

# Commercial Combined Insurance

Policy Document





# Commercial Combined Insurance

## Policy Document

### General Insuring Clause

This Policy, the *Proposal*, the *Schedule* (including any *Schedule* issued in addition or substitution) and any Endorsements or Memoranda shall be considered one document and any word or expression to which a specific meaning has been attached shall bear such meaning wherever it appears.

The *Insured* named in the *Schedule*:

- 1 having made to the *Insurers* a *Proposal* and/or having provided to the *Insurers* information, the truth of the representations, declarations and information contained therein being agreed to be the basis of this Insurance and to be considered incorporated herein; and
- 2 having paid or agreed to pay the *Premium*;

the *Insurers* hereby bound shall by payment, or at their option by reinstatement or repair, indemnify the *Insured* to the extent hereafter described in respect of loss, destruction or damage, accident or *Injury* occurring during the *Period of Insurance* subject to the limits, terms, conditions and exclusions contained herein or endorsed hereon.

### Claims Procedure

If any incident occurs which might result in a claim within ordinary office hours (9am to 5pm), *You* must immediately contact the *Insurers* via *Your* insurance broker or other intermediary who will be able to advise *You*.

There is also a dedicated emergency out of office hours notification of loss phone line: 0800 587 6713.

*You* should refer to General Condition 11 on page 75 for full details of the claims procedure and conditions.



Signed by **Dane Douetil**, Chief Executive  
on behalf of **Brit Insurance Limited**

Proportion: As stated in the Policy *Schedule*

#### Brit Insurance Limited

Registered in England and Wales number 2763688 at 55 Bishopsgate, London EC2N 3AS  
Authorised and regulated by the Financial Services Authority  
Member of the Association of British Insurers  
A subsidiary of Brit Insurance Holdings PLC

# Policy Information for the Policyholder

Not forming part of this Insurance Policy

This Policy has been prepared in accordance with *Your* instructions.

It is a legal contract. Please read it carefully to ensure that it is in accordance with *Your* requirements and that *You* understand its limits, terms, conditions and exclusions. The insurance broker or other intermediary who arranged this Insurance should be contacted immediately if any correction is necessary.

This Policy consists of:

- the **General Insuring Clause** which explains the basis on which cover is provided;
- the **Schedule**, which states who is the *Insured*, the *Business* being covered and other particulars, such as the *Period of Insurance* and details of which Sections are operative. It also shows such details as the property or occurrences insured, limits of liability, and matters and amounts for which the *Insured* is responsible;
- **Definitions**, which define particular words and expressions applying to the whole of this Policy or, where specifically stated, applying to a particular Section;
- the **Sections** of the Policy which give precise details of the cover being provided;
- the **General Conditions** and **General Exclusions** of cover applying to the whole of this Policy or, where specifically stated, applying to a particular Section;
- any **Endorsement(s)** which might apply to the Policy or individual Sections, which incorporate extensions, limitations, amendments and such like.

*You* should immediately notify the *Insurers* via *Your* insurance broker or other intermediary of any changes which may affect the insurance provided by this Policy.

Alterations in the cover required after issue of the Policy will be confirmed by separate *Schedule(s)* and/or *Endorsement(s)* which *You* should file with the Policy. *You* should refer to these *Schedule(s)* and/or *Endorsement(s)* and the Policy to ascertain precise details of cover currently in force.

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# General Definitions

These Definitions are applicable to the whole Policy or, where specifically stated, to a particular Section of the Policy wherever the words appear in italics starting with a capital letter. These Definitions are subject to the terms, conditions, limits and exclusions of the Policy.

## A

### Accident

[Section 1 Extension 30 Equipment Breakdown] means direct physical loss arising from an insured event as described under Extension 30 Equipment Breakdown.

[Sections 14 and 16] means a single, sudden and unexpected event by violent, external and visible means, which occurs at an identifiable time and place and includes exposure resulting from a mishap to a conveyance in which the *Insured Person* is travelling.

### Additional Insured

means:

- A** the personal representatives of the *Insured* in respect of legal liability incurred by the *Insured*;
- B** any principal for whom the *Insured* is carrying out a contract for the performance of work but only to the extent required by contract conditions;
- C** any *Person Employed*;
- D** any director or partner of the *Insured*;
- E** the owners of plant hired in by the *Insured* but only to the extent required by the hiring conditions;
- F** any director or partner of the *Insured* or *Person Employed* in respect of private work undertaken by any *Person Employed* for such director, partner or *Person Employed* with the prior consent of the *Insured*;

against legal liability in respect of which the *Insured* would have been entitled to indemnity under this Policy if the claim for which indemnity is sought had been made against the *Insured*;

- G** the officers, committees and members of the *Insured's* canteen, social, sports and welfare organisations and first aid, fire, medical and security services in their respective capacities as such;

each of whom shall as though they were the *Insured* be subject to the limits, terms, conditions and exclusions contained in this Policy so far as they can apply.

