any loss then in consideration of the insurance not being reduced by the amount of such loss the Named Insured shall pay the appropriate

extra premium on the amount of the loss from the date thereof to the expiry of the Period of Insurance

**8. Capital Additions**

The insurance provided by this Property Damage Section on items specified in the Schedule in respect of Buildings and or Machinery Plant and All Other Contents extends to cover

- (a) alterations additions and improvements to Property Insured (but not appreciation in value thereof)
- (b) newly acquired or occupied property (other than property acquired by consolidation or merger with or purchase or acquisition of another firm body corporate or entity) insofar as the same are not otherwise insured anywhere within the Territorial Limits

Provided that

- (i) at any one situation this cover shall not exceed 15% of the Sum Insured under the relevant item or £500,000 in the aggregate whichever is the less
- (ii) the Named Insured shall advise the Company as soon as practicable and in any event within 3 months of any such alterations additions and improvements or newly acquired or occupied property
- (iii) the Named Insured shall pay to the Company any additional premium due

**9. Removal of Debris**

The insurance provided by this Property Damage Section extends to cover costs and expenses necessarily incurred by the Named Insured with the consent of the Company in

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

of the Property Insured as a result of Damage insured by this Property Damage Section

Provided that

- (i) The Company will not pay for any costs or expenses
  - A. incurred in removing debris except from the site of such Property Damaged and the area immediately adjacent to such site
  - B. arising from the pollution or contamination of property not insured by this Property Damage Section
- (ii) unless (iii) below applies the Company's liability for Damage and removal of debris shall not

exceed in total the Sum Insured in respect of each insured item of Property Insured

- (iii) where there is a specific item in the Schedule for removal of debris the Company will pay for costs or expenses incurred in removing debris only to the extent described in such item in the Schedule and the Company's liability shall not exceed the Sum Insured in respect of such item in respect of any one Event

**10. European Union and Public Authorities Clause (including Undamaged Property)**

Subject to the following special conditions the insurance provided by this Property Damage Section in respect of Property Insured extends to cover such additional costs of reinstatement as 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 Bye-Laws of any Public Authority or the Company's requirements to replace in accordance with the current LPC Sprinkler Rules the automatic sprinkler installation which already conforms to the 29th Edition of the LPC rules when installed but fails to conform to subsequent amendments to those rules

(hereinafter referred to as the Stipulations) in respect of

- the Damaged Property
- undamaged portions thereof

excluding

- (i) the cost incurred in complying with the Stipulations
  - A. in respect of Damage occurring prior to the inception of this Cover clause
  - B. in respect of loss destruction or damage not insured by this Property Damage Section
  - C. under which notice has been served upon the Named Insured prior to the happening of the Damage
  - D. for which there is an existing requirement which has to be implemented within a given period
  - E. in respect of Property entirely undamaged by any peril hereby insured against
- (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 the owner thereof 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 such further time as the Company may in writing allow (during the said twelve months) and may be carried out upon another site (if the Stipulations so necessitate) subject to the liability of the Company under this Cover clause not being thereby increased
2. If the liability of the Company under this Property Damage Section apart from this Cover clause shall be reduced by the application of any of the terms of this Property Damage Section then the liability of the Company under this Cover clause shall be reduced in like proportion
3. The Company's liability in respect of this Cover clause shall not exceed
  - (a) in respect of the Damaged Property
    - (i) 15% of its Sum Insured
    - (ii) where the Sum Insured applies to Property at more than one Business Premises 15% of the total amount for which the Company would have been liable had the Property Insured at the Business Premises where the Damage has occurred been wholly destroyed
  - (b) in respect of undamaged portions of Property (other than foundations) 15% of the total amount for which the Company would have been liable had such Property been wholly destroyed
4. The Company's total liability for Damage and costs covered under this Cover clause in respect of each insured item of Property Insured shall not exceed its Sum Insured
5. All the terms and conditions of this Property Damage Section except in so far as they are varied hereby shall apply as if they had been incorporated herein

### 11. Glass and Sanitary Ware

The insurance provided by this Property Damage Section extends to cover the costs incurred in

- (a) replacing all fixed Glass on the interior and exterior of the Buildings and any Sanitary Ware

- (b) any necessary boarding up or temporary glazing pending replacement of broken Glass
- (c) removing and re-fixing window fittings or other obstacles to Glass replacement

caused by Damage which is not otherwise excluded by this Property Damage Section

Provided that where such Glass or Sanitary Ware is not Property Insured

- (i) this cover applies only if the Named Insured is responsible for such costs
- (ii) the Company's liability under this Cover clause is limited to £10,000 any one Event

### 12. Loss of Metered Water Gas Oil and Electricity

The insurance provided by this Property Damage Section extends to cover loss of metered water gas oil or electricity arising from Damage not otherwise excluded at the Business Premises resulting in a water gas oil or electricity charge which the Named Insured is unable to recover from any other party

Provided that

- (a) the extent of such loss is determined by measurement from the water gas oil or electricity supply meter
- (b) the amount payable is in respect of the excess water gas oil or electricity charges levied by the water gas oil or electricity provider but shall not exceed £10,000 in respect of any one Event and £50,000 in any one Period of Insurance
- (c) in establishing the amount of such excess charges in paragraph (a) above account shall be made of historic metered usage adjusted as necessary to provide for circumstances in the Business affecting usage during the relevant period

### 13. Fire Extinguishing Expenses and Alarm Re-setting Expenses

The insurance provided by this Property Damage Section extends to cover

- (a) the costs incurred by the Named Insured in
  - (i) recharging replenishing or replacing fire extinguishing appliances
  - (ii) recharging of gas extinguishing installations
  - (iii) refilling sprinkler tanks where costs are metered
  - (iv) replacing sprinkler heads in automatic sprinkler installations
  - (v) resetting fire and intruder alarms and closed circuit television systems

rendered necessary as a result of Damage to Property Insured caused by fire at the Business Premises and covered under this Property Damage Section

- (b) fire brigade charges and extinguishing expenses and other charges assessed against the Named Insured by any municipal agency or local authority responsible for preserving public safety as a result of Damage to Property Insured caused by fire at the Business Premises and covered under this Property Damage Section

#### 14. Keys

The insurance provided by this Property Damage Section extends to cover the reasonable cost of replacement electronic security systems and locks or lock mechanisms and keys in respect of doors and windows necessary to maintain the security of the Business Premises and safes and strongrooms contained in the Business Premises

- (a) resulting from any accidental loss of access cards or keys occurring within the Territorial Limits
- (b) where there is reasonable evidence that such keys have been copied by an unauthorised person

The Company's liability under this Cover clause is limited to £2,500 any one Event

#### 15. Theft Damage to Buildings

The insurance provided by this Property Damage Section extends to cover the cost of repairing Damage to buildings not insured by this Property Damage Section caused by theft or attempted theft provided the Named Insured is legally liable for such cost and the Damage is not otherwise insured

#### 16. Outdoor Trees Shrubs Plants and Landscaping

The insurance provided by this Property Damage Section extends to cover

- (a) Damage to outdoor trees shrubs and plants at the Business Premises and in respect of which the Company will pay up to £250 for any one tree shrub plant including the cost of removing from the Business Premises following Damage
- (b) the cost of restoring any Damage done to landscaping not otherwise being property described in paragraph (a) above by the emergency services in entering the Business Premises as a result of Damage

Provided that the Company's liability under this Cover clause is limited to £10,000 any one Event

#### 17. Inadvertent Omission

The Named Insured having intended to insure with the Company all property (other than Stock) within the Territorial Limits in which the Named Insured is interested and the Named Insured's belief is that all such property is insured if hereafter any property shall

be found to have been inadvertently omitted the Company will deem such property to be insured within the terms of this Property Damage Section as if it were insured under the Property Insured item to which the property relates subject to payment of the required premium in respect of such property as from the inception of this Property Damage Section or from the date of the Named Insured's interest in such property if erected or purchased after the inception of this Property Damage Section

Provided that

- (a) at any one situation the Company's liability under this Cover clause is limited to £500,000 any one Event and in any one Period of Insurance
- (b) at any one situation the limit of liability under this Cover clause shall for the purpose of the Underinsurance Condition be added to the Sum Insured on the item of Property Insured to which the property relates or in the case of Reinstatement Day One Basis to the Declared Value
- (c) the insurance under this Cover clause shall not apply in respect of property situate outside of the Territorial Limits
- (d) the insurance under this Cover clause shall not apply in circumstances where Cover clause - Capital Additions applies
- (e) the Named Insured shall undertake and complete a full and thorough review of its property portfolio at least once a year to check that insurance has been placed with the Company for all property and in respect of any omission discovered the Named Insured shall immediately advise the Company

#### 18. Temporary Removal (Deeds and Documents)

The insurance provided under this Property Damage Section with respect to deeds and other documents (including stamps thereon) manuscripts plans and writings of every description and books (written and printed) and Unfixed Media on which Data or Programs are recorded at the Premises is extended to cover such property whilst temporarily removed from the Premises anywhere within the Territorial Limits provided that the Company's liability under this Cover clause is limited to £25,000 any one Event

#### 19. Other Interested Parties

The interest of other parties in this insurance is noted it being understood that in the event of a claim against this Property Damage Section the Named Insured will disclose the nature and extent of such other interest to the Company

It is agreed that where work is carried out at any Business Premises insured by this Property Damage Section under Clause 22(c) of the JCT Standard form of Building Contract or any similar contract then the contractor and others named in the contract are deemed to be joint insured under this Property

Damage Section to the extent required by the contract provided that the Named Insured shall inform the Company as soon as practicable and accept additional terms as the Company may require

#### 20. Trace and Access

The insurance provided by this Property Damage Section extends to cover costs necessarily and reasonably incurred with the consent of the Company in locating the source of any escape of water from any fixed domestic water services or heating installation or escape of fuel oil or gas including subsequent repair to walls floors or ceilings provided that

- (a) the insurance under this Cover clause shall not apply in respect of the cost of repairs to any fixed domestic water services or heating installation
- (b) the Company's liability under this Cover clause is limited to £5,000 any one Event and £25,000 in any one Period of Insurance

#### 21. Clearance of Drains

The insurance provided by this Property Damage Section extends to cover costs and expenses necessarily incurred by the Named Insured in clearing drains sewers and gutters the property of the Named Insured or for which the Named Insured is responsible at Business Premises following Damage

The Company's liability under this Cover clause is limited to £10,000 any one Event

#### 22. Temporary Repairs

The insurance provided by this Property Damage Section extends to cover the costs necessarily and reasonably incurred with the consent of the Company in effecting temporary repairs following Damage hereby insured in order that the Business may continue

Provided that the Company's liability under this Cover clause is limited to

- (a) 15% of the total cost of permanent repair or replacement or
- (b) 15% of the Sum Insured in respect of the item of Property Insured sustaining Damage

whichever is the lowest in any one Event

#### 23. Theft of Building Parts

Notwithstanding Property Damage Section Exclusion 3 the insurance provided by this Property Damage Section extends to cover Damage in respect of forcible and violent theft or attempted theft of an external part of the building at the Business Premises or anything attached to it

Provided that

- (a) the property sustaining such Damage is Property Insured
- (b) this Cover clause shall not apply in respect of

- (i) any building that has been unoccupied for a period of more than thirty consecutive days at the time such Damage occurs

- (ii) any building that has scaffolding erected to the outside of the building at the time such Damage occurs

- (c) the Company's liability under this Cover clause is limited to £25,000 any one Event and in any one Period of Insurance

- (d) the Named Insured shall be responsible for the first £2,500 in respect of each Event or the Deductible shown in the Schedule (whichever is the greater amount)

#### 24. Arson and Theft Reward Costs

The insurance provided by this Property Damage Section extends to cover rewards payable for the receipt of information which leads to the prosecution and conviction of a perpetrator of arson or theft following Damage not otherwise excluded at the Business Premises

Provided that

- (a) such rewards are agreed by the Company in writing and by police or other reputable statutory authority and
- (b) the Company's total liability under this Cover clause and under Cover clause – Arson and Theft Reward Costs of the Computer All Risks Section combined is limited to 10% of the value of the total arson or theft loss covered under this Property Damage Section and the Computer All Risks Section combined or £10,000 (whichever is the lower amount) any one Event

#### 25. Loss Prevention and Mitigation Expenditure

The insurance provided by this Property Damage Section extends to cover the costs and expenses reasonably incurred by the Named Insured in

- (a) preventing or mitigating Damage to Property Insured in the event of imminent Damage not otherwise excluded
- (b) preventing or mitigating further Damage not otherwise excluded to Property Insured in consequence of actual Damage to Property Insured not otherwise excluded

Provided that

- (i) the impending Damage was not reasonably foreseeable earlier and would be the natural outcome if such costs and expenses were not incurred and
- (ii) the costs and expenses so incurred did prevent or mitigate the Damage

- (iii) the Company's liability under this Cover clause in respect of all claims arising during the Period of Insurance is limited to 10% of the Sum Insured on the specific Building or other Property Insured the subject of the loss reduction expenditure or £100,000 (whichever is the lesser amount) in any one Period of Insurance
- (iv) where the same costs and expenses covered under this Cover clause are also covered elsewhere under the Policy payment shall only be made under one of the applicable Policy provisions

- (iv) notify the Company in writing and obtain its prior agreement in writing before any repairs or alterations to the installations are implemented
- (v) allow the Company access to the Business Premises at all reasonable times to inspect the installations
- (vi) perform the following tests to the installations and the water supply

## Conditions

### 1. Fire Precautions – Business Premises

(applicable only to the devices described in (a)-(d) herein that are installed at the Business Premises)

The Named Insured shall

#### (a) Fire Break Doors and Shutters

ensure that all fire break doors and shutters are kept closed (except during working hours) and are maintained in efficient working order

#### (b) Fire Extinguishing Appliances

ensure that all fire extinguishing appliances are regularly inspected and maintained in efficient working order

#### (c) Fire Alarm Installations

ensure that

- (i) the fire alarm installations are maintained in efficient working order at all times and in accordance with the installation specification
- (ii) a maintenance service contract is in force
- (iii) any defect in the fire alarm or its signalling is remedied promptly

#### (d) Automatic Sprinkler Installations

in respect of automatic sprinkler installations (internal and external)

- (i) take all reasonable steps to
  - A. prevent frost and other damage to the installations
  - B. remedy any defect in the installations or its signalling promptly
  - C. maintain ready access to the water supply control facilities for the installations
- (ii) ensure that installations are maintained in efficient working order at all times and in accordance with the installation specification
- (iii) subscribe to an annual maintenance contract for the installations that require inspections at a minimum of six monthly intervals

A. make a test every week for the purpose of ascertaining that the alarm gong is in working order and that the stop valves controlling the individual water supplies are fully open and record the particulars of each test

B. make quarterly or half-yearly tests if required by the Company for the purpose of ascertaining that each water supply is in order and record the particulars of each test

C. remedy promptly any defect revealed by the above tests

(vii) give notice to the Company in relation to any installation if

A. its water supply is turned off

B. it becomes inoperative from any cause except for the purpose of testing maintenance or repair

(viii) display at each sprinklered storage area a notice of the terms agreed with the Company which specifies

A. the description of the goods which may be stored

B. the maximum height of storage

C. the minimum permitted clearance between goods stored and the sprinkler deflectors

and comply with the terms of the notice

If alterations or repairs to the installations become necessary to ensure its full and effective operational capability the Company may at its option suspend any cover which is granted against Damage to the Property Insured by escape of water from said installation until the alterations or repairs have been carried out and approved by the Company

### 2. Security and Intruder Alarm Precautions – Business Premises

The Named Insured shall ensure that

- (a) all security devices (other than intruder alarms) including locks fastenings shutters and other methods of securing access to the Business Premises are in full and effective operation and keys removed from the Business Premises whenever same is closed for business
- (b) where the Company has required an intruder alarm to be installed or if an intruder alarm is already installed on the Business Premises
  - (i) the intruder alarm must be maintained in efficient working order at all times and in accordance with its installation specification or as otherwise approved by the Company
  - (ii) a maintenance service contract with the installation company or as otherwise approved by the Company must be in force and the maintenance company immediately advised of any apparent defect in the intruder alarm or its signalling
  - (iii) the intruder alarm shall be put into full and effective operation at all times in respect of 24 hour designated circuits and otherwise the Business Premises must not be left unattended unless
    - A. the intruder alarm is put into full and effective operation including where the equipment permits any central station to which the intruder alarm is connected acknowledging the setting signal
    - B. the intruder alarm is regularly tested and is in full and efficient working order
  - (iv) the Named Insured shall give immediate written notice to the Company if it receives from the police or security organisation warning of a possible or intended withdrawal of response to calls from the intruder alarm or of a reduced response level

The insurance provided under this Property Damage Section does not cover Damage caused by

- A. theft or attempted theft from the Business Premises other than where accompanied by violence to persons or threat of violence to persons or
- B. malicious persons at any time when the Premises are closed for business or left unattended

where police response to alarm activation is withdrawn unless written agreement has been obtained from the Company that such insurance remains operative

For the purposes of this condition intruder alarm includes detection devices sensors detection circuit control and processing equipment power

supplies audible and remote signalling and ancillary telecommunication systems

### 3. Underinsurance

The Sum Insured by each item of this Property Damage Section is declared to be separately subject to an Underinsurance Condition The Underinsurance Condition applicable is dependent upon which Basis of Settlement applies and is detailed therein

### 4. Unoccupancy

The Named Insured shall notify the Company in writing as soon as is reasonable when any Building or part thereof becomes unoccupied for more than thirty consecutive days and shall pay or agree to pay additional premium if required by the Company Further the Named Insured shall notify the Company when an unoccupied Building or part thereof becomes occupied

### 5. Explosion

In respect of any vessel machinery or apparatus or its contents belonging to or in the custody or control of the Named Insured for which the Named Insured is responsible cover against destruction or damage thereto caused by an explosion originating therein is subject to a policy or other contract providing an inspection service that complies with the statutory regulations applying in respect of such vessel machinery or apparatus

### 6. Claims Conditions

#### (a) Contracting Purchaser's Interest

If at the time of Damage the Named Insured shall have contracted to sell its interest in any Building hereby insured and the purchase shall not have been but shall be thereafter completed the purchaser on completion of the purchase (if and so far as the Property is not otherwise insured against such Damage by or on behalf of the purchaser) shall be entitled to benefit under this Policy without prejudice to the rights and liabilities of the Named Insured or the Company until completion

#### (b) Subrogation Waiver

In the event of a claim arising under this Property Damage Section the Company agrees to waive any rights remedies or relief to which the Company might become entitled by subrogation against any company

- (i) standing in the relation of parent to subsidiary to the Named Insured
- (ii) standing in the relation of subsidiary to parent to the Named Insured
- (iii) which is a subsidiary of a parent company of which the Named Insured is a subsidiary

in each case as defined by current legislation

#### (c) Contract Price

In respect only of goods sold but not delivered for which the Named Insured is responsible and with



regard to which under the conditions of the sale the sale contract is cancelled by reason of Damage either wholly or in part the liability of the Company shall be based on the contract price and for the purpose of any applicable Underinsurance Condition the value of all goods to which this clause would in the event of Damage be applicable shall be ascertained on the same basis

**(d) Reinstatement**

If any Property is to be reinstated or replaced by the Company the Named Insured shall at its own expense provide all such plans documents books and information as may reasonably be required The Company shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than its Sum Insured

**(e) Company's Rights following a Claim**

On the happening of Damage in respect of which a claim is made the Company and any person authorised by the Company may without thereby incurring any liability or diminishing any of the Company's rights under this Policy enter take or keep possession of the Premises where such Damage has occurred and take possession of or require to be delivered to the Company any Property Insured and deal with such Property for all reasonable purposes and in any reasonable manner

No Property may be abandoned to the Company whether taken possession of by the Company or not

**7. Designation**

Where necessary the item heading under which any Property is insured shall be determined by the designation under which such Property appears in the Named Insured's books

**8. Programs and Data**

The Named Insured shall

- (a) take all reasonable precautions to prevent accidental loss distortion corruption or erasure of Programs or Data
- (b) in respect of Programs maintain a backup copy of the current version at a location other than the respective Premises where the Media on which the Programs are recorded is situate
- (c) in respect of Data maintain a weekly full system backup of Data at a location other than the respective Premises where the Media on which the Data is recorded is situate

**Basis of Settlement**

The amount payable for each Item of Property stated in the

Schedule will be in accordance with one of the following Basis of Settlements defined below for which a Code is shown beside that Item in the Schedule or the Company at its option may elect to reinstate or replace the Property or any part of it which is lost destroyed or damaged

**1. Indemnity – Code: INDTY**

Subject to the following Special Provision the Company will pay the value of the Property at the time of its Damage or the amount of such Damage whichever is the lesser

**Special Provision**

**Underinsurance Condition**

If any Sum Insured to which this Basis of Settlement applies is at the commencement of Damage less than the total value of the Property covered within such Sum Insured the amount payable by the Company in respect of such Damage will be proportionately reduced and the Named Insured considered to be its own insurer for the difference

**2. Reinstatement – Code: REINS**

Subject to the following Special Provisions the basis upon which the amount payable in respect of the Property Insured is to be calculated will be Reinstatement of the Property Damaged

For the purpose of this Basis of Settlement Reinstatement means

- (a) the rebuilding or replacement of Property Damaged which provided the liability of the Company is not increased may be carried out
  - (i) in any manner suitable to the requirements of the Named Insured
  - (ii) upon another site
- (b) the repair or restoration of Property Damaged

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

**Special Provisions**

**(a) Repairs and Restoration**

The liability of the Company for the repair or restoration of Property Insured sustaining Damage in part only shall not exceed the amount which would have been payable had such Property been entirely destroyed

**(b) Underinsurance Condition**

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 Insured covered by any Item to which this Basis applies exceeds its Sum Insured at the commencement of Damage the amount payable by the Company will not exceed that proportion of the amount of such Damage which the said Sum

Insured compares to the total cost of reinstating the whole of such Property Insured at that time

**(c) Alternative Basis of Payment**

The amount payable will be in accordance with the Indemnity Basis instead of the Reinstatement Basis

- (i) unless reinstatement commences and proceeds without unreasonable delay
- (ii) until the cost of reinstatement has been incurred
- (iii) if the Property at the time of Damage is insured by any other insurance taken out by or on behalf of the Named Insured which is not written on the same basis of reinstatement as defined

**3. Day One Reinstatement – Code: DAY 1**

Subject to the following Special Provisions the basis on which the amount payable for the Property Insured is to be calculated is the same as the Reinstatement Basis of Settlement except that special provision 2(b) Underinsurance Condition is restated as follows

If at the time of Damage the Declared Value of the Property Insured covered by such Item is less than the cost of reinstatement at the time cover on this Basis is taken out then the Company's liability for the Damage will not exceed that proportion of the Damage which the Declared Value bears to such cost of reinstatement

**Special Provisions**

- (a) The Premium has been calculated on the basis of the Declared Value stated in writing to the Company
- (b) As used in this Basis of Settlement Declared Value means the Insured's assessment of the cost of Reinstatement of the Property Insured arrived at in accordance with the Reinstatement Basis of Settlement paragraph 2(a) at the level of costs applying at the commencement of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with in so far as the insurance by the item provides due allowance for
  - (i) Removal of Debris
  - (ii) Professional Fees
  - (iii) complying with Public Authority Requirements
- (c) At the commencement of each Period of Insurance the Named Insured will notify the Company of the Declared Value of the Property Insured by each item In the absence of such declaration the last amount declared by the Named Insured will be taken as the Declared Value for the ensuing Period of Insurance

- (d) The Declared Value for each item of Property insured in accordance with this Basis of Settlement is the amount shown in the brackets below the Sum Insured in respect of each item on the Property Damage Specification
- (e) The liability of the Company in respect of Property insured in accordance with this Basis of Settlement is limited to
  - (i) the Declared Value applicable to each item multiplied by the Day One Adjustment figure specified in the Schedules or
  - (ii) if special provision 2(c) of the Reinstatement Basis (Alternative Basis of Payment) applies the Declared Value applicable to each item as specified in the Schedules

**4. Rent – Code: RENT**

Subject to the following special provisions in respect of Rent of Buildings which suffer Damage the Company will pay

- (a) if the loss relates to rent receivable by the Named Insured and where insured by the relevant item in the Schedule
  - the actual reduction in rent received solely in consequence of the Damage but not reduction in rent once the Building or portions of the Building become fit for occupation
- (b) if the loss relates to rent payable by the Named Insured and where insured by the relevant item in the Schedule
  - the amount of rent which continues to be payable by the Named Insured in respect of the Building or portions of the Building which are unfit for occupation in consequence of the Damage

but the Company's liability will be limited to the loss suffered within the period of rent insured (as specified in the Schedule) which commences from the date of the Damage

**Special Provisions**

- (a) **Insurable Amount**  
For the purpose of the Underinsurance Condition the Insurable Amount is the annual rent receivable or the annual rent payable at the commencement of the Period of Insurance such amount to be proportionately increased to correspond with the period of rent insured where that period exceeds twelve months
- (b) **Underinsurance Condition**  
If any Sum Insured to which this Basis of Settlement applies is at the commencement of Damage less than the Insurable Amount the amount payable by the Company in respect of



such Damage will be proportionately reduced and the Named Insured considered to be their own insurer for the difference

## Exclusions

The insurance provided under this Property Damage Section does not cover

1. Damage caused by or consisting of
  - (a) inherent vice latent defect gradual deterioration wear and tear frost change in water table level its own faulty or defective design or materials
  - (b) the bursting of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Named Insured
  - (c) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
  - (d) faulty or defective workmanship operational error or omission on the part of the Named Insured or any Employee

but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded

2. (a) Damage caused by or consisting of
  - (i) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin insects humidity contamination or action of light
  - (ii) change in temperature colour flavour texture or finish
  - (iii) the freezing solidification or inadvertent escape of molten material

but this shall not exclude

- A. such Damage as described in paragraphs (i) to (iii) above which itself results from another cause not otherwise excluded
  - B. subsequent Damage which itself results from a cause not otherwise excluded
- (b) Damage consisting of
    - (i) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith but this shall not exclude
      - A. such Damage as described which itself results from another cause not otherwise excluded

- B. subsequent Damage which itself results from a cause not otherwise excluded

- (ii) breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates but this shall not exclude

- A. such Damage as described which itself results from another cause not otherwise excluded

- B. subsequent breakdown or derangement to surrounding property not forming part of the same machine apparatus or equipment

- C. other subsequent Damage which itself results from a cause not otherwise excluded

3. Damage caused by theft or attempted theft of the Property Insured from the Premises unless caused by theft or attempted theft of the Property Insured from within the buildings at the Premises where accompanied by forcible and violent entry to or exit from the buildings or by violence to persons or threat of violence to persons and provided that the Premises have not been unoccupied for a period of more than thirty consecutive days

This exclusion shall not apply to subsequent Damage which itself results from a cause not otherwise excluded

4. Damage to Property Insured

- (a) away from the Premises caused by theft or attempted theft of the Property Insured

- (i) from or on an unattended vehicle or trailer during Working Hours unless all doors windows and other means of access were secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property was placed in the boot or similar luggage compartment of the vehicle and effectively concealed from sight and the boot or compartment was securely closed and locked

- (ii) from or on an unattended vehicle or trailer out of Working Hours unless all doors windows and other means of access were secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property was placed in the boot or similar luggage compartment of the vehicle and effectively concealed from sight and the boot or compartment was securely closed and locked and such vehicle or trailer was garaged in a securely closed and locked building or compound

- (iii) from or on an unattended soft topped open topped or open sided vehicle or trailer unless also involving theft of the vehicle or trailer
- (iv) where the Property is otherwise left unattended unless contained in a locked building of substantial construction or in a secure locked room

As used in this provision unattended means that the Named Insured or any person to whom the Named Insured has entrusted the care custody and control of Property Insured is unable to exercise control over or otherwise unable to influence events affecting the Property

- (b) in or on soft topped open topped or open sided vehicles or trailers if caused by
    - (i) storm tempest water hail frost or snow
    - (ii) malicious persons when the vehicle or trailer is left unattended out of Working Hours
5. Damage caused by pollution or contamination but this shall not exclude Damage to the Property Insured not otherwise excluded caused by
- (a) pollution or contamination which itself results from a Defined Peril
  - (b) a Defined Peril which itself results from pollution or contamination
6. Damage caused by or consisting of
- (a) subsidence ground heave or landslip unless resulting from fire explosion earthquake or the escape of water from any tank apparatus or pipe
  - (b) normal settlement or bedding down of new structures
  - (c) dishonesty fraudulent action trick device or other false pretence by any Employee partner or director of the Named Insured whether acting alone or in collusion with others
  - (d) disappearance unexplained or inventory shortage misfiling or misplacing of information
7. Damage to Buildings or structures thereat caused by their own collapse or cracking unless resulting from a Defined Peril and not otherwise excluded
8. Damage caused by wind rain hail sleet snow flood or dust to moveable Property in the open or fences or gates
9. Damage to that part of the Property
- (a) caused by fire resulting from its undergoing any heating process or any process involving the application of heat

- (b) resulting from its undergoing any process of production packing treatment commissioning servicing or repair

10. Damage in respect of any Building or any property within such Building which is unoccupied for a period of more than thirty consecutive days other than Damage caused by fire lightning explosion aircraft or other aerial devices or articles dropped therefrom subject to the following Special Condition

**Special Condition**

The Named Insured shall ensure that

- (a) such unoccupied buildings are secured against illegal entry and all external doors and accessible external windows are fitted with good quality locks
  - (b) all services other than limited services required for security guards fire and intruder alarms shall be disconnected unless otherwise agreed by the Company in writing
  - (c) all letter boxes shall be sealed to prevent insertion of material
  - (d) perimeter fences walls and gates shall be kept complete and maintained
  - (e) such unoccupied buildings shall be kept clear both internally and externally of combustible materials and not be used for storage
  - (f) vegetation surrounding such unoccupied buildings shall be kept down
  - (g) the Business Premises shall be inspected thoroughly internally and externally at least once every seven days (or at a frequency agreed by the Company in writing) by the Named Insured or a responsible person appointed by the Named Insured and a record maintained of such inspections and any defects rectified without delay
11. Damage in respect of
- (a) vehicles requiring a licence for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
  - (b) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
  - (c) land piers jetties bridges culverts or excavations
  - (d) livestock growing crops or trees or other growing vegetation

unless specifically mentioned as insured by this Property Damage Section

12. property which at the time of the happening of Damage is insured by or would but for the existence of this Policy 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
13. Damage in respect of
  - (a) Money
  - (b) Stock In Transit unless specifically mentioned as insured by this Property Damage Section or where any Location Code applies to cover Stock away from any Premises
14. any property more specifically insured by or on behalf of the Named Insured
15. consequential loss or damage of any kind or description except loss of rent when such loss is included in the cover under this Property Damage Section
16. Damage directly or indirectly caused by resulting from or consisting of the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Named Insured or not to correctly
  - (a) recognise any date as its true calendar date
  - (b) capture save retain manipulate interpret or process any data or information command or instruction as a result of treating any date otherwise than as its true calendar date
  - (c) capture save retain or process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture to save retain or correctly to process such data on or after any date

but this shall not exclude subsequent Damage not otherwise excluded which itself results from a Defined Peril or attempted theft where such failure is not the result of wilful misconduct by the Named Insured and the Named Insured has undertaken all reasonable efforts to prevent such failure and to mitigate the consequences of any such failure
17. Computer and Telecommunication Equipment (including Fixed Media and Unfixed Media) and Ancillary Equipment Programs and Data where there is a Computer All Risks Section forming part of this Policy
18. Damage caused by or resulting from an attack which allows unauthorised access or use of a computer or telecommunications system by electronically circumventing a security system and procedure or a Computer Virus but this shall not exclude Damage not otherwise excluded which itself results from fire

lightning explosion escape of water from any tank apparatus or pipe

19. Damage in respect of jewellery precious stones precious metals bullion furs curiosities works of art or rare books unless specifically mentioned as insured by this Property Damage Section
20. loss distortion corruption or erasure of Programs or Data recorded on Media unless such loss distortion corruption or erasure of Programs or Data itself results from other Damage to Property Insured and is not otherwise excluded

## Endorsements

The following endorsements are only operative if shown on the Property Damage Section Schedule and are subject otherwise to the terms of the Property Damage Section and the General Definitions Conditions and Exclusions

### PD01C. Subsidence

Notwithstanding Property Damage Section Exclusion 6(a) the insurance provided by this Property Damage Section extends to cover Damage caused by or consisting of subsidence or ground heave of any part of the site on which the Property stands or landslip subject to the Special Condition below.

The insurance provided under this endorsement does not cover

- (a) Damage to roads yards car parks pavements walls gates and fences and any similar or other property outside the confines of any building within the Business Premises unless a building insured hereby within the same Business Premises is also Damaged
- (b) Damage caused by or consisting of
  - (i) the normal settlement or bedding down of new structures
  - (ii) the settlement or movement of made-up ground
  - (iii) coastal or river erosion
  - (iv) defective design or workmanship or the use of defective materials
  - (v) fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe
- (c) Damage which originated prior to the inception of this cover
- (d) Damage resulting from
  - (i) demolition construction structural alteration or repair of any Property or

- (ii) groundworks or excavation at the same Premises
- (e) the Deductible stated in the Schedule and notwithstanding General Exclusion – Deductible the Deductible shall apply to each separate Premises as ascertained after the application of any Underinsurance Condition

**Special Condition**

No cover shall apply under this endorsement if the risk of Damage is increased by reason of demolition groundworks excavation or construction being carried out on any adjoining site unless admitted by the Company in writing

**PD02B. Theft (full theft from buildings and forcible and violent theft from grounds and outbuildings)**

Property Damage Section Exclusion 3 is deleted and replaced by the following

- 3. Damage caused by theft or attempted theft of the Property Insured from the Premises as stated in the specification to the Schedule forming part of this Property Damage Section

but this shall not exclude Damage caused by theft or attempted theft of the Property Insured

- (a) from within the buildings (but not outbuildings) at the Premises
- (b) from outbuildings at the Premises where accompanied by forcible and violent entry to or exit from the outbuildings or by violence to persons or threat of violence to persons
- (c) from the grounds at the Premises where accompanied by forcible and violent entry to or exit from grounds at the Premises or by violence to persons or threat of violence to persons

provided that the Premises have not been unoccupied for a period of more than thirty consecutive days

This exclusion shall not apply to subsequent Damage which itself results from a cause not otherwise excluded

**PD03A. Stock Declaration**

The insurance provided by this Property Damage Section on any Stock item is subject to the following conditions

- (a) The first and annual premiums for the item are provisional and are subject to adjustment as hereinafter provided

- (b) The separate value of the Property Insured by each such item shall be declared in writing by the Named Insured to the Company either monthly or quarterly as previously agreed and if a declaration be not so given the Named Insured shall be deemed to have declared the Sum Insured by the item on the declaration date as the value
- (c) Unless noted to the contrary in the Schedule the dates on which values are to be calculated shall be
  - (i) monthly declarations - last day of each month
  - (ii) quarterly declaration - last day of March June September and December

the declared values to reach the Company within thirty days of the declaration date

- (d) On the expiry of each Period of Insurance the actual premium required shall be calculated by applying the agreed rates per cent per annum to the average amounts declared i.e. the total of the sum declared divided by the number of declarations. If the actual premium be greater than the first premium (or in the case of the second and subsequent Periods of Insurance the annual premium) the Named Insured shall pay the difference if it be less the difference shall be repaid to the Named Insured
- (e) Any other stock and materials in trade insurance shall be deemed to be on an identical wording with this insurance

**PD04B. Medical Facilities**

The undernoted cover clauses are added

**Fine Arts**

Notwithstanding Section exclusion 19 where Machinery Plant and All Other Contents are insured the Company will pay for Damage as insured in respect of works of art up to £2,500 any one item and in total £25,000 any one Event

Provided that this Cover clause shall not apply in respect of any work of art which at the time of the happening of Damage is insured by or would but for the existence of this cover clause be insured by any other insurance

**Patients Valuables**

Notwithstanding Section Exclusion 19 this Section is extended to include Damage to articles of jewellery gold and silver belonging to patients whilst deposited in a proprietary safe and provided that the Named Insured obtains an inventory of such articles from and signed by the patient



The Company's liability under this Cover clause is limited to £2,500 any one Event

## Optional Extension - Goods in Transit

THE TERMS OF THIS OPTIONAL EXTENSION ARE SUBJECT OTHERWISE TO THE TERMS OF THE PROPERTY DAMAGE SECTION AND THE GENERAL DEFINITIONS CONDITIONS AND EXCLUSIONS

### Definitions

In this Optional Extension the following terms shall have the following meanings If a term below is also defined in the General Definitions or the Definitions of this Property Damage Section the Definition below replaces such other Definition for purposes of this Optional Extension

#### 1. Any One Loss Limit

Any One Loss Limit means the maximum amount which the Company will pay in respect of any one Event

#### 2. Property

Property means Stock and tools used in connection with the Business belonging to or the responsibility of the Named Insured

### Cover

Notwithstanding Property Damage Section Exclusions 12 and 13(b) the insurance provided by this Property Damage Section extends to indemnify the Insured subject to the applicable Any One Loss Limit as specified in the Schedule by payment (or at the Company's option by repair reinstatement or replacement) for Damage to the Property whilst In Transit by the method of conveyance shown in the Schedule

(a) anywhere in the Geographical Limits shown in the Schedule including sea or air transits between these territories in respect of method of conveyance A and B (other than by parcel post) where insured and

(b) anywhere in the world by parcel post where insured

in connection with the Business during the Period of Insurance

In addition the Company will

1. pay costs and expenses necessarily incurred by the Named Insured up to 10% of the Schedule limits in

(a) removing or reloading the Property or any part thereof

(b) removing debris of such Property

(c) dismantling or breaking up such Property

following damage to or spillage of the Property from any road vehicle or trailer following an accident to such vehicle or trailer

2. pay salvage or general average costs where applicable

3. indemnify for Damage to tarpaulins chains sheets and ropes belonging to or the responsibility of the Named Insured arising out of an Event which is otherwise the subject of indemnity under this Optional Extension subject to a limit of £500 any one Event

### Exclusions

The insurance provided under this Optional Extension does not cover Damage to

1. explosive goods any other goods of a dangerous nature deeds plans designs documents manuscripts business books computer system records
2. wines spirits or tobacco
3. Property placed on the open deck of a vessel unless packed in a secured container or secured hard topped vehicle or trailer
4. Property
  - (a) whilst In Transit by method of conveyance A caused by theft or attempted theft of the Property
    - (i) from or on an unattended vehicle or trailer during Working Hours unless all doors windows and other means of access were secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property was placed in the boot or similar luggage compartment of the vehicle and effectively concealed from sight and the boot or compartment was securely closed and locked
    - (ii) from or on an unattended vehicle or trailer out of Working Hours unless all doors windows and other means of access were secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property was placed in the boot or similar luggage compartment of the vehicle and effectively concealed from sight and the boot or compartment was securely closed and locked and such vehicle or trailer was garaged in a securely closed and locked building or compound
    - (iii) from or on an unattended soft topped open topped or open sided vehicle or trailer unless also involving theft of the vehicle or trailer
    - (iv) where the Property is otherwise left unattended unless contained in a locked building of substantial construction or in a secure locked room

As used in this provision unattended means that the Named Insured or any person to whom the Named Insured has entrusted the care custody and control of Property is unable to exercise control over or otherwise unable to influence events affecting the Property



- (b) in or on soft topped open topped or open sided vehicles or trailers if caused by
  - (i) storm tempest water hail frost or snow
  - (ii) malicious persons when the vehicle or trailer is left unattended out of Working Hours
- 5. Property caused by or attributable to defective packing or incorrect or insufficient addressing
- 6. Property carried by or despatched by the Named Insured for hire or reward
- 7. Property caused by or arising out of mechanical or electrical breakdown or derangement wear and tear action of light deterioration mildew moth vermin and the like unless external Damage has occurred
- 8. Property caused by bruising scratching chipping or denting
- 9. furniture glass or other brittle objects unless caused by fire theft or accident to the mode of carriage

## Optional Extension - Money and Personal Accident (Assault)

THE TERMS OF THIS OPTIONAL EXTENSION ARE SUBJECT OTHERWISE TO THE TERMS OF THE PROPERTY DAMAGE SECTION AND THE GENERAL DEFINITIONS CONDITIONS AND EXCLUSIONS

### Definitions

In this Optional Extension the following terms shall have the following meanings If a term below is also defined in the General Definitions or the Definitions of this Property Damage Section the Definition below replaces such other Definition for purposes of this Optional Extension

1. **Employee**  
Employee means a person employed under a contract of service or apprenticeship with the Named Insured
2. **Business Hours**  
Business Hours means the Named Insured's usual business hours (including overtime) during which the Named Insured's directors partners or Employees entrusted with the Money are on the Business Premises for the purpose of the Business
3. **Insured Person**  
Insured Person means
  - (a) the Named Insured or any director partner or Employee of the Named Insured
  - (b) any person to whom the Named Insured has entrusted money other than an employee of a professional security company or organisation
4. **Loss of Limb**  
Loss of Limb means loss by physical severance at or above the wrist or ankle or the total and permanent loss of use of an entire hand arm foot or leg

### Part A – Money

#### Cover

Notwithstanding Property Damage Section Exclusions 6(c) and 13(a) the insurance provided by this Property Damage Section extends to cover the following subject to the limits specified in the Schedule or as hereunder

1. Loss of Money the property of the Named Insured or for which the Named Insured is responsible in the course of the Business
  - (a) on the Business Premises
  - (b) in transit but this paragraph (b) does not apply if paragraph (a) (c) (d) (e) or (f) applies
  - (c) deposited in bank night safe until removed by a bank official
  - (d) at the private dwelling of the Named Insured's directors partners or authorised Employees

- (e) in the custody of representatives of the Named Insured for twenty four hours from the time of receipt or until the next working day whichever is the later
- (f) on site of contracts or exhibitions whilst the Named Insured's Employees are working thereat

2. Damage to any case bag or waistcoat used for the carriage of Money following theft of Money or any attempt thereat occurring in the course of the Business up to a limit of £1,000 any one Event
3. Damage to any safe strongroom or franking machine resulting from theft of Money or any attempt thereat
4. Damage to clothing and personal effects belonging to the Named Insured or any director partner or Employee of the Named Insured following theft of Money or any attempt thereat occurring in the course of the Business up to a limit of £1,000 any one Event
5. Loss incurred as a result of use by an unauthorised person of any credit card belonging to the Named Insured or for which the Named Insured is responsible which was lost or stolen and arising before the credit card company has received notification that the card has been lost or stolen

Provided that

- (a) this Cover clause shall not apply in respect of
  - (i) any loss brought about by any failure to comply with the terms under which the credit card was issued
  - (ii) any credit card issued personally to any director or Employee of the Named Insured
  - (iii) losses arising after 48 hours from discovery of loss of the card
  - (iv) losses covered in whole or part by any other insurance except in respect of any excess beyond the amount which would have been payable under such other insurance had this Cover clause not been effected
- (b) the Company's liability under this Cover clause is limited to £1,000 any one Event

#### Conditions

The Named Insured shall

- (a) keep a complete record of Money in transit and at the Business Premises but this shall not apply to petty cash floats at the Business Premises where the total amount of such floats does not exceed £100 in total any one Event
- (b) deposit such record in a secure place other than any safe or strongroom containing the Money

- (c) keep any safe or strongroom locked outside Business Hours and the keys thereof shall not be left on the Business Premises unless the Business Premises are occupied by the Named Insured or an authorised Employee in which case such keys if left on the Business Premises shall be deposited in a secure place not in the vicinity of any safe or strongroom
- (d) maintain the following minimum standards of precaution for the safety of negotiable Money (being Money other than as described in 1 of Part A – Money in the Schedule) in transit at all times
  - (i) The times of transits routes and conveyances used shall be varied as far as possible
  - (ii) In respect of any one transit the following minimum number of adults shall carry the Money which shall be divided equally between them

Amount	No. Of Persons
£1 to £2,500	1
£2,501 to £7,500	2
£7,501 to £10,000	3
£10,001 and over	Specialist Security Company