### Air Travel

[Section 14] means being in or on or boarding an aircraft for the purpose of flying therein or alighting therefrom following a flight.

### Ancillary Equipment

means equipment solely used for the specific purpose of creating a suitable operating environment for *Computer Equipment*, including air conditioning equipment, generating equipment, voltage regulating equipment, temperature and humidity recording equipment, electronic access equipment, heat and smoke detection equipment and computer room partitioning.

### Annual Rent Receivable

means *Rent Receivable* during the 12 (twelve) months immediately before the date of the *Incident*.

*Annual Rent Receivable* and *Standard Rent Receivable* are subject to such adjustments as may be necessary to provide for the trend of the *Business* and for variations in or other circumstances affecting the *Business*, either before or after the date of the *Incident* or which would have affected the *Business* had the *Incident* not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *Incident* would have been obtained during the relative period after the date of the *Incident*.

### Annual Revenue

means the *Revenue* during the 12 (twelve) months immediately before the date of the *Incident*.

*Annual Revenue* and *Standard Revenue* are subject to such adjustments as may be necessary to provide for the trend of the *Business* and for variations in or other circumstances affecting the *Business*, either before or after the date of the *Incident* or which would have affected the *Business* had the *Incident* not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *Incident* would have been obtained during the relative period after the date of the *Incident*.

### Annual Turnover

means the *Turnover* during the 12 (twelve) months immediately before the date of the *Incident*.

*Rate of Gross Profit*, *Standard Turnover* and *Annual Turnover* are subject to such adjustments as may be necessary to provide for the trend of the *Business* and for variations in or other circumstances affecting the *Business*, either before or after the date of the *Incident* or which would have affected the *Business* had the *Incident* not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *Incident* would have been obtained during the relative period after the date of the *Incident*.

### Any One Claim

means all claims or legal proceedings arising from the same originating cause or series of events or occurrences attributable to one originating cause.

### Appointed Representative

means a solicitor, barrister or other appropriately qualified person appointed to act in the name of and behalf of the *Insured* in accordance with the terms, conditions, limitations, provisos and exclusions of this Policy.

### Aspect Enquiry

means an enquiry by HM Revenue & Customs into the *Insured's* business self-assessment return following the issue of a formal Notice under S9A or S12AC of the Taxes Management Act 1970 or under S24 (1) Schedule 18 Finance Act 1998.

### Assault

means actual or attempted physical assault, robbery or hold-up.

### Auditor's Fees

means necessary and reasonable fees payable by the *Insured* to its auditors or professional accountants for producing such particulars or details contained in the *Insured's* books of account or other business documents, or such other proofs, information or evidence as may be required by the *Insurers*.

### Awards of Compensation

means Basic and Compensatory Awards made against the *Insured* by an Employment Tribunal or payments in settlement of such claims made with the *Claims Administrator's* prior written consent, but not including Additional Awards, Special Awards, Interim Relief, arrears of pay, damages under the Equal Pay Act, or damages arising out of failure to comply with awards in respect of reinstatement or re-engagement. *Awards of Compensation* does not include any fine or award of damages incurred for deliberately avoiding a payment or liability under statutory requirements. Nor does it include any redundancy payment or monies due or properly payable arising from obligations under a contract of employment, service agreement or related document incorporated into the terms of a contract of service.

## B

### Benefit

means the amount payable under the Schedule of Compensation in Section 4B Personal Accident Assault.

### Benefits

means:

1 Death;

*Loss of Limb and Loss of Eye*

2 Loss of two or more Limbs or both Eyes or one of each;

*Loss of Limb and Loss of Eye*

3 a Loss of one Limb or Eye;

b Permanent total loss of speech;

c Permanent total loss of hearing:

i in both ears;

ii in one ear;

4 *Permanent Total Disablement;*

5 *Temporary Total Disablement;*

6 *Temporary Partial Disablement;*

7 *Medical Expenses.*

### Bodily Injury

[Sections 14 and 16] means bodily injury which:

a is sustained by the *Insured Person* during the *Period of Insurance*;

b is caused by an *Accident*; and

c solely and independently of any other cause occasions the death or disablement of the *Insured Person* within 104 (one hundred and four) weeks from the date of the *Accident*.