### Exclusions

The insurance provided under this Optional Extension does not cover

- (a) shortages due to clerical or accounting errors
- (b) loss resulting from the fraud or dishonesty of any director partner or Employee of the Named Insured
  - (i) not discovered within seven working days of the occurrence
  - (ii) 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
- (c) loss or damage arising elsewhere than in Great Britain Northern Ireland the Isle of Man and the Channel Islands
- (d) loss of Money from
  - (i) vending or gaming machines or automated money operated machinery
  - (ii) unattended vehicles
- (e) loss resulting from forgery fraudulent alteration or substitution or fraudulent use of a computer or electronic transfer but this shall not exclude loss covered under Cover clause 5 of this cover
- (f) loss caused by or resulting from an attack which allows unauthorised access or use of a computer or telecommunications system by electronically circumventing a security system and procedure or a Computer Virus but this shall not exclude loss not

otherwise excluded which itself results from fire explosion escape of water from any tank apparatus or pipe

- (g) loss resulting from depreciation in value or due to dishonoured cheques
- (h) loss suffered as the result of a business transaction

## Part B – Personal Accident (Assault)

### Cover

The Company shall pay to the Named Insured the amount of the Benefit specified in the Schedule in respect of any of the Contingencies happening to an Insured Person as a result of theft or attempt thereat arising in the course of the Business

### Contingencies

Contingencies means bodily injury caused by violent accidental external and visible means resulting directly solely and independently of other causes in

1. death occurring within twenty four months of such bodily injury
2. permanent loss of all sight in one or both eyes occurring within twenty four months of such bodily injury
3. Loss of Limb to one or more limbs occurring within twenty four months of such bodily injury
4. temporary total disablement from engaging in or giving attention to an Insured Person's profession or occupation commencing within 12 calendar months of such bodily injury
5. Permanent and total disablement (other than by Loss of Limb or loss of sight) which on the expiration of 104 weeks from the date of such bodily injury shall permanently and totally disable an Insured Person from following or engaging in or giving attention to any kind of profession or occupation

### Conditions

- (a) This Optional Extension applies only to
  - (i) persons between the ages of 18 and 70 years at the commencement of the Period of Insurance
  - (ii) contingencies occurring within Great Britain Northern Ireland the Isle of Man and the Channel Islands
- (b) The Company will not pay benefits under more than one of the contingencies 1 to 3 and 5 in connection with the same injury
- (c) The Company's payment of benefits under one of the contingencies 1 to 3 or 5 will end the cover granted under this Optional Extension in so far as it applies to the person concerned



- (d) The Company will not pay benefits under contingency 4 for more than 104 weeks in respect of any one injury calculated from the date of commencement of disablement
- (e) If and when benefit becomes payable under any of contingencies 1 to 3 or 5 the Company will stop paying any weekly benefit being paid in connection with the same injury under contingency 4 and will deduct any weekly benefit already paid under contingency 4 from the benefit payable under contingencies 1 to 3 or 5
- (f) All certificates information and evidence required by the Company shall be furnished at the expense of the Named Insured and shall be in such form and of such nature as the Company may prescribe An Insured Person as often as required shall submit to medical examination on behalf of the Company at the Insured Person's own expense in respect of any alleged bodily injury The Company shall in the event of the death of an Insured Person be entitled to have a post-mortem examination at its own expense

## Optional Extension - Deterioration of Stock

THE TERMS OF THIS OPTIONAL EXTENSION ARE SUBJECT OTHERWISE TO THE TERMS OF THE PROPERTY DAMAGE SECTION AND THE GENERAL DEFINITIONS CONDITIONS AND EXCLUSIONS

### Definitions

In this Optional Extension the following terms shall have the following meanings If a term below is also defined in the General Definitions or the Definitions of this Property Damage Section the Definition below replaces such other Definition for purposes of this Optional Extension

#### 1. Plant

Plant means as described in the Schedule situate at the Premises identified by the Premises Code shown against the item of Property Insured and detailed in the List Of Premises And Other Locations Schedule

#### 2. Property and Property Insured

Property and Property Insured means as described in the Schedule being the property of the Named Insured or for which they are legally responsible

### Cover

Notwithstanding Property Damage Section Exclusions 1(a) 2 or 5 the insurance provided by this Property Damage Section extends to cover Damage to Property Insured or any part thereof whilst contained in the Plant by deterioration contamination putrefaction or otherwise caused by

- (a) rise or fall in temperature in consequence of
  - (i) the failure of the Plant due to its own inherent devices or accidental means
  - (ii) the accidental failure of the public supply of electricity at the terminal end of the public electricity supply undertaking's service feeders at the Premises including (notwithstanding anything herein to the contrary) accidental failure solely due to destruction or damage by fire lightning explosion or earthquake elsewhere than at the said Premises
- (b) accidental leakage of refrigerant or refrigerant fumes

The Company will by payment or at its option by reinstatement indemnify the Named Insured against such Damage in accordance with the Basis of Settlement - Indemnity

Provided that the Company's liability under this Optional Extension during any one Period of Insurance is limited to

- (a) in respect of any one item of the Property the sum set opposite thereto in the Schedule to this Optional Extension
- (b) in respect of all Damage the Total Sum Insured under this Optional Extension

### Exclusions

The insurance provided under this Optional Extension does not cover

1. Damage caused by failure of the public supply of electricity occasioned by the deliberate act of any Electricity Authority or by the exercise by any such Authority of its power to withhold or restrict supply
2. Damage caused by failure to comply with the manufacturers' instructions or the use of components not approved by the manufacturers
3. Damage caused by error in operation of the Plant
4. Damage as a result of failure of any Plant which is over 10 years old

### Conditions

1. The Named Insured shall take all reasonable precautions for the safety of the Property and immediately upon having knowledge of any event giving rise or likely to give rise to a claim under this Optional Extension shall give immediate notice thereof to the Company and the Company's risk in respect of the Plant shall forthwith cease until the said Plant shall have been repaired to the satisfaction of the Company
2. The Named Insured shall ensure that all Plant is serviced in accordance with the manufacturers' recommended standards

# Business Interruption Section

## Definitions

In this Business Interruption Section the following terms shall have the following meanings. If a term below is also defined in the General Definitions the definition below replaces the General Definition for purposes of this Business Interruption Section.

**1. Annual Rent Receivable**

Annual Rent Receivable means the Rent Receivable during the twelve months immediately before the date of the Damage to which such adjustment shall be made as may be necessary to provide for the trend of the Business and for variations in or other special circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figure thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

**2. Annual Revenue**

Annual Revenue means the Gross Revenue during the twelve months immediately before the date of the Damage to which such adjustment shall be made as may be necessary to provide for the trend of the Business and for variations in or other special circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figure thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

**3. Annual Turnover**

Annual Turnover means the Turnover during the twelve months immediately before the Date of the Damage to which such adjustment shall be made as may be necessary to provide for the trend of the Business and for variations in or other special circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figure thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

**4. Business Premises**

Business Premises means those premises at the addresses described in the List Of Premises And Other Locations Schedule attaching to the Master Schedule forming part of this Policy and identified by the Premises Code shown against it which the Named Insured owns occupies or is responsible for

**5. Damage**

Damage means accidental loss or destruction of or damage

**6. Glass**

Glass means flat annealed fixed glass toughened and laminated glass stained glass illuminated signs and electric light fittings at the Business Premises

**7. Gross Profit**

Gross Profit means the amount by which the sum of the Turnover and the amounts of the closing stock and work in progress shall exceed the sum of the amounts of the opening stock and work in progress and the amount of any Uninsured Working Expenses

**8. Gross Revenue**

Gross Revenue means the money paid or payable to the Named Insured for work done and services rendered in the course of the Business at the Business Premises

**9. In Transit**

In Transit means whilst in the course of a journey by any means including whilst in the process of

(a) loading and unloading

(b) being temporarily housed during transit for a period of no more than 30 days (excluding whilst in storage at rental or under contract for storage packing or distribution)

and concluding when the property has either been placed at the Premises or receipt acknowledged by a consignee

**10. Indemnity Period**

Indemnity Period means the period beginning when the Damage occurs and ending when the results of the Business cease to be affected by the Damage but not exceeding the Maximum Indemnity Period (as shown in the Schedule)

**11. Rate of Gross Profit**

Rate of Gross Profit means the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage to which such adjustment shall be made as may be necessary to provide for the trend of the Business and for variations in or other special circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figure thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

**12. Rent Receivable**

Rent Receivable means the money paid or payable to the Named Insured for accommodation and services provided in respect of the letting of the Business Premises shown in the Schedule including any additional rent which would have been received as a result of an increase in rent following a rent review

**13. Standard Rent Receivable**

Standard Rent Receivable means the Rent Receivable during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period (adjusted where the Indemnity Period exceeds twelve months) to which such adjustment shall be made as may be necessary to provide for the trend of the Business and for variations in or other special circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figure thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

**14. Standard Revenue**

Standard Revenue means the Gross Revenue during the period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period (proportionately increased where the Indemnity Period exceeds twelve months) to which such adjustment shall be made as may be necessary to provide for the trend of the Business and for variations in or other special circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figure thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

**15. Standard Turnover**

Standard Turnover means the Turnover during the period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period (proportionately increased where the Indemnity Period exceeds twelve months) to which such adjustment shall be made as may be necessary to provide for the trend of the Business and for variations in or other special circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figure thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

**16. Turnover**

Turnover means the money paid or payable to the Named Insured for goods sold and delivered and for services rendered in the course of the Business at the Business Premises

**17. Uninsured Working Expenses**

Uninsured Working Expenses means packing carriage and freight bad debts purchases less discounts and discounts allowed

The words and expressions used in this definition shall have the meanings usually attached to them in the books and accounts of the Named Insured

**Cover**

If any building or other property or part thereof used by the Named Insured at the Business Premises be the subject of Damage during the Period of Insurance and in consequence the Business at any Business Premises be interrupted or interfered with then the Company will pay to the Named Insured the amount of loss resulting from such interruption or interference in respect of each item in the Schedule in accordance with the Basis of Settlement identified by the Basis of Settlement Code shown against the item in the Schedule

Provided that

1. at the time of the happening of the Damage there shall be in force an insurance covering the interest of the Named Insured in the property at the Business Premises (or elsewhere where loss as insured hereunder is so extended to apply in respect of property belonging to the Named Insured or for which they are legally responsible) against such Damage and that
  - (a) payment shall have been made or liability admitted therefor
  - (b) payment would have been made or liability admitted therefor but for the operation of a proviso in such insurance excluding liability for losses below a specified amount
2. the Company's liability under this Business Interruption Section in respect of any item shall be limited to
  - (a) its Sum Insured or Limit of Liability or any other applicable limit stated in the Schedule or elsewhere in the Policy at the time of the Damage
  - (b) its Sum Insured or Limit of Liability or any other applicable limit remaining after deduction for any other loss destruction or interference consequent upon Damage occurring during the same Period of Insurance unless the Company shall have agreed to reinstate any such Sum Insured or Limit of Liability or other applicable limit or where otherwise stated as applying in respect of any one Event
3. where the insurance covering the interest of the Named Insured in the property against such Damage is not under this Policy but under another insurance then all conditions that apply to the Property Damage Section of this Policy will also apply to the Business Interruption Section

**Memoranda****1. Opening and Closing Stock**

The amounts of the opening and closing stock and work in progress shall be arrived at in accordance with the Named Insured's normal accountancy methods due provision being made for depreciation

**2. Accountants**

Any particulars or details in the Named Insured's books of account or other business books or documents which may be required by the Company under General Condition – Claims (Duties owed by the Insured) for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Named Insured and their report shall be prima facie evidence of the particulars and details to which such report relates

The Company will pay to the Named Insured the reasonable charges payable by the Named Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the Company under the terms of General Condition – Claims (Duties owed by the Insured) and reporting that such particulars or details are in accordance with the Named Insured's books of account or other business books or documents

Provided that the Company's liability for charges payable under this Memoranda when aggregated with any amount otherwise payable under the Section shall be limited to the applicable Sum Insured or Limit of Liability or other applicable limit

**3. Automatic Reinstatement**

In the absence of written notice by the Company or the Named Insured to the contrary within 30 days of notification of any loss then in consideration of the insurance not being reduced by the amount of such loss the Named Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the expiry of the Period of Insurance

**4. Current Cost Accounting**

For the purpose of this Business Interruption Section any adjustment implemented in current cost accounting shall be disregarded

**5. Value Added Tax**

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

**6. Alternative Trading**

If goods be sold or services rendered during the Indemnity Period elsewhere than at the Business Premises for the benefit of the Business either by the Named Insured or by others on the Named Insured's behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover or Rent Receivable or Gross Revenue (as insured) during the Indemnity Period

**7. Payments on Account**

Any claim settlement payments will be made to the Named Insured monthly during the Indemnity Period if desired

**8. Accumulated stock**

In adjusting any loss account shall be taken and an equitable allowance made if any shortage in Turnover due to Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods on the Named Insured's Business Premises

**9. Salvage Sale (applicable only to Basis of Settlement Code GP or DLGP or GPFL)**

If following Damage giving rise to a claim under this Business Interruption Section the Named Insured shall hold a salvage sale during the Indemnity Period clause (b) of the applicable Basis of Settlement item "Reduction in Turnover" shall for the purpose of such claim read as follows

(b) **Reduction in Turnover** for which the amount payable as indemnity hereunder shall be the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall in consequence of the Damage fall short of the Standard Turnover from which sum shall be deducted the Gross Profit actually earned during the period of the salvage sale

**10. Programs and Data**

The Named Insured shall

- (a) take all reasonable precautions to prevent accidental loss distortion corruption or erasure of Programs or Data
- (b) in respect of Programs maintain a backup copy of the current version at a location other than the respective Business Premises where the Media on which the Programs are recorded is situate
- (c) in respect of Data maintain a weekly full system backup of Data at a location other than the respective Business Premises where the Media on which the Data is recorded is situate

**11. Subrogation Waiver**

In the event of a claim arising under this Business Interruption Section the Company agrees to waive any rights remedies or relief to which the Company might become entitled by subrogation against any company

- (a) standing in the relation of parent to subsidiary to the Named Insured
- (b) standing in the relation of subsidiary to parent to the Named Insured
- (c) which is a subsidiary of a parent company of which the Named Insured is a subsidiary

in each case as defined by current legislation

**12. Uninsured Standing Charges (applicable only to Basis of Settlement Code GP or DLGP or GPFL)**

If any standing charges of the Business are not insured by this Business Interruption Section (having been deducted in arriving at the Gross Profit as



defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of any additional expenditure shall be brought into account which the sum of the Gross Profit bears to the sum of the Gross Profit and the uninsured standing charges

**13. Unoccupancy**

The Named Insured shall notify the Company in writing as soon as is reasonable when any building or part thereof at the Business Premises becomes unoccupied for more than thirty consecutive days and shall pay or agree to pay additional premium if required by the Company Further the Named Insured shall notify the Company when an unoccupied building or part thereof becomes occupied

**14. Explosion**

In respect of any vessel machinery or apparatus or its contents belonging to or in the custody or control of the Named Insured for which the Named Insured is responsible cover against destruction or damage thereto caused by an explosion originating therein is subject to a policy or other contract providing an inspection service that complies with the statutory regulations applying in respect of such vessel machinery or apparatus

**15. Departmental Clause (applicable only to Basis of Settlement Code GP or DLGP or GPFLL)**

If the Business is conducted in departments the independent trading results of which are ascertainable the provisions of clauses (a) and (b) of the item on Gross Profit shall apply separately to each department affected by the Damage except that if the Sum Insured by the said item is less than the aggregate of the sums produced by applying the Rate of Gross Profit for each department of the Business (whether affected by the Damage or not) to its relative Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced



## Basis of Settlement - Gross Profit: Code GP

The insurance under this item is limited to loss of Gross Profit due to

- (a) **Reduction in Turnover** for which the amount payable as indemnity hereunder shall be 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 Damage fall short of the Standard Turnover

and

- (b) **Increase in Cost of Working** for which the amount payable as indemnity hereunder shall be 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 Damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage

Provided always that if the Sum Insured by this item shall be less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionally reduced

### Additional Memoranda

#### Return of Premium

In the event the Gross Profit (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) during the accounting period of twelve months most nearly concurrent with any Period of Insurance is less than the Sum Insured a pro-rata return of premium not exceeding 50% of the premium paid on the Sum Insured for such Period of Insurance will be made in respect of the difference. If any Damage shall have occurred giving rise to a claim under this Item such return shall be made in respect only of so much of this difference as is not due to the Damage



## Basis of Settlement - Declaration Linked Gross Profit: Code DLGP

The insurance under this item is limited to loss of Gross Profit due to

- (a) **Reduction in Turnover** for which the amount payable as indemnity hereunder shall be 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 Damage fall short of the Standard Turnover

and

- (b) **Increase in Cost of Working** for which the amount payable as indemnity hereunder shall be 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 Damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage

### Limit of Liability

The maximum amount payable under this item in respect of Gross Profit is limited to 133.33% of the Estimated Gross Profit

### Special Definition

#### Estimated Gross Profit

Estimated Gross Profit means the amount declared by the Named Insured to the Company as representing not less than the Gross Profit which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months)

### Additional Memoranda

#### Renewal

The Insured shall prior to each renewal furnish the Insurer with the Estimated Gross Profit for the financial year most nearly concurrent with the ensuing year of insurance

#### Premium Adjustment

The First and Renewal Premiums in respect of Insured Items are provisional and are based on the Estimated Gross Profit for the financial year most nearly concurrent with the Period of Insurance

The Insured shall furnish to the Company not later than six months after the expiry of each Period of Insurance a declaration confirmed by the Insured's auditors of the Gross Profit earned during the financial year most nearly concurrent with the Period of Insurance

If any Damage shall have occurred giving rise to a claim for loss of Gross Profit the above-mentioned declaration shall be increased by the Company for the purpose of the premium adjustment by the amount by which the Gross Profit was reduced during the financial year solely in consequence of the Damage

If the declaration (adjusted as provided for above and proportionately increased where the Indemnity Period exceeds twelve months)

- (a) is less than the Estimated Gross Profit for the relative Period of Insurance the Company will allow a pro rata return of the premium paid on the Estimated Gross Profit but not exceeding 50% of such premium
- (b) is greater than the Estimated Gross Profit for the relative Period of Insurance the Insured shall pay a pro rata addition to the premium paid on the Estimated Gross Profit



**Basis of Settlement - Gross Profit: Flexible  
Limit of Loss: Code GPFL**

The insurance under this item is limited to loss of Gross Profit due to

- (a) **Reduction in Turnover** for which the amount payable as indemnity hereunder shall be 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 Damage fall short of the Standard Turnover

and

- (b) **Increase in Cost of Working** for which the amount payable as indemnity hereunder shall be 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 Damage

less any sum saved during the Indemnity Period in respect of the charges and the expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage



**Basis of Settlement - Additional Increase in  
Cost of Working: Gross Profit: Code AICWGP**

The insurance under this item is limited to

**Additional Increase in Cost of Working** for which the amount payable as indemnity hereunder shall be such additional expenditure beyond that recoverable under clause (b) "Increase in Cost of Working" of the appropriate Basis of Settlement applicable to that item shown in the Schedule as the Insured shall necessarily and reasonably incur during the Indemnity Period in consequence of the Damage for the purpose of avoiding or diminishing the reduction in Turnover



**Basis of Settlement - Gross Revenue:  
Code GR**

The insurance under this item is limited to

- (a) **Loss of Gross Revenue** for which the amount payable as indemnity hereunder shall be the amount by which the Gross Revenue during the Indemnity Period shall in consequence of the Damage fall short of the Standard Revenue

and

- (b) **Increase in Cost of Working** for which the amount payable as indemnity hereunder shall be the additional expenditure necessarily and reasonably incurred by the Named Insured for the sole purpose of avoiding or diminishing the loss of Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Gross Revenue thereby avoided

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of Gross Revenue as may cease or be reduced in consequence of the Damage

Provided that if the Sum Insured by this item shall be less than the Annual Revenue (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced

**Additional Memoranda**

**Return of Premium**

In the event the Gross Revenue (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) during the accounting period of twelve months most nearly concurrent with any Period of Insurance is less than the Sum Insured a pro-rata return of premium not exceeding 50% of the premium paid on the Sum Insured for such Period of Insurance will be made in respect of the difference If any Damage shall have occurred giving rise to a claim under this Item such return shall be made in respect only of so much of this difference as is not due to the Damage



## Basis of Settlement - Declaration Linked Gross Revenue: Code DLGR

The insurance under this item is limited to

- (a) **Loss of Gross Revenue** for which the amount payable as indemnity hereunder shall be the amount by which the Gross Revenue during the Indemnity Period shall in consequence of the Damage fall short of the Standard Revenue

and

- (b) **Increase in Cost of Working** for which the amount payable as indemnity hereunder shall be the additional expenditure necessarily and reasonably incurred by the Named Insured for the sole purpose of avoiding or diminishing the loss of Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Gross Revenue thereby avoided

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of Gross Revenue as may cease or be reduced in consequence of the Damage

### Limit of Liability

The maximum amount payable under this item is limited to 133.33% of the Estimated Gross Revenue stated herein

### Special Definition

#### Estimated Gross Revenue

Estimated Gross Revenue means the amount declared by the Named Insured to the Company as representing not less than the Gross Revenue which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Indemnity Period exceeds twelve months)

### Additional Memoranda

#### Renewal

The Insured shall prior to each renewal furnish the Insurer with the Estimated Gross Revenue for the financial year most nearly concurrent with the ensuing year of insurance

#### Premium Adjustment

The First and Renewal Premiums in respect of insured items are provisional and are based on the Estimated Gross Revenue for the financial year most nearly concurrent with the Period of Insurance

The Insured shall furnish to the Company not later than six months after the expiry of each Period of Insurance a declaration confirmed by the Insured's auditors of the Gross Revenue earned during the financial year most nearly concurrent with the Period of Insurance

If any Damage shall have occurred giving rise to a claim for loss of Gross Revenue the above-mentioned declaration

shall be increased by the Company for the purpose of the premium adjustment by the amount by which the Gross Revenue was reduced during the financial year solely in consequence of the Damage

If the declaration (adjusted as provided for above and proportionately increased where the maximum Indemnity Period exceeds twelve months)

- (a) is less than the Estimated Gross Revenue for the relative Period of Insurance the Company will allow a pro rata return of the premium paid on the Estimated Gross Revenue but not exceeding 50% of such premium
- (b) is greater than the Estimated Gross Revenue for the relative Period of Insurance the Insured shall pay a pro rata addition to the premium paid on the Estimated Gross Revenue