*Bodily Injury* does not include sickness or disease or any naturally occurring condition or degenerative process or the result of a gradually operating cause.

### Breakage

means accidental fracture extending through the entire thickness of the *Glass* or *Sanitary Fittings*.

### Breakdown

means:

a the actual breaking, failure, distortion or burning out of any part of the *Covered Equipment* whilst in ordinary use arising from defects in the *Covered Equipment* causing its sudden stoppage and necessitating repair or replacement before it can resume work;

b fracturing of any part of the *Covered Equipment* by frost when such fracture renders the *Covered Equipment* inoperative;

c the actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary.

### Brit Advisory Service

means the 24 hour legal and taxation telephone advisory service provided by Brit in conjunction with Section 10 Legal Expenses only.

### British Isles

means the *United Kingdom*, the Channel Islands and the Isle of Man.

### Building(s)

means:

1 the Building(s) situated at the *Premises* being constructed of brick, stone or concrete and roofed with slates, tiles, concrete, metal or asbestos unless otherwise agreed by the *Insurers*; and

2 landlord's fixtures and fittings in or on the said *Building(s)*;

which are the property of or leased to the *Insured*.

Unless more specifically insured, *Building(s)* also includes:

a annexes and *Outbuildings*;

b tenants' improvements;

c conveyors, trunks, lines, wires, service pipes and similar property on the *Premises* and extending to the public mains;

d walls, gates and fences;

e car parks, yards, roadways and similar surfaces at the *Premises*;

which are the property of the *Insured* or for which the *Insured* is legally responsible.

*Building(s)* in the course of construction are excluded.

### Business

means the business of the *Insured* as stated in the *Schedule*.

(Sections 7, 8 and 9) means the business of the *Insured* as stated in the *Schedule*, which shall include:

1 the ownership, repair, maintenance and decoration of the *Insured's Premises*;

2 the provision and management of canteen, social, sports and welfare organisations for the benefit of any *Person Employed* and first aid, fire, medical and security services;

3 private work undertaken by any *Person Employed* for any director, partner of the *Insured* or *Person Employed* with the prior consent of the *Insured*;

4 the maintenance of vehicles and plant owned and used by the *Insured*.

### Business Hours

means any period during which the *Premises* are open for *Business* and attended by the *Insured* or any authorised *Insured Person*.

## C

### Claim

means any judicial, administrative or regulatory proceeding initiated against the *Directors and Officers* for damages or other relief or any investigation which may give rise to *Investigation Costs*.

### Claims Administrator

means the company stipulated in the *Schedule* or appointed subsequently by the *Insurers* which administers the claims under Section 10 of this Policy on the *Insurers'* behalf and to whom any notification of a claim must be made.

### Collapse

means the sudden and dangerous distortion (whether or not attended by rupture) of any part of the *Covered Equipment* caused by crushing stress by force of steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents).

### Compensation Awards

means the *Insured's* liability for any judgement made against it under the Data Protection Act 1998 concerning the inaccuracy, loss, destruction or unauthorised disclosure of data.

### Computer Equipment

means *Hardware, Peripheral Equipment* and *Ancillary Equipment* including any equipment, which having more than one function, can be used as *Computer Equipment*.

### Computer Record

means a unit of *Electronic Data* representing a particular transaction or inter-related data which describes an event, person or other entity.

### Consequential Loss

means loss resulting from interruption of or interference with the *Business* carried on by the *Insured* at the *Premises* in consequence of accidental loss of or destruction of or damage to property used by the *Insured* at the *Premises* for the purpose of the *Business*.

### Contents

means machinery, plant, equipment, *Computer Equipment*, furniture, fixtures, fittings, alterations and decorations and all other contents, the property of the *Insured* or held by them in trust for which the *Insured* is legally responsible and is contained within the *Premises*.  
Excluding:

- 1 *Building(s)*;
- 2 *Stock in Trade*;
- 3 *Money*;
- 4 documents, manuscripts and business books except for an amount not exceeding £10,000 in respect of the value of the materials as stationery, together with the cost of the clerical labour expended in reproducing such documents, manuscripts and business books;

- 5 *Computer Records* except for an amount not exceeding £25,000 in respect of the value of the *Data Media* together with the cost of the clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein);
- 6 patterns, models, moulds, plans and designs except for an amount not exceeding £25,000 in respect of the value of the materials together with the cost of labour expended in reinstatement;
- 7 the personal effects including tools, clothing and pedal cycles of employees, directors, partners and visitors except for an amount not exceeding £1,000 in respect of any one person;
- 8 glass;
- 9 motor vehicles and their accessories;
- 10 wines, spirits, cigarettes and tobacco goods except for an amount not exceeding £1,000 in respect of any one *Premises*;
- 11 closed circuit television and security alarm equipment except for an amount not exceeding £10,000 in respect of any one *Premises*.