**Basis of Settlement - Gross Revenue: Flexible  
Limit of Loss: Code GRFLL**

The insurance under this item is limited to

- (a) **Loss of Gross Revenue** for which the amount payable as indemnity hereunder shall be the amount by which the Gross Revenue during the Indemnity Period shall in consequence of the Damage fall short of the Standard Revenue

and

- (b) **Increase in Cost of Working** for which the amount payable as indemnity hereunder shall be the additional expenditure necessarily and reasonably incurred by the Named Insured for the sole purpose of avoiding or diminishing the loss of Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of Gross Revenue as may cease or be reduced in consequence of the Damage





**Basis of Settlement - Additional Increase  
In Cost of Working: Gross Revenue: Code  
AICWGR**

The insurance under this item is limited to

**Additional Increase in Cost of Working** for which the amount payable as indemnity hereunder shall be such additional expenditure beyond that recoverable under clause (b) "Increase in Cost of Working" of the appropriate Basis of Settlement applicable to that item shown in the Schedule as the Insured shall necessarily and reasonably incur during the Indemnity Period in consequence of the Damage for the purpose of avoiding or diminishing the Loss of Gross Revenue



**Basis of Settlement - Rent Receivable:  
Code RR**

The insurance under this item is limited to

- (a) **Loss of Rent Receivable** for which the amount payable as indemnity hereunder shall be the amount by which the Rent Receivable during the Indemnity Period shall in consequence of the Damage fall short of the Standard Rent Receivable

and

- (b) **Increase in Cost of Working** for which the amount payable as indemnity hereunder shall be the additional expenditure necessarily and reasonably incurred by the Named Insured 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 Damage but not exceeding the amount of the reduction in Rent Receivable thereby avoided

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of the Rent Receivable as may cease or be reduced in consequence of the Damage

Provided that if the Sum Insured by this item shall be less than the Annual Rent Receivable (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced

**Additional Memoranda**

**Return of Premium**

In the event the Rent Receivable (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) during the accounting period of twelve months most nearly concurrent with any Period of Insurance is less than the Sum Insured a pro-rata return of premium not exceeding 50% of the premium paid on the Sum Insured for such Period of Insurance will be made in respect of the difference If any Damage shall have occurred giving rise to a claim under this Item such return shall be made in respect only of so much of this difference as is not due to the Damage



## Basis of Settlement - Declaration Linked Rent Receivable: Code DLRR

The insurance under this item is limited to

- (a) **Loss of Rent Receivable** for which the amount payable as indemnity hereunder shall be the amount by which the Rent Receivable during the Indemnity Period shall in consequence of the Damage fall short of the Standard Rent Receivable

and

- (b) **Increase in Cost of Working** for which the amount payable as indemnity hereunder shall be the additional expenditure necessarily and reasonably incurred by the Named Insured 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 Damage but not exceeding the amount of the reduction in Rent Receivable thereby avoided

less any sum saved during the Indemnity Period in respect of the charges and expenses of the Business payable out of the Rent Receivable as may cease or be reduced in consequence of the Damage

### Limit of Liability

The maximum amount payable under this item in respect of Loss of Rent Receivable is limited to 133.33% of the Estimated Rent Receivable stated herein

### Special Definition

#### Estimated Rent Receivable

Estimated Rent Receivable means the amount declared by the Named Insured to the Company as representing not less than the Rent Receivable which it is anticipated will be received by the Named Insured during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds 12 months)

### Additional Memoranda

#### Renewal

The Named Insured shall prior to each renewal furnish the Insurer with the Estimated Rent Receivable for the financial year most nearly concurrent with the ensuing year of insurance

#### Premium Adjustment

The First and Renewal Premiums in respect of insured items are provisional and are based on the Estimated Rent Receivable for the financial year most nearly concurrent with the Period of Insurance

The Insured shall furnish to the Company not later than six months after the expiry of the each Period of Insurance a declaration confirmed by the Insured's auditors of the Rent Received during the financial year most nearly concurrent with the Period of Insurance

If any Damage shall have occurred giving rise to a claim for loss of Rent Receivable the above-mentioned declaration shall be increased by the Company for the purpose of the premium adjustment by the amount by which the Rent Receivable was reduced during the financial year solely in consequence of the Damage

If the declaration (adjusted as provided for above and proportionately increased where the maximum Indemnity Period exceeds twelve months)

- (a) is less than the Estimated Rent Receivable for the relative Period of Insurance the Company will allow a pro rata return of the premium paid on the Estimated Rent Receivable but not exceeding 50% of such premium
- (b) is greater than the Estimated Rent Receivable for the relative Period of Insurance the Insured shall pay a pro rata addition to the premium paid on the Estimated Rent Receivable



## Basis of Settlement - Research and Development Expenditure: Code RDE

The insurance under this item is limited to

- (a) **Research and Development Expenditure** for which the amount payable as indemnity hereunder shall be for each working week in the Indemnity Period during which the activities of the Business are in consequence of the Damage
- (i) **Totally Interrupted** or totally given over to the re-working of projects affected by the damage the Insured Amount per week
- (ii) **Partially Interrupted** or partially given over to the re-working of projects affected by the Damage an equitable portion of the Insured Amount per week based upon the time rendered ineffective by reason of the Damage

and

- (b) **Increase in Cost of Working** for which the amount payable as indemnity hereunder shall be the additional expenditure reasonably and necessarily incurred by the Named Insured solely in consequence of the Damage in order to minimise the interruption but not exceeding the additional amount that would have been payable under (a) for **Research and Development Expenditure** if no such **Increase in Cost of Working** had been incurred

less any sum saved during the **Indemnity Period** in respect of such research and development expenses as may cease or be reduced in consequence of the Damage

provided that if the Sum Insured by this item shall be less than the **Annual Research and Development Expenditure** (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced

### Special Definitions

#### **Annual Research and Development Expenditure**

Annual Research and Development Expenditure means the aggregate amount of the Research and Development Expenditure incurred during the twelve months immediately before the date of the Damage to which such adjustment shall be made as may be necessary to provide for the trend of the Business and for variations in or other special circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figure thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

#### **Insured Amount Per Week**

Insured Amount Per Week means one fiftieth part of the Research and Development Expenditure incurred during

the financial year immediately before the date of the Damage to which such adjustment shall be made as may be necessary to provide for the trend of the Business and for variations in or other special circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred so that the figure thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage

#### **Research and Development Expenditure**

Research and Development Expenditure means the total expenditure on research by the Named Insured at the Business Premises less the relative cost of raw materials consumed

#### **Additional Memorandum**

#### **Return of Premium**

In the event the Research & Development Expenditure (or a proportionately increased multiple thereof where the maximum Indemnity Period exceeds twelve months) during the accounting period of twelve months most nearly concurrent with any Period of Insurance is less than the Sum Insured a pro rata return of premium not exceeding 50% of the premium paid on the Sum Insured for such Period of Insurance will be made in respect of the difference. If any Damage shall have occurred giving rise to a claim under this Business Interruption Section such return shall be made in respect only of so much of this difference as is not due to the Damage



**Basis of Settlement - Increase in Cost of Working: Code ICW**

The insurance under this item is limited to

**Increase in Cost of Working** for which the amount payable as indemnity hereunder shall be the additional expenditure necessarily and reasonably incurred by the Named Insured for the sole purpose of avoiding or diminishing the interruption of or interference with the Business which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage Additional expenditure includes the cost of removal to and from temporary premises and expenses incidental thereto increase in rent rates and taxes salaries of additional staff and overtime payments

The Company's liability shall not exceed in respect of the first three months of the Indemnity Period one half of the Sum Insured and for each of the succeeding months within the Indemnity Period one equal pro rata part of the balance after deducting the amount payable in respect of the first three months

## Extensions

The following extensions are operative only where stated as “applicable” in the Schedule and are subject otherwise to the terms of the Business Interruption Section and the General Definitions Conditions and Exclusions

Provided that the limit of the Company's liability under

- (i) each extension except extension 10 in respect of any one Event
- (ii) extension 10 in any one Period of Insurance

shall not exceed

- (a) the percentage of the total of the Sums Insured by each applicable insured item (or 133.33% of the Estimated Sums Insured if the basis of settlement is Declaration Linked)

or

- (b) the amount

as specified in the Schedule

### 1. Prevention of Access

The insurance provided by this Business Interruption Section extends to cover loss resulting from interruption to or interference with the Business in consequence of Damage to the surrounding areas or property within 1 kilometre of the Business Premises which shall prevent or hinder the use thereof or access thereto whether the Business Premises or property of the Named Insured shall be damaged or not but excluding Damage to property of any supply undertaking from which the Named Insured obtains electricity gas or water or telecommunications services which prevents or hinders the supply of such services to the Business Premises

### 2. Public Utilities - Electricity

The insurance provided by this Business Interruption Section extends to cover loss resulting from interruption to or interference with the Business in consequence of Damage to property at any generating station or sub-station of the public electricity supply undertaking from which the Named Insured obtains electricity

### 3. Public Utilities - Gas

The insurance provided by this Business Interruption Section extends to cover loss resulting from interruption to or interference with the Business in consequence of Damage to property at any land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith from which the Named Insured obtains gas

### 4. Public Utilities - Telecommunication

The insurance provided by this Business Interruption Section extends to cover loss resulting from interruption to or interference with the Business in consequence of Damage to property at any land based premises of any public telecommunications

undertaking from which the Named Insured obtains telecommunications services

### 5. Public Utilities - Water

The insurance provided by this Business Interruption Section extends to cover loss resulting from interruption to or interference with the Business in consequence of Damage to property at any water works or pumping station of the public water supply undertaking from which the Named Insured obtains water

### 6. Specified Suppliers

The insurance provided by this Business Interruption Section extends to cover loss resulting from interruption to or interference with the Business in consequence of Damage to property at any premises of the Named Insured's suppliers specified in the Schedule

### 7. Specified Customers

The insurance provided by this Business Interruption Section extends to cover loss resulting from interruption to or interference with the Business in consequence of Damage to property at any premises of the Named Insured's customers specified in the Schedule

### 8. Unspecified Suppliers

The insurance provided by this Business Interruption Section extends to cover loss resulting from interruption to or interference with the Business in consequence of Damage to property at any premises of the Named Insured's suppliers anywhere in Great Britain Northern Ireland the Isle of Man or the Channel Islands

### 9. Unspecified Customers

The insurance provided by this Business Interruption Section extends to cover loss resulting from interruption to or interference with the Business in consequence of Damage to property at any premises of the Named Insured's customers anywhere in Great Britain Northern Ireland the Isle of Man or the Channel Islands

### 10. Infectious Diseases etc

The insurance provided by this Business Interruption Section extends to cover loss directly resulting from interruption to or interference with the Business in consequence of

- 1. Infectious Disease manifested by any person whilst at the Business Premises which results in closure of the whole or part of the Business Premises by the order of an appropriate competent authority
- 2. an outbreak of an Infectious Disease within 10 miles of the Business Premises
- 3. an outbreak of legionella species at the Business Premises which results in closure of the whole or part of the Business Premises by the order of an appropriate competent authority

4. murder manslaughter or suicide occurring at the Business Premises which results in closure of the whole or part of the Business Premises by the order of an appropriate competent authority
5. bodily injury occurring at the Business Premises which results in closure of the whole or part of the Business Premises by the order of an appropriate competent authority
6. closure of the whole or part of the Business Premises by the order of an appropriate competent authority as a result of
  - (a) defects in the drains or other sanitary arrangements at the Business Premises
  - (b) the Business Premises becoming infested with vermin or pests
7. food or drink poisoning attributable to food or drink supplied at or from the Business Premises

Provided that Memoranda – Automatic Reinstatement shall not apply to this extension

#### Extension Definitions

In this extension the following terms shall have the following meanings If a term below is also defined in the General Definitions the definition below replaces the General Definition for purposes of this extension

#### Infectious Disease

Infectious Disease means

- |   |  |
|---|--|
| (i) Food or Drink poisoning   |  |
| (ii) Cholera<br>Plague<br>Relapsing fever<br>Smallpox<br>Typhus   |  |
| (iii) Acute encephalitis<br>Acute poliomyelitis<br>Anthrax<br>Chicken Pox<br>Diphtheria<br>Dysentery (amoebic or bacillary)<br>Haemolytic Uraemic Syndrome (HUS)<br>Infectious bloody diarrhoea<br>Invasive Group A streptococcal disease (GAS)<br>Leprosy<br>Leptospirosis<br>Malaria<br>Measles | Meningitis<br>Meningococcal septicaemia (without meningitis)<br>Mumps<br>Ophthalmia neonatorum<br>Paratyphoid fever<br>Rabies<br>Rubella<br>Scarlet fever<br>Tetanus<br>Tuberculosis<br>Typhoid fever<br>Viral haemorrhagic fever<br>Viral hepatitis<br>Whooping cough<br>Yellow fever |

#### Indemnity Period

Indemnity Period means the period during which the results of the Business shall be affected in

consequence of the matters set out at 1 to 7 above beginning

- (i) in the case of 2 and 7 above with the occurrence or discovery of the incident
- (ii) in the case of 1 3 4 5 and 6 above with the date from which the restrictions on the Business Premises are applied

and ending not later than three months thereafter

#### 11. Transit

The insurance provided by this Business Interruption Section extends to cover loss resulting from interruption to or interference with the Business in consequence of Damage to property of the Named Insured whilst In Transit by road rail or inland waterway in Great Britain Northern Ireland the Isle of Man or the Channel Islands provided that no liability shall attach in respect of any loss arising from delay or loss of use of the conveying road or rail vehicle or waterborne craft

#### 12. Contract Sites

The insurance provided by this Business Interruption Section extends to cover loss resulting from interruption to or interference with the Business in consequence of Damage to property of the Named Insured at any situation in Great Britain Northern Ireland the Isle of Man or the Channel Islands not in the occupation of the Named Insured where the Named Insured is carrying out a contract

#### 13. Property Stored

The insurance provided by this Business Interruption Section extends to cover loss resulting from interruption to or interference with the Business in consequence of Damage to property of the Named Insured whilst stored anywhere in Great Britain Northern Ireland the Isle of Man or the Channel Islands elsewhere than any premises in the occupation of the Named Insured

#### 14. Loss of Attraction

The Insurance provided by this Business Interruption Section extends to cover loss resulting from interruption to or interference with the Business in consequence of Damage to property within 1 kilometre of the Business Premises which causes loss of customers to the named Insured directly due to loss of amenities in the immediate vicinity of the Business Premises whether the Business Premises or the property of the Named Insured therein is damaged or not

#### 15. Exhibition Sites

The insurance provided by this Business Interruption Section extends to cover loss resulting from interruption to or interference with the Business in consequence of Damage to property of the Named Insured whilst at any situation not in the occupation of the Named Insured where the Named Insured is exhibiting its goods for sale

**16. Exhibition Loss of Expenses**

The insurance provided by this Business Interruption Section extends to cover Exhibition Loss of Expenses sustained by the Named Insured in consequence of Damage to

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

at which the Named Insured is exhibiting at any time before the advertised public closing time of the exhibition and the exhibition being abandoned or interfered with in consequence thereof

As used in this extension

Exhibition Loss of Expenses means expenses directly incurred in connection with the exhibition including advertising printing stationery charges for space and services hire of stand transport charges and the cost of installing stands fittings and exhibits

**17. Fines and Damages**

The insurance provided by this Business Interruption Section extends to cover fines and damages for breach of contract that the Named Insured shall be legally liable to pay for non-completion or late compliance of orders solely in consequence of Damage at the Business Premises

**18. Bomb (Hoax or Actual)**

The insurance provided by this Business Interruption Section extends to cover loss resulting from interruption to or interference with the Business directly in consequence of the actual or suspected presence of an incendiary or explosive device

- (A) within the Business Premises
- (B) or within five kilometres of the Business Premises

which shall prevent or hinder the use of the Business Premises or access thereto

Provided that

- (a) the liability of the Company shall be limited to providing indemnity in respect of interruption or interference during
  - (i) in respect of (A) above the actual period of closure of the Business Premises
  - (ii) in respect of (B) above the actual period for which the use of the Business Premises is prevented or hindered or access denied

- (b) closure of the Business Premises or surrounding area is made at the request of the appropriate competent authority
- (c) loss resulting from interruption to or interference with the Business not exceeding two hours in duration is excluded
- (d) loss resulting from interruption to or interference with the Business in consequence of any Damage caused by the device (as opposed to its presence or suspected presence) is excluded





## Optional Extension - Outstanding Debit Balances

The following extension is only operative if it appears on the Business Interruption Section Schedule with a sum insured and is subject otherwise to the terms of the Business Interruption Section and the General Definitions Conditions and Exclusions

The insurance provided by this Business Interruption Section extends to cover untraceable or unestablishable Outstanding Debit Balances in whole or in part due to the Named Insured as a result of the Named Insured's books of account or other business books or records being the subject of Damage as insured by this Business Interruption Section

Subject to the Sum Insured specified in the Schedule in respect of any one Event in respect of Outstanding Debit Balances directly due to such Damage the Company will pay to the Named Insured

- (i) the difference between
  - (a) the Outstanding Debit Balances and
  - (b) the total of the amounts received or traced in respect thereof
- (ii) the additional expenditure incurred with the previous consent of the Company in tracing and establishing customers' debit balances after the Damage

provided that if the Sum Insured by this item be less than the Outstanding Debit Balances the amount payable shall be proportionately reduced

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

As used in this extension

Outstanding Debit Balances means the total declared in the statement last given in accordance with the provisions of the Note below adjusted for

- (a) bad debts
- (b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of Damage) to customers' accounts in the period between the date to which said last statement relates and the date of the Damage
- (c) any abnormal condition of trade which had or could have had a material effect on the business

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

## Note

The Named Insured shall within thirty days of the end of each month prepare and retain a signed statement showing the total amount outstanding in customers' accounts as set out in the Named Insured's accounts as at the end of the said month

On the expiry of the Period of Insurance the actual premium shall be calculated at the rate per cent per annum on the average amount insured i.e. the total of the sums declared divided by the number of declarations If the actual premium shall be less than the premium paid for this cover the difference shall be repaid to the Named Insured but such repayment shall not exceed 50% of the said paid premium

If the amount of a declaration exceeds the sum insured applicable at the date of such declaration then for the purposes of this note only the Named Insured shall be deemed to have declared such a sum insured

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

The burden of proving that any Outstanding Debit Balances are untraceable or unestablishable as a result of Damage shall be upon the Named Insured

## Exclusions

The insurance provided under this Business Interruption Section does not cover loss resulting from interruption to or interference with the Business

1. if after the commencement of this insurance
  - (a) the Business is wound up or permanently discontinued or the Named Insured becomes bankrupt or the Business is carried on by a liquidator
  - (b) the interest of the Named Insured ceases other than by death
2. in consequence of Damage in respect of vehicles requiring a licence for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
3. in consequence of loss distortion corruption or erasure of Programs or Data recorded on Media unless such loss distortion corruption or erasure of Programs or Data itself results from other insured Damage to property used by the Named Insured and is not otherwise excluded
4. in consequence of Damage caused by or consisting of breakdown or derangement of Computer and Telecommunication Equipment Media and Ancillary Equipment but this shall not apply to
  - (a) such Damage which itself results from another cause and is not otherwise excluded
  - (b) subsequent Damage which itself results from a cause not otherwise excluded
5. in consequence of Damage caused by the deliberate act of a supply undertaking in withholding the supply of water gas electricity fuel or telecommunication services but this shall not apply to
  - (a) such Damage which itself results from another cause and is not otherwise excluded
  - (b) subsequent Damage which itself results from a cause not otherwise excluded
6. in consequence of Damage directly or indirectly caused by or consisting of the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Named Insured or not
  - (a) correctly to recognise any date as its true calendar date
  - (b) to capture save retain or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
  - (c) to capture save retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date
7. in consequence of Damage caused by or resulting from an attack which allows unauthorised access or use of a computer or telecommunications system by electronically circumventing a security system and procedure or a Computer Virus but this shall not apply to Damage not otherwise excluded which itself results from fire explosion escape of water from any tank apparatus or pipe
8. in consequence of Damage in respect of
  - (a) Money
  - (b) property In Transit unless specifically mentioned as insured by this Business Interruption Section
9. in consequence of Damage caused by or consisting of
  - (a) inherent vice latent defect gradual deterioration wear and tear frost change in water table level its own faulty or defective design or materials
  - (b) the bursting by steam pressure of any vessel machine or apparatus (not being a boiler or economiser on the Business Premises or a boiler used for domestic purposes only) in which internal pressure is due to steam only and belonging to or under the control of the Named Insured
  - (c) faulty or defective workmanship operational error or omission on the part of the Named Insured or any Employee
  - (d) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
10. (a) in consequence of Damage caused by or consisting of
  - (i) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin insects humidity contamination or action of light
  - (ii) change in temperature colour flavour texture or finish

- (iii) erasure or distortion of information on computer systems or other records due to the presence of a magnetic flux
- (iv) the freezing solidification or inadvertent escape of molten material

but this shall not apply to

- A. such Damage as described in paragraphs (i) to (iv) above which itself results from another cause not otherwise excluded
  - B. subsequent Damage which itself results from a cause not otherwise excluded
- (b) in consequence of Damage consisting of breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates but this shall not apply to
- (i) such Damage as described which itself results from another cause not otherwise excluded
  - (ii) subsequent breakdown or derangement to surrounding property not forming part of the same machine apparatus or equipment
  - (iii) other subsequent Damage which itself results from a cause not otherwise excluded
- (c) in consequence of Damage consisting of joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith but this shall not apply to
- (i) such Damage as described which itself results from another cause not otherwise excluded
  - (ii) other subsequent Damage which itself results from a cause not otherwise excluded
11. in consequence of Damage caused by theft or attempted theft of property from the Business Premises unless
- (a) caused by theft or attempted theft of the property from within the buildings at the Business Premises where accompanied by forcible and violent entry to or exit from the buildings or by violence to persons or threat of violence to persons
  - (b) in respect of forcible and violent theft or attempted theft of an external part of the building or anything attached to it provided that this paragraph (b) of exclusion 11 shall not apply in respect of any building that has scaffolding erected to the outside of the building at the time of the Damage occurring

and provided that the Business Premises have not been unoccupied for a period of more than thirty consecutive days

This exclusion shall not apply to subsequent Damage which itself results from a cause not otherwise excluded

12. in consequence of Damage to property of the Named Insured
- (a) away from the Business Premises caused by theft or attempted theft of the property
    - (i) from or on an unattended vehicle or trailer during Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the property was placed in the boot or similar luggage compartment of the vehicle and effectively concealed from sight and the boot or compartment was securely closed and locked
    - (ii) from or on an unattended vehicle or trailer out of Working Hours unless all doors windows and other means of access were secured and locked and alarm (if any) activated and in respect of an unattended vehicle the property was placed in the boot or similar luggage compartment of the vehicle and effectively concealed from sight and the boot or compartment were securely closed and locked and such vehicle or trailer was garaged in a securely closed and locked building or compound
    - (iii) from or on an unattended soft topped open topped or open sided vehicle or trailer unless also involving theft of the vehicle or trailer
    - (iv) where property is otherwise left unattended unless contained in a locked building of substantial construction or in a secure locked room

As used in this provision unattended means that the Named Insured or any person to whom the Named Insured has entrusted the care custody and control of the property is unable to exercise control over or otherwise unable to influence events affecting the property

- (b) in or on soft topped open topped or open sided vehicles or trailers if caused by
  - (i) storm tempest water hail frost or snow
  - (ii) malicious persons when the vehicle or trailer is left unattended out of Working Hours

13. in consequence of Damage caused by pollution or contamination but this shall not apply to Damage not otherwise excluded caused by
  - (a) pollution or contamination which itself results from a Defined Peril
  - (b) a Defined Peril which itself results from pollution or contamination
14. in consequence of Damage caused by or consisting of
  - (a) subsidence ground heave or landslip unless resulting from fire explosion earthquake or the escape of water from any tank apparatus or pipe
  - (b) normal settlement or bedding down of new structures
  - (c) dishonesty fraudulent action trick device or other false pretence by any Employee partner or director of the Named Insured whether acting alone or in collusion with others
  - (d) disappearance unexplained or inventory shortage misfiling or misplacing of information
15. in consequence of Damage to buildings or structures thereat caused by their own collapse or cracking unless resulting from a Defined Peril
16. in consequence of Damage by wind rain hail sleet snow flood or dust to moveable property in the open or fences or gates
17. in consequence of Damage to that part of the property
  - (a) caused by fire resulting from its undergoing any heating process or any process involving the application of heat
  - (b) resulting from its undergoing any process of production packing treatment commissioning servicing or repair
18. in consequence of Damage in respect of any building or any property within such building at the Business Premises which is unoccupied for a period of more than thirty consecutive days other than Damage caused by fire lightning explosion aircraft or other aerial devices or articles dropped therefrom subject to the following Special Condition

**Special Condition**

The Named Insured shall ensure that

- (a) such unoccupied buildings are secured against illegal entry and all external doors and accessible external windows shall be fitted with good quality locks
- (b) all services other than limited services required for security guards fire and intruder alarms shall be disconnected unless otherwise agreed by the Company in writing

- (c) all letter boxes shall be sealed to prevent insertion of material
  - (d) perimeter fences walls and gates shall be kept complete and maintained
  - (e) such unoccupied buildings shall be kept clear both internally and externally of combustible materials and not be used for storage
  - (f) vegetation surrounding such unoccupied buildings shall be kept down
  - (g) the Business Premises shall be inspected thoroughly internally and externally at least once every seven days (or at a frequency agreed by the Company in writing) by the Named Insured or a responsible person appointed by the Named Insured and a record maintained of such inspections and any defects rectified without delay
19. in consequence of Damage in respect of
    - (a) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
    - (b) land piers jetties bridges culverts or excavations
    - (c) livestock growing crops or trees
  20. in consequence of Damage in respect of jewellery precious stones precious metals bullion furs curiosities works of art or rare books

**Endorsements**

The following endorsements are only operative if shown on the Business Interruption Section Schedule and are subject otherwise to the terms of the Business Interruption Section and the General Definitions Conditions and Exclusions

**BI01A. Public Utilities**

The insurance provided by Business Interruption Section extensions 2 3 4 and 5 where operative extends to cover loss resulting from interruption to or interference with the Business in consequence of Damage to connecting pipes and cables between the premises of the utility undertaking as described in the particular Business Interruption Section extension and the terminal connecting point at the Business Premises

**BI02C. Subsidence**

Notwithstanding Business Interruption Section Exclusion 14(a) the insurance provided by this Business Interruption Section extends to cover loss resulting from interruption to or interference with the Business in consequence of Damage caused by or consisting of subsidence or ground heave of any part of the site on which the property stands or landslip subject to the Special Condition below excluding

- (a) Damage to roads yards car parks pavements walls gates and fences and any similar or other property outside the confines of any building within the Business Premises unless a building insured hereby within the same Business Premises in also Damaged
  - (b) Damage caused by or consisting of
    - (i) the normal settlement or bedding down of new structures
    - (ii) the settlement or movement of made-up ground
    - (iii) coastal or river erosion
    - (iv) defective design or workmanship or the use of defective materials
    - (v) fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe
  - (c) Damage which originated prior to the inception of this cover
  - (d) Damage resulting from
    - (i) demolition construction structural alteration or repair of any property or
    - (ii) groundworks or excavation at the same Business Premises
  - (e) the Deductible stated in the Schedule and notwithstanding General Exclusion - Deductible the Deductible shall apply to each separate Business Premises as ascertained after the application of any Underinsurance Condition
- (b) in respect of forcible and violent theft or attempted theft of an external part of the building or anything attached to it provided that this paragraph (b) of exclusion 11 shall not apply in respect of any building that has scaffolding erected to the outside of the building at the time of the Damage occurring
  - (c) caused by theft or attempted theft of the property from outbuildings at the Business Premises where accompanied by forcible and violent entry to or exit from the outbuildings or by violence to persons or threat of violence to persons
  - (d) caused by theft or attempted theft of the property from the grounds at the Business Premises where accompanied by forcible and violent entry to or exit from grounds at the Business Premises or by violence to persons or threat of violence to persons

and provided that the Business Premises have not been unoccupied for a period of more than thirty consecutive days

This exclusion shall not apply to subsequent Damage which itself results from a cause not otherwise excluded

**Special Condition**

No cover shall apply under this endorsement if the risk of Damage is increased by reason of demolition groundworks excavation or construction being carried out on any adjoining site unless admitted by the Company in writing

**BI03C. Theft (full theft from buildings and forcible and violent theft from grounds and outbuildings)**

Business Interruption Section Exclusion 11 is deleted and replaced by the following

- 11. in consequence of Damage caused by theft or attempted theft of property from the Business Premises as stated in the Schedule unless
  - (a) caused by theft or attempted theft of the property from within the buildings (but not outbuildings) at the Business Premises

# Computer All Risks Section

## Definitions

In this Computer All Risks Section the following terms shall have the following meanings If a term below is also defined in the General Definitions the definition below replaces the General Definition for purposes of this Computer All Risks Section

### 1. Damage or Damaged

Damage or Damaged means accidental loss or destruction of or damage

### 2. Indemnity Period

Indemnity Period means the period beginning when an Insured Incident occurs and ending when the results of the Business cease to be affected by the Insured Incident but not exceeding the length of the Indemnity Period shown in the Schedule

### 3. Insured Incident

Insured Incident means

- (a) Damage insured by this Computer All Risks Section
- (b) Reinstatement of Data and Reinstatement of Programs insured by this Computer All Risks Section
- (c) Damage recoverable under guarantee or under a maintenance rental hire or lease agreement on the Property and for which there is not in force an insurance covering the interest of the Named Insured in the property for such Damage
- (d) Damage to any item due to its own breakdown or derangement if a maintenance rental hire or lease agreement is not in force on such item
- (e) the accidental failure or fluctuation of the public supply of electricity at the terminal ends of the public supply authority's service feeders at the Premises in which the Property is situated not occasioned by the deliberate act of any supply authority nor the exercise by any such authority of its power to withhold or restrict supply other than for the sole purpose of safeguarding life or the authority's property
- (f) the accidental failure of the electricity supply in the distribution wiring within the Premises in which the Property is situated not occasioned by failures as in (e) above
- (g) the accidental failure of any telecommunications system used in connection with the Property not occasioned by
  - (i) the deliberate act of any telecommunications authority nor the exercise by any such authority of its power

to withhold or restrict operation of the system nor the inability of any such authority to maintain the system due to industrial action by any of its employees

- (ii) the use by the Named Insured of machinery and equipment which is not acceptable to the telecommunications authority as properly installed and compatible with the telecommunications system
- (h) (i) Damage to the Premises in which the Property is situated or to any contents thereof or to property in the vicinity of the Premises or
  - (ii) the exercise by any public or police authority of its powers for the sole purpose of safeguarding life

which prevents the Named Insured gaining access to or using the Computer and Telecommunication Equipment

### 4. Premises and Business Premises

Premises means those premises at the addresses described in the List Of Premises And Other Locations Schedule attaching to the Master Schedule forming part of this Policy and identified by the Premises Code shown against it

Business Premises means those Premises which the Named Insured owns occupies or is responsible for

### 5. Property and Property Insured

Property and Property Insured means as described in the Schedule

## Cover

The Company will indemnify the Named Insured in accordance with the undernoted Cover clauses following Damage or an Insured Incident as insured hereunder occurring during the Period of Insurance provided that the Company's liability in respect of each insured item shall be limited to the Sum Insured for that item in the Schedule

### 1. Damage to Computer and Telecommunication Equipment Media and Ancillary Equipment

If the Property Insured shall be Damaged (other than by an excluded cause) the Company will pay the Named Insured in accordance with the Basis of Settlement

This Cover clause does not cover accidental loss distortion corruption or erasure of Programs and Reinstatement of Programs and Reinstatement of Data or the value to the Named Insured of the Data contained therein

### 2. Reinstatement of Programs

In the event of accidental loss distortion corruption or erasure of Programs recorded on Media insured by Cover clause - Damage to Computer and Telecommunication Equipment Media and Ancillary Equipment the Company will pay the costs necessarily

and reasonably incurred by the Named Insured in the Reinstatement of Programs but not for any Reinstatement of Data or the value to the Named Insured of the Data contained therein

**3. Reinstatement of Data**

In the event of accidental loss distortion corruption or erasure of Data recorded on Media insured by Cover clause - Damage to Computer and Telecommunication Equipment Media and Ancillary Equipment the Company will pay the costs necessarily and reasonably incurred by the Named Insured in the Reinstatement of Data but not for the value to the Named Insured of the Data

**4. Increase in Cost of Working**

If the computer operations of the Business at the Premises or elsewhere as identified by the respective Premises Code or Location Code shown against the item(s) stated in the Schedule applying to this Cover clause are interrupted or interfered with due to an Insured Incident occurring during the Period of Insurance the Company will pay the additional expenditure necessarily and reasonably incurred by the Named Insured during the Indemnity Period in consequence of such interruption or interference

**5. Arson and Theft Reward Costs**

The insurance provided by this Computer All Risks Section extends to cover rewards payable for the receipt of information which leads to the prosecution and conviction of a perpetrator of arson or theft following Damage not otherwise excluded at the Business Premises

Provided that

- (a) such rewards are agreed by the Company and police or other reputable statutory authority and
- (b) the Company's total liability under this Cover clause and under Cover clause - Arson and Theft Reward Costs of the Property Damage Section combined is limited to 10% of the value of the total arson or theft loss covered under this Computer All Risks Section and the Property Damage Section combined or £10,000 (whichever is the lower amount) any one Event

**Extensions**

The insurance provided by this Computer All Risks Section extends to cover the following subject to the liability of the Company not exceeding in respect of each insured extension the limit stated in the Schedule in respect of any one Event

**1. Removal of Debris**

The Company will pay for costs and expenses necessarily incurred by the Named Insured with the consent of the Company in

- (a) removing debris
- (b) dismantling or demolishing

- (c) shoring up or propping

following a loss insured by this Computer All Risks Section

The Company will not pay for any costs or expenses

- (i) incurred in removing debris except from the site of such Property Damaged and the area immediately adjacent to such site
- (ii) arising from the pollution or contamination of property not insured by this Computer All Risks Section

**2. Temporary Repairs or Expediting Costs**

The Company will pay for costs necessarily and reasonably incurred in the making of temporary repairs upon or the expediting of the repair reinstatement or replacement of Property consequent upon Damage insured by this Computer All Risks Section

**3. Incompatibility of Computer Records**

The Company will pay for the lesser of

- (a) costs of modification of Computer and Telecommunication Equipment including Fixed Media

or

- (b) costs of replacement of Unfixed Media

together with reinstatement of Programs or Data thereon to achieve compatibility in the event that loss or destruction of Computer and Telecommunication Equipment insured by this Computer All Risks Section has resulted in undamaged Unfixed Media being incompatible with the replacement Computer and Telecommunication Equipment

**4. Additional Property**

The Company will pay for Damage to Property acquired after the commencement of the Period of Insurance for the period up to the next renewal date subject to the Company being notified in writing within 28 days of acquisition and the Named Insured paying or agreeing to pay such additional premium as the Company may reasonably require

**5. Additional Rental**

In the event of Damage insured by this Computer All Risks Section to Property requiring replacement of a lease/hire agreement by a new contract for similar property the Company will pay any additional rental charges reasonably incurred

**6. Accidental Discharge of Gas flooding systems**

Where any gas flooding system conforming to the requirements of health and safety legislation and installed solely for the protection of the Property accidentally discharges the Company will pay for the cost of refilling any cylinders of such gas flooding system

**1. Consulting Engineers' Fees / Repair Investigation Costs**

The Company will pay fees and costs incurred with the consent of the Company in conducting investigations or tests into possible repair reinstatement (whether or not successful) or replacement consequent upon Damage insured by this Computer All Risks Section but not for preparing any claim

The Company's liability for such Damage and fees and costs shall not exceed in total the appropriate Sum Insured

**2. Measures Taken in Avoidance of Impending Loss or Damage**

The Company will subject to the Sum Insured on Computer and Telecommunication Equipment Media and Ancillary Equipment pay costs incurred by the Named Insured in taking reasonable but exceptional measures to avoid or mitigate impending Damage insured by this Computer All Risks Section

provided that

- (a) the impending Damage does not stem from any reasonable foreseeable cause and that Damage would be the natural outcome to be expected in the absence of such measure
- (b) the Company is satisfied that Damage has been avoided or reduced in consequence of the measures taken
- (c) the terms of this Computer All Risks Section shall apply as if Damage had occurred

**3. Automatic Reinstatement**

The amounts stated in this Computer All Risks Section as Sums Insured will be automatically reinstated from the date of occurrence of any claim at additional premium to be agreed between the Company and the Named Insured except that the Company will not require additional premium if the total cost of the claim does not exceed £10,000

**4. Waiver of subrogation against Authorised Users**  
Notwithstanding General Condition - Subrogation the Company shall waive any rights of subrogation against any user of the Property provided that

- (a) such user has the authority of the Named Insured to use the Property and
- (b) such user shall as if he were the Named Insured observe fulfil and be subject to the terms of this Computer All Risks Section

**5. Professional Accountants' Charges**

The Company will subject to the Sum Insured shown in the Schedule in respect of Cover clause - Increase in Cost of Working pay to the Named Insured the reasonable charges payable by the Named Insured to their professional accountants for producing

particulars of any claim for which indemnity is provided by Cover clause - Increase in Cost of Working

**6. Fire Extinguishing Expenses**

The insurance provided by this Computer All Risks Section extends to cover the costs incurred by the Named Insured in recharging replenishing or replacing fire extinguishing appliances (other than gas flooding systems) and replacing sprinkler heads in automatic sprinkler installations rendered necessary as a result of fire at the Business Premises for which liability is admitted under this Computer All Risks Section

**7. Temporary Removal**

The insurance provided by this Computer All Risks Section on Property Insured at the Premises extends to cover such property whilst temporarily away from the Premises within the Territorial Limits during the Period of Insurance for the purposes of renovation repair service or cleaning

provided that the Company's liability under this extension shall not exceed the lesser of 10% of the Sum Insured for such property as specified in the Schedule or £10,000 in any one Event

**Conditions**

**1. Fire Precautions - Business Premises**

(applicable only to the devices described in (a)-(d) herein that are installed at the Business Premises)

The Named Insured shall

**(a) Fire Break Doors and Shutters**

ensure that all fire break doors and shutters are kept closed (except during working hours) and are maintained in efficient working order

**(b) Fire Extinguishing Appliances**

ensure that all fire extinguishing appliances are regularly inspected and maintained in efficient working order

**(c) Fire Alarm Installations**

ensure that

- (i) the fire alarm installations are maintained in efficient working order at all times and in accordance with the installation specification
- (ii) a maintenance service contract is in force
- (iii) any defect in the fire alarm or its signalling is remedied promptly

**(d) Automatic Sprinkler Installations**

in respect of automatic sprinkler installations (internal and external)

- (i) take all reasonable steps to
  - A. prevent frost and other damage to the installations
  - B. remedy any defect in the installations or its signalling promptly



- C. maintain ready access to the water supply control facilities for the installations
- (ii) ensure that installations are maintained in efficient working order at all times and in accordance with the installation specification
- (iii) subscribe to an annual maintenance contract for the installations that require inspections at a minimum of six monthly intervals
- (iv) notify the Company in writing and obtain its prior agreement in writing before any repairs or alterations to the installations are implemented
- (v) allow the Company access to the Business Premises at all reasonable times to inspect the installations
- (vi) perform the following tests to the installations and the water supply
  - A. make a test every week for the purpose of ascertaining that the alarm gong is in working order and that the stop valves controlling the individual water supplies are fully open and record the particulars of each test
  - B. make quarterly or half-yearly tests if required by the Company for the purpose of ascertaining that each water supply is in order and record the particulars of each test
  - C. remedy promptly any defect revealed by the above tests
- (vii) give notice to the Company in relation to any installation if
  - A. its water supply is turned off
  - B. it becomes inoperative from any cause except for the purpose of testing maintenance or repair
- (viii) display at each sprinklered storage area a notice of the terms agreed with the Company which specifies
  - A. the description of the goods which may be stored
  - B. the maximum height of storage
  - C. the minimum permitted clearance between goods stored and the sprinkler deflectors

and comply with the terms of the notice

If alterations or repairs to the installations become necessary to ensure its full and effective

operational capability the Company may at its option suspend any cover which is granted against Damage to the Property Insured by escape of water from said installation until the alterations or repairs have been carried out and approved by the Company

## 2. Security and Intruder Alarm Precautions – Business Premises

The Named Insured shall ensure that

- (a) all security devices (other than intruder alarm) including locks fastenings shutters and other methods of securing access to the Business Premises are in full and effective operation and keys removed from the Business Premises whenever same is closed for business
- (b) where the Company has required an intruder alarm to be installed or if an intruder alarm is already installed on the Business Premises
  - (i) the Intruder Alarm must be maintained in efficient working order at all times and in accordance with its installation specification or as otherwise approved by the Company
  - (ii) a maintenance service contract with the installation company or as otherwise approved by the Company must be in force and the maintenance company immediately advised of any apparent defect in the intruder alarm or its signalling
  - (iii) the intruder alarm shall be put into full and effective operation at all times in respect of 24 hour designated circuits and otherwise the Business Premises must not be left unattended unless
    - A. the intruder alarm is put into full and effective operation including where the equipment permits any central station to which the intruder alarm is connected acknowledging the setting signal
    - B. the intruder alarm is regularly tested and is in full and efficient working order
  - (iv) the Named Insured shall give immediate written notice to the Company if it receives from the police or security organisation warning of a possible or intended withdrawal of response to calls from the intruder alarm or of a reduced response level

The insurance provided under this Computer All Risks Section does not cover Damage caused by

- A. theft or attempted theft from the Business Premises other than where accompanied by violence to persons or threat of violence to persons or

- B. malicious persons where accompanied by forcible and violent entry to or exit from the buildings

where police response to alarm activation is withdrawn unless written agreement has been obtained from the Company that such insurance remains operative

For the purposes of this condition intruder alarm includes detection devices sensors detection circuit control and processing equipment power supplies audible and remote signalling and ancillary telecommunication systems

### 3. Underinsurance

The Sum Insured by each item of this Computer All Risks Section is declared to be separately subject to an Underinsurance Condition The Underinsurance Condition applicable is dependent upon which Basis of Settlement applies and is detailed therein

### 4. Unoccupancy

The Named Insured shall notify the Company in writing as soon as is reasonable when any building or part thereof in which Property is situate becomes unoccupied for more than thirty consecutive days and shall pay or agree to pay additional premium if required by the Company Further the Named Insured shall notify the Company when such unoccupied building or part thereof becomes occupied

### 5. Claims Conditions

#### (a) Other Interests

The interests of parties under mortgage hiring leasing or similar agreements with the Named Insured are noted in this insurance provided that the nature and extent of any such interests are disclosed to the Company by the Named Insured in the event of a claim against this Computer All Risks Section

#### (b) Subrogation Waiver

In the event of a claim arising under this Computer All Risks Section the Company agrees to waive any rights remedies or relief to which the Company might become entitled by subrogation against any company

- (i) standing in the relation of parent to subsidiary to the Named Insured
- (ii) standing in the relation of subsidiary to parent to the Named Insured
- (iii) which is a subsidiary of a parent company of which the Named Insured is a subsidiary

in each case as defined by current legislation

#### (c) Reinstatement

If any Property is to be reinstated or replaced by the Company the Named Insured shall at its own expense provide all such plans documents books and information as may reasonably be required

The Company shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than its Sum Insured

### (d) Company's Rights following a Claim

On the happening of Damage in respect of which a claim is made the Company and any person authorised by the Company may without thereby incurring any liability or diminishing any of the Company's rights under this Policy enter take or keep possession of the Premises where such Damage has occurred and take possession of or require to be delivered to the Company any Property Insured and deal with such Property for all reasonable purposes and in any reasonable manner

No Property may be abandoned to the Company whether taken possession of by the Company or not

### 6. Reasonable Precautions

The Named Insured shall

- (a) take all reasonable precautions to prevent Damage to the Property or accidental loss distortion corruption or erasure of Programs or Data
- (b) in respect of Programs maintain a back-up copy of the current version at a location other than the respective Premises where the Media on which the Programs are recorded is situate
- (c) in respect of Data maintain a weekly full system back- up of Data at a location other than the respective Premises where the Media on which the Data is recorded is situate

### 7. Designation

Where necessary the item heading under which any Property is insured shall be determined by the designation under which such Property appears in the Named Insured's books