### Contracting Party

means a company, firm or individual who has a direct contractual relationship with the *Insured*.

### Contractors' Plant

[Section 11] means Contractors' plant, tools and equipment, demountable and temporary buildings and caravans and other items of a like nature for use in connection with the *Works*, the property of the *Insured* or for which the *Insured* is responsible.

### Conveyance Accumulation Limit

means the maximum amount the *Insurers* will pay under this Policy and any other policy issued by the *Insurers* in the name of the *Insured* in respect of all *Insured Persons* travelling in the same motorised or powered means of transport, including aircraft. In the event of the *Conveyance Accumulation Limit* being exceeded the *Insurers'* liability in respect of each *Insured Person* travelling in the conveyance shall be proportionately reduced until the total does not exceed the limit.

### Corruption

means the loss, distortion, corruption or erasure of any software *Programme(s)* or data forming part of the *Data Media*.

### Costs, Charges and Expenses

means any costs, fees and expenses incurred by or on behalf of any *Directors and Officers*, with the prior written consent of the *Insurers*:

- a in defence of a *Claim*; or
- b as *Investigation Costs*;

excluding salaries, wages and other expenses of the *Directors and Officers* or employees of the *Insured*.

### Covered Equipment

means *Property Insured* which is built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilisation of energy.

## D

### Damage

means accidental physical loss of, destruction of or damage to the *Property Insured*.

### Damage to Property

means physical loss of, destruction of or damage to material property.

### Data Media

means data carrying materials of all types (other than paper records) both current and back-up incorporating any stored *Programme(s)* and/or *Electronic Data* that is the property of the *Insured* or is leased, hired, rented or licensed to the *Insured*.

### Debris Removal

means costs and expenses necessarily and reasonably incurred by the *Insured* with the prior consent of the *Insurers* to:

- 1 remove debris from;
- 2 dismantle and/or demolish;
- 3 shore-up or prop-up;

the portion or portions of the *Property Insured* following *Damage*.

The *Insurers* will not pay for any costs or expenses:

- 1 incurred in removing debris except from the site of the *Property Insured* and the area immediately adjacent to such site;
- 2 arising from pollution or contamination of property not insured by this Policy.

### 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 other than thieves, earthquake, storm, flood, escape of water from any tank, apparatus or pipe or impact by any vehicle or animal.

### Denial of Service Attack

means any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems. *Denial of Service Attack* includes, but is not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks.

### Director and Officer

means any natural person who was, is now or in the future becomes a director or officer or manager of the *Insured*. In the event of the death, incapacity, insanity, insolvency or bankruptcy of any *Director and Officer*, the *Insurers* agree to indemnify the estate, heirs, legal personal representatives or assigns of that *Director and Officer* in respect of the liability incurred by them in the terms of this Insurance.

### Due Date

means the date on which monies owed to the *Insured* become due and payable.

## E

### Electronic Data

means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

### Employee

See *Person Employed*

(Section 10) *Employee* means an individual under a Contract of Service with the *Insured*.

(Section 12) *Employee* means any official or employee who is under a Contract of Service with the *Insured* as declared to the *Insurers*.

### Estimated Gross Profit

means the amount declared by the *Insured* to the *Insurers* 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 proportionate to a multiple thereof where the *Maximum Indemnity Period* varies from 12 (twelve) months).

### Estimated Revenue

means the amount declared by the *Insured* to the *Insurers* as representing not less than the *Revenue* which it is anticipated will be earned by the *Business* during the financial year most nearly concurrent with the *Period of Insurance* (or proportionate to a multiple thereof where the *Maximum Indemnity Period* varies from 12 (twelve) months).

### Europe

means:

- 1 the *British Isles*;
- 2 Europe including:
  - a Iceland;
  - b islands in the Mediterranean;
  - c Russia west of the Ural Mountains;
- 3 Turkey west of longitude 30°E;
- 4 Tunisia;
- 5 Israel;
- 6 those parts of Egypt, Algeria and Morocco north of latitude 30°N;
- 7 Madeira;
- 8 the Canary Islands.

### Event

means any occurrence, including the continuous or repeated injurious exposure to substantially the same general conditions, which results in accidental *Injury* or *Damage to Property* or *Nuisance*. All *Events* or series of *Events* consequent upon or attributable to one source or original cause shall be regarded as a single *Event* for the purposes of this Policy.