### 8. Non-invalidity

The insurance provided by this Computer All Risks Section shall not be invalidated by any act or omission or by any alterations in respect of any portion of the Premises not occupied by the Named Insured whereby the risk of Damage is increased unknown to or beyond the control of the Named Insured provided that immediately after the Named Insured becomes aware thereof the Named Insured gives notice to the Company and pays an additional premium if required

## Basis of Settlement

The amount payable for each item of Computer and Telecommunications Equipment Media and Ancillary Equipment stated in the Schedule will be in accordance with one of the following Basis of Settlements defined below for which a Code is shown beside that item in the



Schedule or the Company at its option may elect to reinstate or replace the Property or any part of it which is lost destroyed or damaged

**1. Indemnity - Code: INDTY**

Subject to the following Special Provision the Company will pay the value of the Property at the time of its Damage or the amount of such Damage whichever is the lesser

**Special Provision**

**Underinsurance Condition**

If any Sum Insured to which this Basis of Settlement applies is at the commencement of Damage less than the total value of the Property covered within such Sum Insured the amount payable by the Company in respect of such Damage will be proportionately reduced and the Named Insured considered to be its own insurer for the difference

**2. Reinstatement - Code: REINS**

Subject to the following Special Provisions the basis upon which the amount payable in respect of the Property Insured is to be calculated will be Reinstatement of the Property Damaged

For the purpose of this Basis of Settlement Reinstatement means

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

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

**Special Provisions**

**(a) Repairs and Restoration**

The liability of the Company for the repair or restoration of Property Insured sustaining Damage in part only shall not exceed the amount which would have been payable had such Property been entirely destroyed

**(b) Underinsurance Condition**

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 Insured covered by any Item to which this Basis applies exceeds its Sum Insured at the commencement of Damage the amount payable by the Company will not exceed that proportion of the amount of such Damage which the said Sum Insured compares to the total cost of reinstating the whole of such Property Insured at that time

**(c) Alternative Basis of Payment**

The amount payable will be in accordance with the Indemnity Basis instead of the Reinstatement Basis

- (i) unless reinstatement commences and proceeds without unreasonable delay
- (ii) until the cost of reinstatement has been incurred
- (iii) if the Property at the time of its loss or damage is insured by any other insurance taken out by or on behalf of the Named Insured which is not written on the same basis of reinstatement as defined

**3. Day One Reinstatement - Code: DAY 1**

Subject to the following special provisions the basis on which the amount payable for the Property Insured is to be calculated is the same as the Reinstatement Basis of Settlement except that special provision 2(b) Underinsurance Condition is restated as follows

If at the time of Damage the Declared Value of the Property Insured covered by such Item is less than the cost of reinstatement at the time cover on this Basis is taken out then the Company's liability for the Damage will not exceed that proportion of the Damage which the Declared Value bears to such cost of reinstatement

**Special Provisions**

- (a) The Premium has been calculated on the basis of the Declared Value stated in writing to the Company
- (b) As used in this Basis of Settlement Declared Value means the Insured's assessment of the cost of Reinstatement of the Property Insured arrived at in accordance with the Reinstatement Basis of Settlement paragraph 2(a) at the level of costs applying at the commencement of the Period of

Insurance (ignoring inflationary factors which may operate subsequently) together with in so far as the insurance by the item provides due allowance for

- (i) Removal of Debris
- (ii) Professional Fees
- (c) At the commencement of each Period of Insurance the Named Insured will notify the Company of the Declared Value of the Property Insured by each item In the absence of such declaration the last amount declared by the Named Insured will be taken as the Declared Value for the ensuing Period of Insurance
- (d) The Declared Value for each item of Computer and Ancillary Equipment insured in accordance with this Basis of Settlement is the amount shown

on the Schedule in the brackets below the Sum Insured in respect of each such item

- (e) The liability of the Company in respect of Computer and Ancillary Equipment insured in accordance with this Basis of Settlement is limited to
  - (i) the Declared Value applicable to each item multiplied by the Day One Adjustment figure specified in the Schedule or
  - (ii) if special provision 2(c) of the Reinstatement Basis (the Alternative Basis of Payment) applies the Declared Value applicable to each item as specified in the Schedule

## Exclusions

The insurance provided under this Computer All Risks Section does not cover

1. Damage to any item of Computer and Telecommunication Equipment including Fixed Media due to its own breakdown or derangement unless such item is at the time of the Damage the subject of a maintenance rental hire or lease agreement which must provide a minimum service of on-call remedial or corrective maintenance at inclusive cost but this exclusion shall not apply to Cover clause - Increase in Cost of Working
2. Damage recoverable under any guarantee or maintenance rental hire or lease agreement
3. consequential loss or damage of any kind or description other than that provided for specifically under this Computer All Risks Section and such cover provided under this Computer All Risks Section shall not include any consequential loss which is also insured under the Business Interruption Section
4. in respect of Cover clause - Increase in Cost of Working the additional expenditure incurred during the first 48 hours following breakdown or derangement of any item of Computer and Telecommunication Equipment if a maintenance rental hire or lease agreement providing a minimum service of on-call remedial and/or corrective maintenance at inclusive cost is not in force on such item
5. in respect of Cover clause - Increase in Cost of Working the increase in cost of working due to
  - (a) failure of any satellite prior to its obtaining its full operating function or while in or beyond the final year of its design life
  - (b) atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite
6. in respect of Cover clause - Increase in Cost of Working the costs of Reinstatement of Data and Reinstatement of Programs onto Fixed Media or Unfixed Media
7. Damage caused by or consisting of wear and tear deterioration due to atmospheric or climatic conditions rust or corrosion but this exclusion shall not apply to subsequent Damage which itself results from a cause not otherwise excluded
8. Damage caused by theft or attempted theft of the Property Insured from the Premises as stated in the Schedule unless caused by theft or attempted theft of the Property Insured from within the buildings at the Premises where accompanied by forcible and violent entry to or exit from the buildings or by violence to persons or threat of violence to persons and provided that the Premises have not been unoccupied for a period of more than thirty consecutive days This exclusion shall not apply to subsequent Damage which itself results from a cause not otherwise excluded
9. Damage to Property Insured
  - (a) away from the Premises caused by theft or attempted theft of the Property Insured
    - (i) from or on an unattended vehicle or trailer during Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property was placed in the boot or similar luggage compartment of the vehicle and effectively concealed from sight and the boot or compartment was securely closed and locked
    - (ii) from or on an unattended vehicle or trailer out of Working Hours unless all doors windows and other means of access were secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property was placed in the boot or similar luggage compartment of the vehicle and effectively concealed from sight and the boot or compartment was securely closed and locked and such vehicle or trailer is garaged in a securely closed and locked building or compound
    - (iii) from or on an unattended soft topped open topped or open sided vehicle or trailer unless also involving theft of the vehicle or trailer
    - (iv) where Property is otherwise left unattended unless contained in a locked building of substantial construction or in a secure locked room

As used in this provision unattended means that the Named Insured or any person to whom the Named Insured has entrusted the care custody and control of Property Insured is unable to exercise control over or otherwise unable to influence events affecting the Property

- (b) in or on soft topped open topped or open sided vehicles or trailers if caused by
  - (i) storm tempest water hail frost or snow
  - (ii) malicious persons when the vehicle or trailer is left unattended out of Working Hours
- 10. Damage in respect of Stock
- 11. Damage to the Property Insured caused by or attributable to defective packing or incorrect or insufficient addressing
- 12. Damage to Computer and Telecommunication Equipment Media Ancillary Equipment or accidental loss distortion corruption or erasure of Programs or Data or any Insured Incident as insured under Cover clause - Increase In Cost of Working caused directly or indirectly by or consisting of or other additional expenditure arising directly or indirectly from the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Named Insured or not
  - (a) correctly to recognise any date as its true calendar date
  - (b) to capture save retain or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than its true calendar date
  - (c) to capture save retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or inability to capture save retain or correctly to process such data on or after any date

but this shall not exclude subsequent Damage not otherwise excluded which itself results from a Defined Peril or theft or attempted theft where such failure is not the result of wilful misconduct by the Named Insured and the Named Insured has undertaken all reasonable efforts to prevent such failure and to mitigate the consequences of any such failure
- 13. Damage caused by or consisting of
  - (a) inherent vice latent defect gradual deterioration its own faulty or defective design or materials
  - (b) faulty or defective workmanship operational error or omission on the part of the Named Insured or any of his Employees

but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded
- 14. Damage caused by or consisting of
  - (a) dishonesty fraudulent action trick device or other false pretence by any Employee partners or directors of the Named Insured whether acting alone or in collusion with others
- (b) disappearance unexplained or inventory shortage misfiling or misplacing of information
- 15. Damage to Property Insured arising in any building which is unoccupied for a period of more than thirty consecutive days other than Damage caused by fire lightning explosion aircraft or other aerial devices or articles dropped therefrom subject to the following Special Condition
 

**Special Condition**  
The Named Insured shall ensure that

  - (a) such unoccupied buildings are secured against illegal entry and all external doors and accessible external windows are fitted with good quality locks
  - (b) all services other than limited services required for security guards fire and intruder alarms shall be disconnected unless otherwise agreed by the Company in writing
  - (c) all letter boxes shall be sealed to prevent insertion of material
  - (d) perimeter fences walls and gates shall be kept complete and maintained
  - (e) such unoccupied buildings shall be kept clear both internally and externally of combustible materials and not be used for storage
  - (f) vegetation surrounding such unoccupied buildings shall be kept down
  - (g) the Business Premises shall be inspected thoroughly internally and externally at least once every seven days (or at a frequency agreed by the Company in writing) by the Named Insured or a responsible person appointed by the Named Insured and a record maintained of such inspections and any defects rectified without delay
- 16. property which at the time of the happening of Damage is insured by or would but for the existence of this Policy 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
- 17. any property more specifically insured by or on behalf of the Named Insured
- 18. Damage caused by pollution or contamination but this shall not exclude Damage to Property Insured not otherwise excluded caused by
  - (a) pollution or contamination which itself results from a Defined Peril



- (b) a Defined Peril which itself results from pollution or contamination
- 19. Damage caused by or resulting from an attack which allows unauthorised access or use of a computer or telecommunications system by electronically circumventing a security system and procedure or a Computer Virus but this shall not exclude Damage not otherwise excluded which itself results from fire lightning explosion escape of water from any tank apparatus or pipe
- 20. under Cover clause - Reinstatement of Programs or Cover clause - Reinstatement of Data loss distortion corruption or erasure of Programs or Data recorded on Media unless such loss distortion corruption or erasure of Programs or Data itself results from other Damage to Property Insured and is not otherwise excluded

## Endorsement

The following endorsement is only operative if shown on the Computer All Risks Section Schedule and is subject otherwise to the terms of the Computer All Risks Section and the General Definitions Conditions and Exclusions

### **CR01B. Theft (full theft from buildings and forcible and violent theft from grounds and outbuildings)**

Computer All Risks Section Exclusion 8 is deleted and replaced by the following

- 8. Damage caused by theft or attempted theft of the Property Insured from the Premises as stated in the Schedule

but this shall not exclude Damage caused by theft or attempted theft of the Property Insured

- (a) from within the buildings (but not outbuildings) at the Premises
- (b) from outbuildings at the Premises where accompanied by forcible and violent entry to or exit from the outbuildings or by violence to persons or threat of violence to persons
- (c) from the grounds at the Premises where accompanied by forcible and violent entry to or exit from grounds at the Premises or by violence to persons or threat of violence to persons

provided that the Premises have not been unoccupied for a period of more than thirty consecutive days

This exclusion shall not apply to subsequent Damage which itself results from a cause not otherwise excluded

# Terrorism Insurance Section

## Definitions

In this Terrorism Insurance Section the following terms shall have the following meanings. If a term below is also defined in the General Definitions the definition below replaces the General Definition for purposes of this Terrorism Insurance Section.

**1. Computer System**

Computer System means a computer or other equipment or component or system or item which processes, stores, transmits or receives Data.

**2. Damage**

Damage means loss or destruction of, or damage.

**3. Data**

Data means data of any sort whatever, including tangible or intangible data and any programs or software, bandwidth, cryptographic keys, databases, documents, domain names or network addresses or anything similar, files, interfaces, metadata, platforms, processing capability, storage media, transaction gateways, user credentials, websites, or any information whatever.

**4. Act Of Terrorism**

Act Of Terrorism means acts of persons 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.

**5. Property**

Property means any building or other property or part thereof insured by the Property Damage Section or Computer All Risks Section, but not any property which is insured in the name of a private individual and is occupied by that individual for residential purposes.

**6. Virus or Similar Mechanism**

Virus or Similar Mechanism means program, code programming instruction or any set of instructions constructed with the purpose and ability or purposely used to damage, interfere with, adversely affect, infiltrate or monitor computer programs, Computer Systems, Data or operations, whether involving self-replication or not.

Virus or Similar Mechanism includes Trojan horses worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor computer programs, Computer Systems, Data or operations.

**7. Hacking**

Hacking means unauthorised access to any Computer System, whether the property of the Insured or not.

**8. Denial of Service Attack**

Denial of Service Attack means any actions or instructions constructed or generated with the ability to damage, interfere with, or otherwise affect the availability or performance of networks, network services, network connectivity or Computer Systems.

Denial of Service Attack includes the generation of excess traffic into network addresses, the exploitation of system or network weaknesses, the generation of excess or non-genuine traffic between and amongst networks and the procurement of such actions or instructions by other Computer Systems.

**9. Phishing**

Phishing means any access or attempted access to Data made by means of misrepresentation or deception.

## Cover

**1. General**

(a) If Property is subject to Damage occasioned by or happening through or in consequence of an Act Of Terrorism, certified as such by Her Majesty's government or Her Majesty's Treasury or any successor relevant authority or determined to have been such by a validly constituted tribunal, during the Period of Insurance within Great Britain (meaning England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man nor the Channel Islands nor Northern Ireland); or

(b) If, in consequence of:

(i) such Damage described in paragraph (a); or

(ii) Damage occasioned by or happening through or in consequence of an Act Of Terrorism, certified as such by Her Majesty's government or Her Majesty's Treasury or any successor relevant authority or determined to have been such by a validly constituted tribunal, during the Period of Insurance within the territories described in paragraph (a) to any other building or other property or part thereof to the extent insured by the Business Interruption Section;

the Business carried on by the Named Insured is interrupted or interfered with to the extent insured by the Business Interruption Section or Computer All Risks Section;

then in respect of:

(1) paragraph (a) above, the Company will pay to the Named Insured the value of the Property at the time of the happening of its Damage, or the



amount of such Damage, or at the Company's option, reinstate, replace or repair such Property or any part thereof in accordance with the provisions of the Property Damage Section or Computer All Risks Section, and provided that the liability of the Company shall in no case exceed, in respect of each insured item shown in the applicable Schedule to the Property Damage Section or Computer All Risks Section, the Sum Insured or limit for that item in the Schedule in any one Period of Insurance.

- (2) paragraph (b) above, the Company will pay to the Named Insured the amount of loss resulting from such interruption or interference in accordance with the provisions of the Business Interruption Section or Computer All Risks Section, and provided that the liability of the Company shall in no case exceed in respect of each item shown in the applicable Business Interruption Schedule or Computer All Risks Section Schedule, the Sum Insured or limit for that item in the Schedule in any one Period of Insurance.

## Conditions

1. In any action suit or other proceeding where the Company alleges that any Damage or loss resulting from Damage is not covered by this Terrorism Insurance Section, the burden of proving that such Damage or loss is covered shall be upon the Named Insured.
2. The insurance provided by this Terrorism Insurance Section is not subject to any exclusions of the Policy relating to causes of Damage, other than as stated in the exclusions to this Terrorism Insurance Section.
3. The insurance provided by this Terrorism Insurance Section is subject to all the terms of the Property Damage Section and Computer All Risks Section and Business Interruption Section and General Definitions Conditions and Exclusions, except as expressly varied hereby.
4. If this Policy is subject to any long term agreement or undertaking, it does not apply to the insurance provided by this Terrorism Insurance Section.

## Exclusions

The insurance provided under this Terrorism Insurance Section does not cover:

1. Damage directly or indirectly caused or occasioned by, or happening through, or in consequence of, riot, civil commotion, war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.
2. any loss whatsoever directly or indirectly caused by contributed to, by or arising from, or occasioned by or resulting from:

- (a) damage to or the destruction of any Computer System; or
- (b) any alteration modification distortion erasure or corruption of Data;

whether such Computer System or Data is the property of the Named Insured or not, where such loss is directly or indirectly caused by or contributed to by or arises from or is occasioned by or results from a Virus or Similar Mechanism or Hacking or Phishing or a Denial of Service Attack.

### Proviso to Exclusion 2

This Section Exclusion 2 shall not exclude loss proximately caused by an Act of Terrorism to the extent that such loss:

- (i) results directly from fire, explosion, flood, escape of water from any tank, apparatus or pipe, aircraft or other aerial devices or articles dropped therefrom, impact of any vehicle or water or sea-going vessel or of any goods or cargo carried in or on such vessel or vehicle, damage to or the destruction of or movement of building or structures, plant or machinery other than any Computer System; and
- (ii) comprises:
  - a. the cost of reinstatement, replacement or repair in respect of damage to or the destruction of Property; or
  - b. the amount of business interruption loss as a direct result of either damage to or the destruction of property insured by the Named Insured or to the surrounding areas or property within 1 mile of property insured by the Named Insured which shall prevent or hinder the use of or access to such Named Insured's property; or
  - c. the amount of loss caused by the cancellation, abandonment, postponement, interruption, curtailment or relocation of an event as a result of damage to or destruction of Property and any additional costs or charges reasonably and necessarily paid by the Named Insured to avoid or diminish such loss; and
- (iii) is not proximately caused by an Act of Terrorism in relation to which the relevant organization or any persons acting on behalf of or in connection with that organization are controlled by, acting on behalf of or part of any de jure or de facto government of any nation country or state.

For the purposes of this Proviso:

- A. Property shall exclude:
  - i. any money, currency, electronic cryptographic or virtual currency including





Bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any other financial instrument of any sort whatever; and

ii. any Data.

B. Notwithstanding the exclusion of Data from Property in A. ii. above, to the extent that damage to or destruction of Property within the meaning of Proviso (ii) above indirectly results from any alteration, modification, distortion, erasure or corruption of Data, because the occurrence of one or more of the matters referred to in Proviso (i) above results directly or indirectly from any alteration, modification, distortion, erasure or corruption of Data, that shall not prevent cost or business interruption loss directly resulting from damage to or destruction of such Property and otherwise falling within Provisos (i) and (ii) above from being recoverable under this Section.

# Employers' Liability Section

## Definitions

In this Employers' Liability Section the following terms shall have the following meanings

### 1. Associated Structure

Associated Structure shall have the same meaning as stated in the Mineral Workings (Offshore Installations) Act 1971 and the Offshore Installations (Application of the Employers' Liability (Compulsory Insurance) Act 1969) Regulations 1975

### 2. Offshore Installation

Offshore Installation shall have the same meaning as stated in the Mineral Workings (Offshore Installations) Act 1971 and the Offshore Installations (Application of the Employers' Liability (Compulsory Insurance) Act 1969) Regulations 1975

### 3. Offshore Work

Offshore Work means visits or work undertaken by an Employee from the time the Employee embarks into a conveyance whether airborne or waterborne for transport to an Offshore Installation or Associated Structure until such time as the Employee disembarks from the conveyance onto land upon his return from such Offshore Installation or Associated Structure

## Cover

### 1. Bodily Injury

The Company will indemnify the Insured subject to the Limit of Indemnity in respect of all sums which the Insured shall become legally liable to pay as Compensation for Bodily Injury sustained by any Employee that arises out of and in the course of employment by the Named Insured in connection with the Business and is caused during the Period of Insurance

- (a) within Great Britain Northern Ireland the Isle of Man or the Channel Islands and offshore installations in territorial waters around Great Britain and its continental shelf
- (b) anywhere in the world outside the territories stated in (a) above where the Employee normally resident in the territories stated in (a) above is temporarily working in connection with the Business

### 2. Claimants' Costs and Expenses

The Company will indemnify the Insured subject to the Limit of Indemnity in respect of all sums the Insured shall become legally liable to pay as claimants' costs and expenses in connection with the indemnity provided under Cover clause - Bodily Injury

### 3. Defence Costs and expenses

The Company will indemnify the Insured subject to the Limit of Indemnity stated in the Schedule in respect of

- (a) costs of legal representation reasonably incurred with the Company's written consent at any
  - (i) coroner's inquest or other inquiry in respect of any death
  - (ii) proceeding in a court (other than in the defence of any criminal proceeding brought or in an appeal against a conviction arising from such criminal proceeding) in respect of any act or omission causing or relating to any matter
- (b) other costs and expenses reasonably incurred with the Company's written consent in relation to any matter

which may be the subject of indemnity under Cover clause - Bodily Injury

### 4. Health and Safety at Work Act Prosecution Defence Costs

The Company will indemnify the Named Insured and at the request of the Named Insured any partner director or Employee of the Named Insured subject to the Limit of Indemnity as stated in the Schedule in respect of all legal costs or other expenses reasonably incurred with the Company's written consent in the defence of any criminal proceeding brought or in an appeal against a conviction arising from such criminal proceeding in respect of a breach of the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 or any similar UK health and safety legislation or regulation committed or alleged to have been committed during the Period of Insurance in connection with the Business

Provided that

- (a) in relation to an appeal counsel has advised there are strong prospects of such appeal succeeding
- (b) the proceedings relate to the health safety or welfare of an Employee
- (c) the indemnity will not apply to
  - (i) proceedings consequent upon any deliberate act or omission
  - (ii) fines or penalties of any kind
  - (iii) the bringing of an appeal solely regarding the amount of a fine or penalty
  - (iv) any circumstance where indemnity is provided by any other insurance or where but for the existence of this Cover clause indemnity would have been provided by such other insurance

**5. Corporate Manslaughter And Corporate Homicide Act 2007 Defence Costs**

The Company will indemnify the Named Insured subject to the limit of liability stated in paragraph 5(d) below in respect of all costs of legal representation reasonably incurred with the Company's written consent for

1. the defence of any criminal proceeding or
2. an appeal against conviction arising from such criminal proceeding

brought against the Named Insured for an offence of corporate manslaughter or corporate homicide arising under the Corporate Manslaughter and Corporate Homicide Act 2007 (or any subsequent amending legislation thereof) committed or alleged to have been committed by the Named Insured during the Period of Insurance in connection with the Business

Provided that

- (a) in relation to an appeal counsel has advised there are strong prospects of such appeal succeeding
- (b) the proceedings relate to the death of an Employee
- (c) the indemnity will not apply to
  - (i) proceedings consequent upon death resulting from any deliberate act or omission unless such death is caused by the way in which the Business is managed or organised by the Named Insured and amounts to a gross breach of a relevant duty of care owed by the Named Insured to the deceased
  - (ii) fines or penalties of any kind or
  - (iii) any circumstances where indemnity for criminal defence costs is available from any other source or is provided by any other insurance or where but for the existence of this Cover clause indemnity would have been provided by such other source or insurance
- (d) the Company's limit of liability under this Cover clause to the Employers' Liability Section and any equivalent Cover clause to the Public and Products Liability Section shall not exceed in the aggregate £1,000,000 in respect of all acts or omissions committed or alleged to have been committed during the Period of Insurance and shall be in addition to the amount of the Limit of Indemnity stated in the Section Schedule
- (e) if a Deductible is stated in the Section Schedule (or any claim reimbursement amount instead of a Deductible otherwise agreed) it shall apply in respect of this Cover clause to the Employers'

Liability Section and the amount of the Deductible or such claim reimbursement amount shall be part of and not in addition to the Company's limit of liability stated in paragraph 5(d) above

**6. Payment for Court Attendance**

If the Company or its representative requests any undermentioned Insured attend a court tribunal or other forum as a witness in connection with a claim in respect of which the Insured is entitled to indemnity under this Section the Company will at their discretion provide compensation to the Insured up to the following rates per day for each day or part thereof that attendance is required

- |  |      |
|--|------|
| (a) any principal partner or director of the Named Insured | £500 |
| (b) any other Employee                                     | £200 |

**7. Indemnity to Principal**

If the Named Insured so requests the Company will indemnify any principal for whom the Insured is carrying out work under a contract or agreement against liability arising out of the performance of such work by the Insured and in respect of which the Insured would have been entitled to indemnity under Cover clause - Bodily Injury Cover clause Claimants' Costs and Expenses and Cover clause Defence Costs and Expenses as if the claim had been made against the Insured but only to the extent required by the terms and conditions of such contract or agreement

Provided that

- (a) said principal shall observe fulfil and be subject to the terms of this Policy in so far as they can apply
- (b) the Company's aggregate liability to all parties comprising the Insured and any principal shall not exceed the Limit of Indemnity stated in the Schedule

**8. Unsatisfied Court Judgements**

Where a judgement for Compensation has been obtained by an Employee or a legal personal representative of an Employee for Bodily Injury sustained by the Employee that arose out of and in the course of employment by the Insured in connection with the Business and was caused during the Period of Insurance against any company or person operating from or residing within Great Britain Northern Ireland the Isle of Man or the Channel Islands in any court situate in the said territories and such judgement remains unsatisfied in whole or in part 6 months after the date of judgement then at the request of the Named Insured the Company will pay to the Employee or the legal personal representative of the Employee subject to the Limit of Indemnity as stated in the Schedule the amount of any such Compensation and awarded costs that remain unsatisfied

Provided that

- (a) the judgement is not on appeal

- (b) prior to any payment being made by the Company the Employee or the legal personal representative of the Employee has assigned all rights to recover from the party against whom the judgement was obtained to the Company
- (c) all reasonable steps necessary to protect the Company's ability to recover from the party against whom the judgement was obtained have been taken by the Employee or the legal personal representative of the Employee

### Limit of Indemnity

The Limit of Indemnity is stated in the Section Schedule and applies to the Compensation for Bodily Injury payable in respect of any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause and is inclusive of all claimants' and defence costs and expenses payable under Cover clause – Claimants' Costs and Expenses Cover clause - Defence Costs and Expenses and Cover clause - Health and Safety at Work Act Prosecution Defence Costs

### Condition

#### Claims (Right of Recovery)

The indemnity provided by this Employers' Liability Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to employees in Great Britain Northern Ireland the Isle of Man and the Channel Islands but the Insured shall repay to the Company all sums paid by the Company which it would not have been liable to pay but for the provision of such law

### Exclusions

The Company shall not be liable to indemnify the Insured in respect of

- 1. any amount payable under workmen's compensation social security or health insurance legislation save for any compensation recovery unit payments that may be required by the Social Security Acts 1989 and 1990
- 2. any claim arising directly or indirectly out of Offshore Work
- 3. any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 as amended by the Motor Vehicles (Compulsory Insurance) Regulations 1992 and the Road Traffic (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or any other compulsory Road Traffic Act legislation

### Endorsement

The following endorsement is only operative if shown on the Employers' Liability Section Schedule and is subject otherwise to the terms of the Employers' Liability Section and the General Definitions Conditions and Exclusions

#### EL01A. Offshore Extension

- 1. Employers' Liability Section Exclusion 2 is deleted
- 2. The following is added to the Employers' Liability Section Limit of Indemnity

Provided that in respect of liability arising directly or indirectly out of Offshore Work the amount of the Limit of Indemnity inclusive of all claimants' and defence costs and expenses payable under Cover clause – Claimants' Costs and Expenses Cover clause – Defence Costs and Expenses and Cover clause – Health and Safety at Work Act Prosecution Defence Costs shall only be for the minimum amount required by the relevant law applicable in Great Britain Northern Ireland the Isle of Man the Island of Guernsey the Island of Jersey or the Island of Alderney (and accordingly reduced to such amount where the amount of the Limit of Indemnity stated in the Employers' Liability Section is higher)

# Public and Products Liability Section

## Definitions

In this Public and Products Liability Section the following terms shall have the following meanings

### 1. **Damage**

Damage means

- (a) physical loss of or damage to tangible property including attendant loss of use of such property
- (b) nuisance trespass or interference with any easement right of air light water or way

### 2. **Financial Loss**

Financial Loss means financial loss unaccompanied by either Injury or Damage

## Cover

### 1. **Legal Liability**

The Company will indemnify the Insured subject to the Limit of Indemnity in respect of all sums which the Insured shall become legally liable to pay as Compensation for and arising out of accidental Injury or Damage occurring during the Period of Insurance and arising in connection with the Business

### 2. **Claimants' Costs and Expenses**

The Company will in addition to the Limit of Indemnity indemnify the Insured in respect of all sums the Insured shall become legally liable to pay as claimants' costs and expenses in connection with the indemnity provided under Cover clause - Legal Liability

### 3. **Defence Costs and Expenses**

The Company will in addition to the Limit of Indemnity indemnify the Insured in respect of all

- (a) costs of legal representation reasonably incurred with the Company's written consent at any
  - (i) coroner's inquest or other inquiry in respect of any death
  - (ii) proceeding in a court (other than in the defence of any criminal proceedings brought or in an appeal against conviction arising from such criminal proceeding) in respect of any act or omission causing or relating to any matter
- (b) other costs and expenses reasonably incurred with the Company's written consent in relation to any matter

which may be the subject of indemnity under Cover clause - Legal Liability

### 4. **Consumer Protection Act or Health and Safety at Work Act or Food Safety Act Prosecution Defence Costs**

The Company will in addition to the Limit of Indemnity indemnify the Named Insured and at the request of the Named Insured any partner director or Employee of the Named Insured in respect of all legal costs or other expenses reasonably incurred with the Company's written consent in the defence of any criminal proceeding brought or in an appeal against a conviction arising from such criminal proceeding in respect of a breach of

- (a) the Consumer Protection Act 1987 or any amending legislation
- (b) the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 or any similar United Kingdom health and safety legislation or regulation or
- (c) the Food Safety Act 1990 or any amending legislation

committed or alleged to have been committed during the Period of Insurance in connection with the Business

Provided that

- (a) in relation to an appeal counsel has advised there are strong prospects of such appeal succeeding
- (b) the proceedings do not relate to the health safety or welfare of an Employee
- (c) the indemnity will not apply to
  - (i) proceedings consequent upon a deliberate act or omission
  - (ii) fines or penalties of any kind
  - (iii) the bringing of an appeal solely regarding the amount of a fine or penalty
  - (iv) any circumstances where indemnity is provided by any other insurance or where but for the existence of this Cover clause indemnity would have been provided by such other insurance

### 5. **Corporate Manslaughter And Corporate Homicide Act 2007 Defence Costs**

The Company will indemnify the Named Insured subject to the limit of liability stated in paragraph 5(d) below in respect of all costs of legal representation reasonably incurred with the Company's written consent for

- 1. the defence of any criminal proceeding or
- 2. an appeal against conviction arising from such criminal proceeding

brought against the Named Insured for an offence of corporate manslaughter or corporate homicide arising under the Corporate Manslaughter and Corporate Homicide Act 2007 (or any subsequent amending legislation thereof) committed or alleged to have been committed by the Named Insured during the Period of Insurance in connection with the Business

Provided that

- (a) in relation to an appeal counsel has advised there are strong prospects of such appeal succeeding
- (b) the proceedings relate to the death of any person other than an Employee
- (c) the indemnity will not apply to
  - (i) proceedings consequent upon death resulting from any deliberate act or omission unless such death is caused by the way in which the Business is managed or organised by the Named Insured and amounts to a gross breach of a relevant duty of care owed by the Named Insured to the deceased
  - (ii) fines or penalties of any kind or
  - (iii) any circumstances where indemnity for criminal defence costs is available from any other source or is provided by any other insurance or where but for the existence of this Cover clause indemnity would have been provided by such other source or insurance
- (d) the Company's limit of liability under this Cover clause to the Public and Products Liability Section and any equivalent Cover clause to the Employers' Liability Section shall not exceed in the aggregate £1,000,000 in respect of all acts or omissions committed or alleged to have been committed during the Period of Insurance and shall be in addition to the amount of the Limit of Indemnity stated in the Section Schedule
- (e) if a Deductible is stated in the Section Schedule (or any claim reimbursement amount instead of a Deductible otherwise agreed) it shall apply in respect of this Cover clause to the Public and Products Liability Section and the amount of the Deductible or such claim reimbursement amount shall be part of and not in addition to the Company's limit of liability stated in paragraph 5(d) above

## 6. Data Protection

The Company will indemnify the Named Insured and at the request of the Named Insured any partner director or Employee of the Named Insured subject to the limit of liability stated in paragraph 6(e) below in respect of their liability to pay Compensation for damage or distress only under Article 82 of the GDPR including claimants' costs and expenses in connection

with that claim for Compensation and with the written consent of the Company

- 1. reasonable defence costs and expenses incurred and
- 2. the reasonable defence costs incurred relating to a prosecution brought under the GDPR in relation to a claim made by any person

Provided that

- (a) a claim for Compensation is first made or a prosecution is first brought against the Named Insured during the Period of Insurance
- (b) the Named Insured has taken all reasonable care to comply with the requirements of the GDPR
- (c) the indemnity will not apply to
  - (i) fines or penalties of any kind
  - (ii) the cost of replacing reinstating rectifying erasing blocking or destroying data
  - (iii) indemnify the Named Insured or any partner director or Employee of the Named Insured in respect of liability caused by or arising from a deliberate or intentional act or omission of any such party or person the effect of which knowingly resulted in liability under the GDPR
  - (iv) claims which arise out of circumstances notified to previous insurers or are known to the Insured and likely to give rise to indemnity under this Cover clause at the start of the Period of Insurance
  - (v) liability for which indemnity is provided under any other insurance
  - (vi) liability which arises as a result of the provision by the Named Insured in connection with the Business of services for the processing of data on behalf of a Third Party
  - (vii) liability which arises as a result of the recording or provision of data for reward or for determining the financial status of any person
- (d) in respect of each and every claim or claims arising from an Event under this Cover clause the Named Insured shall be liable for 10% of the cost of such claim or claims or £500 whichever is the greater
- (e) the Company's limit of liability under this Cover clause shall not exceed £500,000 during any one Period of Insurance

## 7. Motor Contingent Liability

Notwithstanding Section Exclusion 5 the Company will

indemnify the Named Insured subject to the Limit of Indemnity in respect of all sums which the Named Insured shall become legally liable to pay as Compensation for Injury or Damage that arises from or is caused by any motor vehicle that is not the property of nor provided by the Named Insured but is being used in connection with the Business Provided that the Company will not provide indemnity in respect of liability

- (a) for loss of or damage to such vehicle or property carried
- (b) for which indemnity is available from any other source or is provided by any other insurance or where but for the existence of this Cover clause indemnity would have been provided by such other source or insurance
- (c) arising or caused whilst such vehicle is being
  - (i) driven by the Named Insured
  - (ii) driven with the consent of the Named Insured or its representative by a person who to the knowledge of the Named Insured or such representative does not hold a licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence
  - (iii) used elsewhere than in Great Britain Northern Ireland the Isle of Man or the Channel Islands

**8. Payment for Court Attendance**

If the Company or its representative requests any undermentioned Insured attend a court tribunal or other forum as a witness in connection with a claim in respect of which the Insured is entitled to indemnity under this Section the Company will at their discretion provide compensation to the Insured up to the following rates per day for each day or part thereof that attendance is required

- (a) any principal partner or director of the Named Insured £500
- (b) any other Employee £200

**9. Indemnity to Principal**

If the Named Insured so requests the Company will indemnify any principal for whom the Insured is carrying out work under a contract or agreement against liability arising out of the performance of such work by the Insured and in respect of which the Insured would have been entitled to indemnity under Cover clause - Legal Liability Cover clause Claimants' Costs and Expenses and Cover clause Defence Costs and Expenses as if the claim had been made against the Insured but only to the extent required by the terms and conditions of such contract or agreement

Provided that

- (a) said principal shall observe fulfil and be subject to the terms of this Policy in so far as they can apply
- (b) the Company's aggregate liability to all parties comprising the Insured and any principal shall not exceed the Limit of Indemnity

**10. Overseas Personal Liability**

The Company will indemnify the Named Insured and at the request of the Named Insured any partner director of the Named Insured or Employee (including their families whilst accompanying them) against legal liability to pay Compensation for Injury or Damage incurred in a personal capacity whilst engaged in visits in connection with the Business outside the Territorial Limits

Provided that

- (a) each party covered hereunder shall observe fulfil and be subject to the terms and conditions of the Policy insofar as they can apply
- (b) the Company's aggregate liability to all persons firms bodies corporate or entities comprising the Named Insured and any other party or parties shall not exceed the Limit of Indemnity
- (c) the Company will not provide indemnity
  - (i) in respect of legal liability caused by or arising out of the ownership or occupation of land or buildings
  - (ii) where indemnity is available from any other source or is provided by any other insurance or where but for the existence of this Cover clause indemnity would have been provided by such other source or insurance

**11. Property in the Insured's Custody or Control**

Section Exclusion 1(d) will not apply to

- (a) the personal effects (including vehicles and its contents) of any visitor or partner director or Employee of the Named Insured
- (b) any premises (including their fixtures fittings and contents) not owned by or leased rented or hired to the Named Insured that are temporarily occupied by an Insured for the purpose of carrying out work therein or thereon
- (c) any premises (including their fixtures and fittings) leased rented or hired to the Named Insured provided that the Company will not provide indemnity in respect of
  - (i) liability assumed by the Named Insured under a tenancy or other agreement unless liability would have attached in the absence of such tenancy or other agreement
  - (ii) the first £500 (or any applicable Deductible applying to the Section if greater) of each and every occurrence of loss or damage

caused to any such premises fixtures or fittings other than by fire or explosion

## 12. Defective Premises Act

The Company will indemnify the Insured against legal liability to pay Compensation for Injury or Damage incurred by virtue of the Defective Premises Act 1972 or the Defective Premises (Northern Ireland) Order 1975 in connection with any premises or any part thereof previously owned in connection with the Business which were disposed of by the Insured prior to the occurrence of the Injury or Damage giving rise to liability

Provided that

- (a) such legal liability arises out of Injury or Damage that occurred during the Period of Insurance
- (b) the Company will not provide indemnity
  - (i) where indemnity is available from any other source or is provided by any other insurance or where but for the existence of this Cover clause indemnity would have been provided by such other source or insurance
  - (ii) in respect of the costs incurred in removing rebuilding repairing rectifying or replacing any such premises or part of such premises

## Limit of Indemnity

The Limit of Indemnity is stated in the Schedule and applies to Compensation for accidental Injury or Damage payable in respect of any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause In respect of liability arising from Products the Limit of Indemnity shall be the total amount payable during any one Period of Insurance in respect of all claims

Provided that

- (a) where the Limit of Indemnity is less than the total amount of the Insured's liability (the total liability excluding any costs and expenses) then the costs and expenses payable under Cover clause – Claimants' Costs and Expenses and Cover clause - Defence Costs and Expenses shall be limited to the proportion that the Limit of Indemnity bears to the total amount of such liability
- (b) the Deductible in respect of Compensation and claimants' costs and expenses will be payable before the Company shall be liable to make a payment

## Exclusions

The Company shall not be liable to indemnify the Insured in respect of

- 1. the cost of making good Damage to property
  - (a) belonging to the Insured or

- (b) being that part of any property worked upon by the Insured that arises out of such work or
- (c) being any Product (other than any Product supplied under a separate contract) or
- (d) in the Insured's care custody or control

- 2. liability assumed by the Insured under contract or agreement to any person firm or company who is a third party within the meaning of the Contracts ( Rights of Third Parties ) Act 1999 unless the Company has signified its approval to the form of such contract or agreement or such liability would have attached notwithstanding such contract or agreement
- 3. liability arising from Products attaching by virtue of an agreement but which would not have attached in the absence of such agreement unless the Company shall have signified its general approval to the form of such contract or agreement by endorsement hereon
- 4. liability arising from the ownership possession or use by or on behalf of the Insured of any vessel or craft (other than non powered water craft) made or intended to float on or in or travel through water or air or space but this Exclusion shall not apply to any waterborne vessel or craft not exceeding 10 metres in length other than power boats used for racing
- 5. liability caused by or arising from the ownership possession or use by or on behalf of the Insured of any mechanically propelled vehicle or plant except

- (a) any vehicle or plant
  - (i) not requiring a licence for road use or a certificate of motor insurance or other security or
  - (ii) being used as a tool of trade at any premises of the Insured or on the site of any contract where the Insured is working or
- (b) the loading or unloading or the bringing to or taking away of a load from any mechanically propelled vehicle or plant

Provided that the Company will not provide indemnity

- (i) in respect of liability which is compulsorily insurable under any road traffic legislation
- (ii) where indemnity is available from any other source or is provided by any other insurance or where but for the existence of this Cover clause indemnity would have been provided by such other source or insurance
- 6. liability arising out of any actual or alleged Pollution or Contamination including without limitation clearing up testing monitoring containing treating detoxifying or neutralising Pollution or Contamination
  - (a) within the United States of America its territories and possessions Puerto Rico and Canada or



- (b) elsewhere in the world unless caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance

Provided that

- (i) notwithstanding General Condition - Jurisdiction or any amendment thereto the Company shall not grant indemnity in respect of any claim judgment award payment or settlement in the United States of America its territories and possessions Puerto Rico and Canada or in respect of the enforcement of any such claim judgement award payment or settlement
- (ii) all Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place
- (iii) the liability of the Company for all Compensation payable in respect of all Pollution or Contamination which has occurred or is deemed to have occurred during the Period of Insurance shall not exceed the Limit of Indemnity in the aggregate

For the purpose of this Exclusion 6 'Pollution or Contamination' means

- A. all pollution or contamination of buildings or other structures or water or land or the atmosphere  
and
- B. all Damage or Injury directly or indirectly caused by such pollution or contamination

- 7. liability for costs and expenses for
  - (a) the repair inspection alteration correction removal or replacement of defective materials service or workmanship or
  - (b) the withdrawal recall inspection alteration correction removal replacement or making of any refund in respect of Products
- 8. (a) liability arising out of Products comprising or incorporated in or on any aircraft spacecraft or military or naval missile
- (b) liability arising out of Products comprising or incorporated in ground support or control equipment used for the purpose of guidance navigation or direction of any aircraft spacecraft or military or naval missile
- 9. liability in respect of loss of information or the provision of wrong information in or from computer programs tapes or data recording equipment unless as a direct consequence of physical loss of or damage to tangible property

- 10. liability in respect of Bodily Injury sustained by an Employee and arising out of and in the course of his employment by the Insured
- 11. liability for Financial Loss
- 12. liability caused by or arising from the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Named Insured or not to correctly
  - (a) recognise any date as its true calendar date
  - (b) capture save retain manipulate interpret or process any data or information command or instruction as a result of treating any date otherwise than as its true calendar date
  - (c) capture save retain or process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture to save retain or correctly to process such data on or after any date

- 13. liability for Bodily Injury arising from an act or omission in the provision of or failure to provide Health Care but this shall not apply (in so far as indemnity is otherwise provided) in respect of legal liability directly or indirectly resulting from caused by contributed to attributed to or in any way related to Abuse

For the purpose of this exclusion

- (a) Health Care means health care (but not First Aid) rendered by members of the health care and allied services or by others consequent on decisions or judgements made by such members

Such members shall include

- (i) medical and dental practitioners
- (ii) nurses
- (iii) midwives
- (iv) pharmacists
- (v) professions allied to medicine
- (vi) care assistants and nursing auxiliaries
- (vii) ambulance personnel
- (viii) laboratory technicians
- (ix) social workers
- (b) First Aid means emergency care (other than pre planned emergency treatment for specific individuals) given immediately to an injured or sick person by any director partner or Employee of the Named Insured in the course of carrying out their duties when undertaking the Named Insured's Business

- 14. liability arising out of advice design plan formula specification or omission to perform a professional duty provided for a fee or in circumstances where a fee would normally be charged

15. liability arising out of any work away from premises owned or leased or rented by the Named Insured involving the use of grinding wheels cutting discs angle grinders electric oxy-acetylene or other welding or cutting equipment blow torches blow lamps or flame guns or hot air guns heated tar bitumen or asphalt or any other process involving the application of heat other than this exclusion shall not apply to the use of electric soldering iron
16. liability arising from any product material drug device or anything else tangible the subject of a Clinical Trial causing Bodily Injury or Damage

For the purposes of this exclusion

- (a) 'Clinical Trial' means an investigation or series of investigations on a Research Subject for a medical purpose
- (b) 'Research Subject' means any person who has volunteered to participate as a subject in a Clinical Trial