## Excess

(Sections 1 to 6, 11 and 12) means the amounts as stated either in this Policy wording or in the *Schedule*, as applicable, that are to be deducted from any loss and which amounts shall be borne by the *Insured*. Under Section 1 Property Damage All Risks this shall apply to each loss at each *Premises* after the application of any Average (Underinsurance) Condition.

(Sections 7, 8 and 9) means the amounts as stated in the *Schedule*, which the *Insured* shall pay in respect of all damages, compensation, claimant's costs, *Legal Costs* and expenses before the *Insurers* shall be liable to make any payment. The *Excess* shall apply to each *Event* other than legal liability arising out of *Injury* unless otherwise stated in the *Schedule*.

(Section 10) means the amount specified in the Section that the *Insured* must bear in *Legal Expenses*, *Professional Expenses*, *Awards of Compensation* or *Compensation Awards* in respect of *Any One Claim* before the *Insurers* are liable to provide any indemnity under this Policy.

(Section 15) means the amounts stated in the *Schedule* that are to be deducted from any *Loss* and which shall be borne by the *Insured*.

## Explosion

(Section 1 Extension 30 Equipment Breakdown Extension) means the sudden and violent rending of the *Covered Equipment* by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the *Covered Equipment* together with forcible ejection of the contents.

## F

### Fungal Pathogens

means any fungus or mycota or any by-product or type of infestation produced by such fungus or mycota including but not limited to mould, mildew, mycotoxins, spores or any biogenic aerosols.

## G

### Geographical Limits

means anywhere in the world.

(Section 15) means worldwide excluding the United States of America.

### Glass

means:

- 1 fixed glass and mirrors in or at the *Premises*;
- 2 window alarm foil, ornamental glass, lettering and silvering;
- 3 fixed external signs including neon signs;

being the property of the *Insured* or for which the *Insured* is responsible.

### Governing Law

This Policy shall be governed by and construed in accordance with the laws of England and Wales.

## Gross Profit

means the amount by which:

- 1 the sum of the amount of the *Turnover* less discounts allowed and the amount of the closing stock, finished goods, raw materials and work in progress, shall exceed:
- 2 the sum of the amount of the opening stock, finished goods, raw materials and work in progress and the amount of *Uninsured Working Expenses*.

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

## H

### Hacking

means unauthorised access to any computer or other equipment or component or system or item which processes, stores or retrieves data, whether or not the property of the *Insured*.

### Hardware

means the physical equipment or units that make up the *Computer Equipment*.

## I

### Incident

means loss or destruction of or damage to property used by the *Insured* at the *Premises* for the purpose of the *Business*.

### Increased Excess

means the amount specified in Section 10 Legal Expenses that the *Insured* must bear in *Legal Expenses*, *Professional Expenses*, *Awards of Compensation* or *Compensation Awards* in respect of *Any One Claim* before the *Insurers* are liable to provide any indemnity under this Policy where the *Insured* elects to appoint an *Appointed Representative* other than as suggested by the *Claims Administrator*.

### Indemnity Period

means the period beginning with the occurrence of the *Incident* and ending not later than the end of the *Maximum Indemnity Period* thereafter during which the results of the *Business* shall be affected in consequence of the *Incident*.

### Information

means processed data.

### Injury

means bodily injury, death, disease (or sickness), illness, nervous shock or mental injury.

(Section 10) means bodily injury or death but does not mean any sickness, disease or naturally occurring condition or degenerative process.

### Insured

means the *Insured* as stated in the *Schedule*.

(Section 10) means the company, firm or individual specified in the *Schedule* and at the *Insured's* request any *Employee*, director or partner of the *Insured*.

(Section 15) means the *Insured* named in the *Schedule* and shall include any *Subsidiary*.

### Insured Goods

means goods (subject to Excluded Property as stated in Section 5, Exclusion 1) incidental to the *Business* which are the property of the *Insured* or held by the *Insured* in trust for which the *Insured* is legally responsible. Containers, tarpaulins and ropes belonging to the *Insured* whilst in or on a vehicle or trailer owned or operated by the *Insured* are included, up to a limit of £250 (two hundred and fifty pounds) in respect of all such items.

### Insured Person

means any partner, director or employee of the *Insured* whose usual place of employment is at the *Premises* or as otherwise stated in the *Schedule*.

(Sections 14 and 16) means the person identified in the *Schedule* as such provided such person is not under 16 (sixteen) or over 75 (seventy-five) years of age at the commencement of the *Period of Insurance*.

### Insurers

means Brit Insurance Limited.

### Intruder Alarm System

means an electrical installation to detect and indicate the presence, entry or attempted entry of an intruder into *Protected Premises*.

### Investigation

means:

#### 1 Business Tax Investigations

The enquiry which takes place when HM Revenue & Customs makes a request to examine all of the business books and records and issues a formal Notice under S9A or S12AC of the Taxes Management Act 1970 or under S24 (1) Schedule 18 Finance Act 1998; or

#### 2 Employer Compliance Disputes

The enquiries which take place following an expression of dissatisfaction with the *Insured's* PAYE, and/or NIC affairs following an employer compliance visit by HM Revenue & Customs following an expression of dissatisfaction with the *Insured's* P11Ds or P9Ds; or

#### 3 IR35 Disputes

The enquiries which take place when HM Revenue & Customs challenges the status of a contract for services and invokes the IR35 legislation following either the issue of a Notice under S24(1) Schedule 18 Finance Act 1998 or a compliance visit by HM Revenue & Customs; or

#### 4 VAT Disputes

The enquiries which take place following a written decision, assessment or statement of alleged arrears made by HM Revenue & Customs into Value Added Tax and/or Value Added Tax default surcharges and penalties for incorrect declarations.

### Investigation Costs

means any costs, fees and expenses incurred in attending and being represented at any investigation initiated by a formal, regulatory, administrative, criminal or investigative inquiry into the *Insured's* business, where the investigating body has the powers to carry out such an inquiry, and where any *Directors and Officers* or employees of the *Insured* are required to attend such an inquiry.

## K

### Keyholder

means the *Insured* or any person or keyholding company authorised by the *Insured* who must be available at all times to accept notification of faults or alarm signals relating to the *Intruder Alarm System*, attend and allow access to the *Premises*.

## L

### Legal Costs

means:

#### 1 costs of legal representation at:

- a any coroners inquest or fatal accident inquiry in respect of any death;
- b proceedings in any court arising out of any alleged breach of statutory duty resulting in any *Event*;

which may be the subject of indemnity under Sections 7, 8 and 9 of this Policy;

#### 2 all other legal costs and expenses in relation to any *Event* which may form the subject of a claim for indemnity under Sections 7, 8 or 9 of this Policy;

incurred with the written consent of the *Insurers*.

### Legal Expenses

means:

- 1 fees, expenses and disbursements including *Witness Attendance Allowance* reasonably incurred by the *Appointed Representative* with the *Claims Administrator's* written consent;
- 2 costs incurred by other parties to which the *Insured* is held liable in court or tribunal proceedings to pay or which the *Insured* agrees to pay with the *Claims Administrator's* written consent but excluding any costs which the *Insured* may be ordered to pay by a court of criminal jurisdiction following a conviction;
- 3 fees, expenses and disbursements including *Witness Attendance Allowance* reasonably incurred by the *Appointed Representative* with the written consent of the *Claims Administrator* in an appeal of the judgement of a court or tribunal.

### Licence

means the Licence issued to the *Insured* under the provisions of the Licensing Act 2003 or the equivalent legislation in Scotland and any subsequent legislation governing such *Licence* for the purpose of carrying on the *Business* at the *Premises*.

### Limit of Liability

(Section 15) means the limit of the *Insurers'* liability under this Policy which shall be in the amount set out in the *Schedule*.

### Loss

means damages, settlements entered into with the *Insurers'* prior written consent and *Costs, Charges and Expenses* (including *Pollution Defence Costs*), excluding:

- a punitive or exemplary damages except where insurable by law;
- b criminal or civil fines or penalties;
- c taxes;
- d matters deemed uninsurable under the laws of England and Wales.

### Loss of Eye

means permanent and total loss of sight which will be considered as having occurred:

- a** in both eyes if the *Insured Person's* name is added to the Register of Blind Persons on the authority of a fully qualified ophthalmic specialist;
- b** in one eye if the degree of sight remaining after correction is 3/60 or less on the Snellen scale (meaning seeing at 3 feet what the *Insured Person* should see at 60 feet).

### Loss of Licence

means the *Licence* being:

- 1** forfeited, suspended or withdrawn under the provisions of the Licensing Act 2003 or the equivalent legislation in Scotland or any subsequent legislation governing such *Licence*; or
- 2** refused renewal by the appropriate licensing authority after proper application;

due to reasons beyond the control of the *Insured*.