## Endorsements

The following endorsements are only operative if shown on the Public and Products Liability Section Schedule and are subject otherwise to the terms of the Public and Products Liability Section and the General Definitions Conditions and Exclusions

### PL02B. Heat Work Away Conditions

Definitions applicable to this endorsement:

Equipment means

- (a) grinding wheels cutting discs angle grinders electric oxy-acetylene or other welding or cutting equipment blow torches blow lamps or flame guns or hot air guns in each case howsoever powered or driven and or
- (b) gas powered soldering irons

including all gas or fuel containers and hose connections

Bitumen Heaters means vessels for the heating of tar bitumen or bituminous compounds

Section Exclusion 15 shall not apply but the Company shall not be liable to indemnify the Insured in respect of liability caused by or arising from the use of Equipment or Bitumen Heaters away from premises owned by or leased or rented to the Named Insured unless the following precautions are taken at all times

- (a) a responsible worker is appointed to facilitate compliance with all requirements of these conditions
- (b) prior permission from the occupier/owner of the site has been granted to use the

Equipment or Bitumen Heaters and suitable and adequate fire extinguishing appliances are provided at the point of use

Suitable and adequate fire extinguishing appliances shall as a minimum mean a nine litre water or a two kilogram multi purpose fire extinguisher

- (c) all workers are aware of the location of fire alarms and fire fighting equipment provided on site which shall be ready for operation at the time the Equipment or Bitumen Heaters are in use
- (d) the item being worked on and the area where the Equipment is to be used including on the other side of any ceiling floor wall or partition and within and on the other side of any tank pipe drum or apparatus are checked to ensure that no combustible material or inflammable liquid or gas is in danger of ignition directly or through conducted heat
- (e) all combustible materials or inflammable liquid or gases in the vicinity of the work other than gas or fuel connected to the Equipment shall be removed to a point at least eight metres from the area where the Equipment is being used

Any combustible material or inflammable liquid or gases which can not be reasonably moved shall be covered and fully protected by overlapping sheets/screens of non combustible material

Where the nature of materials or liquids or gases can not be properly verified by a suitably qualified person as non combustible or non inflammable they must be assumed as combustible or inflammable and all stated precautions be carried out in full

- (f) Equipment and Bitumen Heaters are examined prior to use and any defects found are repaired or replaced prior to use
- (g) Equipment and Bitumen Heaters are attended at all times whilst in operation and only used in accordance with the manufacturers instructions and by a worker who is trained and experienced in its use
- (h) whilst heating is taking place Bitumen Heaters are kept in the open or if within a building or on a roof then placed on a surface of non combustible material
- (i) the area where the Equipment has been used including on the other side of any floor wall ceiling or partition and within and on the other side of any tank pipe drum or apparatus is to be examined immediately following use of the Equipment and then at

regular intervals for at least one hour to ensure that there is no risk of fire

Insured in connection with any obligation owed by the Named Insured as employer to any Employee or former Employee

**PL03. Failure To Perform**

The indemnity provided by this Section does not apply to Injury or Damage caused by or arising from the actual or alleged failure or unsuitability of any Product (or any part thereof) to fulfil the purpose for which it was designed or to perform as specified warranted guaranteed or intended

(iv) General Condition - Cross Liabilities shall not apply to this Cover clause

**PL05C. Libel And Slander**

**Definition**

Definition applicable to this endorsement

**1. Claim**

Claim means a demand for or an assertion of right to Compensation

Injury is hereby extended under this Section to include

- (a) libels appearing in any publication normal to the conduct of the Named Insured's Business accidentally committed or occasioned by the Insured in good faith
- (b) slanders in oral utterances accidentally committed or occasioned by any Employee in good faith in the course of and in pursuance of the Business

but only in respect of any Claim which is both first made against the Insured and notified to the Company during the Period of Insurance or notified to the Company within thirty days after the end of the Period of Insurance and provided that

- (i) the date of the publication or utterance on which the Claim is based occurred during the Period of Insurance
- (ii) the liability of the Company in respect of all Claims (including claimants' and defence costs and expenses as indemnified for under clause 2 and 3 of the Cover) in any one Period of Insurance shall not exceed in the aggregate £1,000,000 and for the avoidance of doubt as regards all Compensation costs and legal expenses incurred or awarded in connection with any one publication or utterance whether or not all claims in respect thereof shall be made during the same Period of Insurance
- (iii) this Cover clause shall not apply to libel or slander made to or by an Employee or former Employee of the Named Insured against another Employee or to libels or slanders committed or occasioned by the

**PL06B. North American Jurisdiction**

The following condition is added to the Public and Products Liability Section

General Condition - Jurisdiction shall not apply in respect of the Public and Products Liability Section and any indemnity provided by this Section in respect of legal liability to pay Compensation (including claimants' costs and expenses) shall operate in accordance with the law of any country however with respect to any claim judgement award payment 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 payment or settlement either in whole or in part) the following additional conditions shall apply

- (a) the Limit of Indemnity is inclusive of Cover – Claimants' Costs and Expenses and Cover - Defence Costs and Expenses
- (b) Notwithstanding General Exclusion - Deductible the Company will not be liable for any Deductible stated in the Schedule as applying in respect of the United States of America or Canada

# Professional Indemnity Section

## Definitions

In this Professional Indemnity Section the following terms shall have the following meanings. If a term below is also defined in the General Definitions the definition below replaces the General Definition for the purposes of this Section.

### 1. Business Activities

Business Activities means the business activities of the Named Insured stated in the Schedule to this Section and none other.

### 2. Circumstances

Circumstance means any one or more of the following:

- (a) an intimation of a Claim or of an intention to claim against the Insured
- (b) any known direct or indirect criticism or dispute whether expressed or implied (whether justified or not) relating to the performance of the Insured or its Agent which might give rise to third party loss or Damage
- (c) any awareness of the Insured of failing or doubt of the efficacy of its own performance or the performance of its Agent where such failing or inefficacy might give rise to third party loss or Damage
- (d) any awareness of the Insured that materials, goods, services or action specified, designed or recommended by the Insured or its Agent have failed to meet the standard required and which might result in third party loss or Damage.

which if the subject of a Claim (regardless of the Deductible) would fall for indemnity under this Section.

### 3. Claim

Claim means a demand for or an assertion of right to Compensation attributable to:

- (a) the same act, error or omission

or

- (b) a series of acts, errors or omissions consequent upon or attributable to the same original cause or source

or

- (c) in respect of insurance provided under Operative Clause 2(a) all Damage arising from any one Event.

### 4. Damage

Damage means accidental destruction of or accidental damage to or loss of tangible property or Documents.

### 5. Documents

Documents means all:

- (a) documents (excluding bearer bonds, coupons, bank or currency notes or other negotiable instruments)
- (b) records stored electronically.

### 6. Insured

Insured for the purpose of this Section means the Named Insured as specified in the Master Schedule and shall in addition include:

- (a) where the Named Insured is a partnership, any partner or former partner of the Named Insured
- (b) any director or former director of the Named Insured
- (c) any Employee
- (d) any person who becomes a partner or director of the Named Insured during the Period of Insurance
- (e) any predecessors in business of the Named Insured provided the Company has been notified in writing of the existence of such predecessors

and the estates and/or the legal representatives of any person referred to in this definition in the event of their death, incapacity, insolvency or bankruptcy.

Provided that:

- (i) each party covered shall observe, fulfil and be subject to the terms and conditions of the Policy insofar as they can apply
- (ii) the Company's aggregate liability to all persons, firms, bodies, corporate or entities comprising the Named Insured and any other party or parties shall not exceed the specified amount detailed in the Schedule as the Limit of Indemnity.

## Conditions

If a condition below is also contained in the General Conditions, the condition below replaces the General Condition for the purposes of this Section.

### 1. Claims (Duties owed by the Insured)

#### Special definition

Letter of Claim or Claim Notification Form where used in this condition means any written communication indicating an intention to claim against the Insured that specifies sufficient information about the incident to enable it to be investigated and includes at least preliminary information as to the nature of the injury or damage sustained or alleged error and as defined in

any protocols issued under the Civil Procedure Rules (or any amendments or supervening legislation)

- (a) If during the Period of Insurance the Insured shall receive any Claim the Insured shall give notice to the Company as soon as possible within the Period of Insurance
- (b) If a Circumstance should exist or arise the Insured shall as soon as possible after awareness give notice thereof to the Company in writing in which case the Company will consider any Claim arising from such Circumstance to have been made in the Period of Insurance in which such notice has been given and the Insured shall promptly and fully inform the Company of all developments of which it becomes aware concerning such Circumstance
- (c) Subject to the provisions set out in subparagraph (h) below the Insured shall acknowledge and provide a response as required in accordance with and within the time period fixed for that purpose in the relevant pre-action protocol issued under the Civil Procedure Rules and shall promptly forward a copy of the Letter of Claim or Claim Notification Form and any such response to the Company

Following receipt by the Insured of a pre-action Letter of Claim or Claim Notification Form in addition to the above the Insured shall as soon as possible provide to the Company copies of all documents records and minutes of meetings necessary to consider the claim fully The Insured shall also give to the Company all such proofs and information with respect to any claim as the Company may require together with (if demanded) a statutory declaration of the truth of such claim and of any matters relating thereto

- (d) The Insured shall immediately forward every service of writ summons or claim form or impending prosecution notice requiring arbitration or notice of an inquest or fatal accident inquiry in connection with any such Circumstance or Claim aforesaid to the Company unacknowledged
- (e) Other than as prescribed in (c) within thirty days of any Circumstance or Claim aforesaid or such further time as the Company may in writing allow the Insured shall give full particulars of the Circumstance or Claim
- (f) The Insured if required by the Company shall attend all proceedings and alternative dispute resolution meetings and assist the Company in the giving of evidence and the attendance of witnesses and shall give the Company all information and assistance including technical assistance and do and concur in doing whatever the Company may require in connection with any Circumstance or Claim
- (g) The Insured shall bear their own costs and expenses incurred in complying with this

Condition unless specific indemnity is provided within the Section

- (h) The Insured shall not incur any liability for costs or expenses in connection with any Claim or Circumstance to any other party or person without the written consent of the Company nor make any admission offer promise payment indemnity negotiation towards settlement or anything which could be construed as such in respect of any Claim or Circumstance save that the Company shall not object to the Insured carrying out or arranging to carry out remedial work at its own expense which is intended to avoid a Claim or Circumstance arising
- (i) The Insured shall take all reasonable steps to prevent further loss

## 2. Claims (Company's rights)

- (a) The Company may
  - (i) investigate handle and control any Claim or Circumstance notified to it at its absolute discretion and may settle compromise or make ex- gratia payments in respect thereof and generally conduct any proceedings process or actions related to such Claim or Circumstance as it deems appropriate and the costs incurred by the Company in this undertaking (including Claim Investigation Expenses) shall be subject to any applicable Deductible stated in the Section Schedule irrespective of whether an indemnity is subsequently provided to the Insured in respect of such Claim or Circumstance
  - (ii) at its discretion take over and control the legal representation of the Insured at any inquest inquiry or other proceedings in any Court concerning any matter that has or may give rise to a Claim hereunder or the defence and settlement of any Claim The Company shall conduct such representation and defence and settlement of Claims as it sees fit so to do In the event that the Company makes any payment the Insured will on demand pay to the Company the amount of the Deductible applicable

In the event of a dispute between the Insured and the Company as to whether the Insured shall be required to contest any legal proceedings the Company shall only require the Insured to contest the same if a Counsel mutually agreed between the Insured and the Company ( or in the event of disagreement appointed by the President of the Bar Council ) shall advise that there are reasonable prospects of successfully defending the Claim or limiting the exposure of the Insured to legal liability by so doing

- (b) Any statement or information or fact relating to the Claim or Circumstance given to such legal

representation by the Insured shall be deemed to have been also made direct to the Company

- (c) The Company may at any time pay to the Insured the amount of the Limit of Indemnity (less any sum already paid or expended during the Period of Insurance and less the amount of any Deductible) or any lesser amount for which any Claim can be settled and upon such payment being made the Company shall cease to have the conduct and control of the and be under no further liability in respect of such Claim The Company shall not be responsible for any loss which the Insured may claim to have sustained by reason of the Company having so acted For the purposes of this sub-clause "any lesser amount" may include an undertaking by the Company to pay any costs and interest awarded against an Insured when ascertained by a Court or Arbitrator

## Operative Clauses

### 1. Legal Liability

The Company will indemnify the Insured subject to the Limit of Indemnity against legal liability for Compensation (including claimants' costs and expenses) in respect of any Claim which is both first made against the Insured and notified to the Company during the Period of Insurance incurred in the conduct of the Business Activities of the Named Insured carried out at or from premises within the Territorial Limits by reason of

#### A. Breach of Duty

a breach of duty owed by the Insured in its professional capacity arising out of any act error or omission which is negligent accidentally committed or occasioned in good faith by

- (i) the Insured
- (ii) any Agent
- (iii) any other person firm or company acting jointly with the Insured

#### B. Dishonesty

any dishonest or fraudulent act or omission on the part of any Employee or Agent

Provided that

- (i) such dishonest or fraudulent act or omission was made without the consent or connivance of any director partner officer or principal of the Named Insured
- (ii) no person committing or condoning such dishonest or fraudulent act or omission shall be entitled to indemnity
- (iii) if the Company so requests the Named Insured shall take all reasonable steps to effect recovery from the person committing

or condoning such dishonest or fraudulent act or omission or from the estate and/or the legal representatives of such person

- (iv) the following shall be deducted from any amount which but for this sub-clause (iv) would be payable under this insurance
  - (a) any monies which but for such dishonest or fraudulent act or omission would be due from the Insured to the person committing or condoning such act error or omission
  - (b) any monies held by the Insured and belonging to such person
  - (c) any monies recovered following action as described in 1B(iii) above
- (v) the Company shall not be liable for any claim arising from any dishonest or fraudulent act or omission committed by
  - (a) any person after the discovery by a director partner officer or principal of the Insured of reasonable cause for suspicion of fraud or dishonesty in relation to that person
  - (b) any director partner officer or principal of the Insured

### C. Libel and Slander

libel and slander accidentally committed or occasioned by the Insured or any Agent in good faith

### 2. Accidental Damage to Documents

The Company will indemnify the Insured against accidental Damage to Documents belonging to or for which the Insured is legally responsible incurred in the conduct of the Business Activities of the Named Insured carried out at or from premises within the Territorial Limits first discovered and notified to the Company during the Period of Insurance

This indemnity is in respect of

- (a) all Compensation which the Insured shall become legally liable to pay in consequence of such Damage subject to the Limit of Indemnity and
- (b) all costs and expenses reasonably incurred by the Insured in replacing or restoring Documents belonging to the Insured up to a maximum of £25,000 during the Period of Insurance

Provided that such Damage is sustained while the Documents are either in transit or in the custody or control of the Insured or its Agent or any person to whom the Insured has entrusted them and that where documents are believed lost the Insured or its Agent has failed to find them after diligent search

The Deductible shall not apply to Operative Clause 2(b) above

### 3. Defence Costs and Expenses

The Company will indemnify the Insured subject to the Limit of Indemnity in respect of all costs and expenses (other than any costs incurred in endeavouring to effect recovery in accordance with provision (iii) of Operative Clause 1B) which are incurred by the Company or by the Insured with the Company's written consent in connection with the defence or settlement of any Claim under this Section

The Deductible shall not apply to this Operative Clause 3

## Additional Cover

### 1. Compensation for Court Attendance

In the event of any of the undermentioned persons attending a court or tribunal or other forum as a witness at the request of the Company in connection with a Claim in respect of which the Insured may be entitled to indemnity under Operative Clause 1 the Company will at their discretion pay the Insured at the following rates per day on which attendance is required

- |  |      |
|--|------|
| (a) any director or partner of the Named Insured | £500 |
| (b) any other Employee                           | £200 |

## Limit of Indemnity

### 1. Limit of Indemnity applying to Operative Clauses 1 and 2(a) and 3

The liability of the Company under Operative Clauses 1 and 2(a) and 3 in any one Period of Insurance shall not exceed in the aggregate the Limit of Indemnity specified in the Schedule

Where the Company is liable to indemnify more than one person firm company or body the total amount of indemnity payable under this insurance shall not exceed the Limit of Indemnity

## Exclusions

The Company shall not be liable under this Section

1. in respect of the Deductible except that this exclusion shall not apply to
  - (a) any costs or expenses payable under Operative Clause 2(b)
  - (b) costs and expenses incurred with the Company's written consent covered under Operative Clause 3
  - (c) Additional Cover 1 Compensation for Court Attendance
2. in respect of any Claim for

- (a) Bodily Injury sustained by any Employee arising out of and in the course of his employment by the Insured and or
- (b) Injury to any other person unless arising out of advice design plan formula specification or omission to perform a professional duty provided for a fee or in circumstances where a fee would normally be charged in the performance of a Business Activity
3. under Operative Clause 1 in respect of any Claim
  - (a) for Damage to property unless arising out of advice design plan formula specification or omission to perform a professional duty provided for a fee or in circumstances where a fee would normally be charged in the performance of a Business Activity
  - (b) for Damage to Documents
4. in respect of any Claim arising from the provision of advice design or specification where the Insured contracts to
  - (a) manufacture construct erect or install
  - or
  - (b) supply materials or equipment
5. in respect of any Claim arising from any breach of any obligation owed by the Insured as employer to any Employee or former Employee
6. in respect of any Claim arising out of any Circumstance
  - (a) notified by the Insured under any insurance which was in force prior to the Inception Date of this Section
  - or
  - (b) known or which in the reasonable opinion of the Company ought to have been known to the Insured at the Inception Date of this Section

unless such Circumstance has been declared to and accepted by the Company in writing
7. in respect of any Claim arising out of any act error or omission committed or occasioned or alleged to have been committed or occasioned prior to the Retroactive Date stated in the Schedule
8. in respect of any Claim arising solely and directly out of the ownership possession or use by or on behalf of the Insured of any aircraft watercraft hovercraft motor vehicle or trailer or any buildings premises or land or that part of any building leased rented or occupied
9. (a) in respect of any contractual liability arising from the giving by the Insured (whether orally or in writing) of any express warranty guarantee or other contractual promise which increases the

Insured's liability where such are given or accepted as part of the Insured's terms of engagement unless the Insured would have been liable in the absence of such express warranty guarantee or other contractual promise or the Company has approved the terms of engagement in writing

- (b) in respect of liability assumed by the Insured under contract or agreement to any person firm or company who is a third party within the meaning of the Contracts (Rights of Third Parties) Act 1999 unless the Company has signified its approval to the form of such contract or agreement or such liability would have attached notwithstanding such contract or agreement
10. any Claim arising out of or for the cost of removing nullifying or clearing up any actual or alleged Pollution or Contamination
- (a) within the United States of America its territories and possessions Puerto Rico and Canada or
  - (b) elsewhere in the world unless caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place after the Retroactive Date

provided that

- (i) notwithstanding General Condition 17 or any amendment thereto the Company shall not grant indemnity in respect of any claim brought in the courts of the United States of America its territories and possessions Puerto Rico and Canada or in respect of the enforcement of a judgement obtained in any such courts
- (ii) all Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place

For the purpose of this Exclusion 'Pollution or Contamination' shall mean

A. all pollution or contamination of buildings or other structures or water or land or the atmosphere

and

B. all Damage or Injury directly or indirectly caused by such pollution or contamination

11. in respect of any Claim made against the Insured by any holding or subsidiary or associated company or partner or director of the Insured or by any other person company or entity exercising a controlling interest over the Insured by virtue of their having a financial or executive interest in the operation of the Insured unless such Claim is for an indemnity or contribution in respect of a Claim made by another party against the said holding or subsidiary or

associated company or partner or director or any other person company or entity and arises out of advice or services rendered by the Insured

- 12. in respect of any fees claimed back by a client of the Insured or which have had to be refunded to a client of the Insured due or allegedly due to non-performance of the Insured's contractual or other obligations to that client
- 13. in respect of any Claim directly or indirectly caused by or contributed to by any dishonest fraudulent or criminal act or omission on the part of any director or partner of the Named Insured
- 14. in respect of any Claim arising from an act or omission in the provision of or failure to provide Health Care but this shall not apply (in so far as indemnity is otherwise provided) in respect of legal liability for Bodily Injury directly or indirectly resulting from caused by contributed to attributed to or in any way related to Abuse

For the purpose of this exclusion the words

(a) 'Health Care' shall mean health care (but not First Aid) rendered by members of the health care and allied services or by others consequent on decisions or judgements made by such members Such members shall include but not be limited to

- (i) medical and dental practitioners
- (ii) nurses
- (iii) midwives
- (iv) pharmacists
- (v) professions allied to medicine
- (vi) care assistants and nursing auxiliaries
- (vii) ambulance personnel
- (viii) laboratory technicians
- (ix) social workers

(b) 'First Aid' shall mean emergency care (other than pre planned emergency treatment for specific individuals) given immediately to an injured or sick person by an Employee or volunteer worker of the Named Insured in the course of carrying out their duties when undertaking the Named Insured's Business Activities

- 15. (a) in respect of any Claim directly or indirectly caused by or contributed to by or arising from or costs and expenses arising in relation to

or

(b) in respect of Operative Clause 2(b) any Damage to Documents directly or indirectly caused by

the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Insured or not and whether occurring before during or after the year 2000



- (i) correctly to recognise any date as its true calendar date
  - (ii) to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
  - (iii) to capture save retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date
16. in respect of Operative Clause 2(b) for any Damage to Documents caused by or resulting from an attack which allows unauthorised access or use of a computer or telecommunications system by electronically circumventing a security system and procedure and or a Computer Virus

## Endorsements

***The following endorsement is only operative if shown on the Professional Indemnity Section Schedule and is subject otherwise to the terms conditions and exclusions of the Section and the Policy***

### **PI01. North American Jurisdiction**

General Condition 17 shall not apply and any indemnity provided by this Section in respect of legal liability to pay Compensation (including claimants' costs and expenses) shall operate in accordance with the law of any country however with respect to any judgement award payment 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 payment or settlement either in whole or in part) the following additional condition shall apply

- (a) the Company will not be liable for the Deductible stated in the Schedule



**Travelers Insurance Designated Activity Company (UK Branch)**

Travelers Insurance DAC is regulated and authorised by the Central Bank of Ireland and its UK branch is regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

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