### Loss of Limb

means:

- a** in the case of a leg, loss by the physical severance at or above the ankle or permanent and total loss of use of a complete foot or leg;
- b** in the case of an arm, loss by physical severance of the four fingers at or above the metacarpophalangeal joints (where the fingers join the palm of the hand) or permanent total loss of use of a complete arm or hand.

## M

### Manufacturing Production or Process Equipment

means any machine or apparatus which takes in, processes, forms, cuts, shapes, grinds or conveys raw materials, materials undergoing the process or the finished product, including any equipment forming a part of the dedicated power supply, driving or controlling mechanism for such machine or apparatus.

### Maximum Indemnity Period

means the number of months as stated in the *Schedule*.

### Medical Expenses

(Section 14) means the cost of medical, surgical or other remedial attention or treatment given or prescribed by a Medical Practitioner and all hospital, nursing home and ambulance charges connected with a valid claim under Items 5 and 6 on the *Schedule*. This will not exceed 20% (twenty percent) of any amount paid under Items 5 and 6, up to a maximum of £10,000 per *Insured Person*.

(Section 16) means the cost of medical, surgical or other remedial attention or treatment given or prescribed by a Medical Practitioner and all hospital, nursing home and ambulance charges connected with a valid claim under Items 8 and 9 on the *Schedule*. This will not exceed 20% (twenty percent) of any amount paid under Items 8 and 9, up to a maximum of £10,000 per *Insured Person*.

### Minimum Sum in Dispute

means the amount specified in the *Schedule*.

### Money

means money that is the property of the *Insured* or for which the *Insured* is legally responsible that is either:

- 1** negotiable instruments which must be current coinage, bank and currency notes, uncrossed cheques, Giro cheques, uncrossed postal and money orders, unexpired units in franking machines, unused postage stamps, revenue stamps, National Savings and National Insurance stamps, business travel tickets, luncheon and customer redemption vouchers, trading stamps, holiday-with-pay stamps, bills of exchange, promissory notes, travellers' cheques, dividend warrants, gift tokens, sales vouchers, land registry stamps or telephone cards; or
- 2** non-negotiable instruments which must be any crossed instrument being a cheque, money or postal order, traveller's cheque, Giro draft, banker's draft, National Savings Certificates, premium bonds, credit cards and reservation vouchers, VAT purchase invoices, used National Insurance stamps, stamped National Insurance cards, credit and charge card counterfoils or stamped pension cards.

## N

### Nuisance

means nuisance, trespass or interference with any easement, right of air, right of light, right of water or right of way.

## O

### Occurrence

means any one loss or series of losses consequent upon or attributable to one source or original cause.

(Section 6) means all individual losses arising during a continuous period of 72 (seventy two) hours of which the proximate cause is the same *Act of Terrorism*.

### Offshore

means from the time of embarkation onto a conveyance at the point of final departure to any *Offshore* installation, including but not limited to any *Offshore* rig or platform, whilst on any *Offshore* installation or support or accommodation vessel for an *Offshore* installation, until disembarkation onto land upon return from such installation.

### Operative Time

means as shown in the *Schedule*:

- 24 hour - at any time;
- Occupational Accidents only - while engaged on the *Insured Person's* occupation in the *Business*;
- Occupational Accidents plus Commuting Risks - while engaged on the *Insured Person's* occupation in the *Business* including daily travel directly between residence (normal or temporary) and place of work.

### Optional Extension Period

means the period described in Condition 7 of Section 15.

### Outbuildings

means any building that is subsidiary to the *Building(s)*, which does not incorporate permanent foundations below ground level and which is not capable of being properly secured, including but not limited to any stable, garage, shed, hut, lean-to, greenhouse, hay loft or barn.

### **Outstanding Debit Balances**

means the total outstanding debit balances last recorded by the *Insured* before the date of the *Incident*, adjusted for:

- 1 bad debts;
- 2 amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the *Incident*) to customers' accounts in the period between the date to which the last record relates and the date of the *Incident*;
- 3 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 *Incident* had the *Incident* not occurred.

### **Overnight**

means between 1800 hours and 0800 hours.

## **P**

### **Period of Insurance**

means the period as stated in the *Schedule*.

### **Peripheral Equipment**

means hardware not contained within the main processing computer such as but not limited to terminals, modems, local area network cabling and infrastructure, separate storage devices and other devices that can be operated under computer control.

### **Permanent Total Disablement**

means permanent disablement entirely preventing the *Insured Person* from engaging in or attending to any occupation for which the *Insured Person* is reasonably fitted by reason of education, training and/or experience.

### **Person Employed**

means:

- 1 person under a Contract of Service or apprenticeship with the *Insured*;
- 2 labour master or labour only sub-contractor or person supplied by any of them;
- 3 self employed person;
- 4 person hired to or borrowed by the *Insured*;
- 5 person undertaking study or work experience;
- 6 person supplied to the *Insured* under a contract or agreement, the terms of which deem such a person to be in the employment of the *Insured*;
- 7 voluntary worker or temporary worker;
- 8 driver or operator of plant hired by the *Insured* under Contractors Plant Hire Association or similar conditions;

while working under the control of the *Insured* in connection with the *Business*.

### **Pollutants**

means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste.

### **Pollution Defence Costs**

means any *Costs, Charges and Expenses* where the *Claim* giving rise to those *Costs, Charges and Expenses* involves allegations relating to pollution or contamination.

### **Pollution Defence Costs Limit of Liability**

means the limit of the *Insurers'* liability in respect of *Pollution Defence Costs* which shall be in the amount set out in the *Schedule*.

### **Pollution or Contamination**

means pollution or contamination of building(s) or other structures, or of water or land or the atmosphere and all loss or destruction or damage or *Injury* directly or indirectly caused by such pollution or contamination.

### **Premises**

means the location(s) as stated in the *Schedule* or in any Endorsement(s) used by the *Insured* for the purposes of the *Business*.

### **Premium**

means the amount specified in the *Schedule*.

### **Principal**

(Section 11) means any person (which expression includes any employer, firm, company, ministry or authority) who has by a contract made with the *Insured* engaged the *Insured* to perform work for them.

### **Product(s)**

means any commodities, articles or things including packaging, containers and labels sold, supplied, distributed, erected, repaired, altered, treated, installed, processed, manufactured or tested by or on behalf of the *Insured* and no longer in the possession of, or under the control of, the *Insured*.

### **Professional Duty**

means contractual, tortious or fiduciary duties owed to or by the *Insured* to or by another company, firm or individual in connection with the provision of professional services or advice.

### **Professional Expenses**

means fees, expenses and disbursements reasonably incurred by the *Appointed Representative* with the written consent of the *Claims Administrator* but does not include any tax or VAT, interest or penalties demanded, assessed or required by the relevant authority or other penalty imposed by a court or tribunal.

### **Professional Fees**

means architects', surveyors', consulting engineers' and legal fees necessarily and reasonably incurred with the *Insurers'* consent in the reinstatement of the *Property Insured* directly consequent upon its *Damage* by an event insured hereby but not for the preparation of any claim. The amount payable for such fees shall not exceed those authorised under the scales of the professional institutions and/or bodies regulating such charges prevailing at the time of the *Damage*, and the amount payable under any Item including or consisting of *Professional Fees* shall not exceed in total its *Sum Insured*.

### Programme(s)

means the set of instructions significant to the computer's central processor which is composed to enable a user to achieve the desired result with data input by the user.

### Property

(Section 10) means land (including buildings thereon) or an interest in land.

### Property at Exhibition

means exhibits including the stand, its furnishings and equipment that is the property of the *Insured* or held by the *Insured* in trust for which the *Insured* is legally responsible whilst such property is at any exhibition or in transit to or from any exhibition including loading, temporary housing en-route and unloading.

### Property Insured

means the subject matter insured as stated in the *Schedule*, but not intellectual property.

### Proposal

means any information supplied by the *Insured* in connection with this Insurance and any declaration made in connection therewith by or on behalf of the *Insured* or its agents.

### Protected Premises

means the *Premises* or those portions of the *Premises* protected by the *Intruder Alarm System*.

## R

### Rate of Gross Profit

means the *Rate of Gross Profit* earned on the *Turnover* during the financial year immediately before the date of the *Incident*.

*Rate of Gross Profit*, *Standard Turnover* and *Annual Turnover* are subject to such adjustments as may be necessary to provide for the trend of the *Business* and for variations in or other circumstances affecting the *Business*, either before or after the date of the *Incident* or which would have affected the *Business* had the *Incident* not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *Incident* would have been obtained during the relative period after the date of the *Incident*.

### Rent

means *Rent* which continues to be legally payable by the *Insured* whilst the *Premises* are rendered unusable as a result of *Damage* but only in respect of the period reasonably necessary for their reinstatement and not exceeding the maximum period stated in the *Schedule*.

### Rent Receivable

means the money paid or payable to the *Insured* for accommodation provided in the course of the *Business* at the *Premises*.

### Responsible Person

means the *Insured* or any other person authorised by the *Insured* to be responsible for the security of the *Premises*.

### Retired Director and Officer

means any *Director and Officer* who retires from his or her position with the *Insured* during the *Period of Insurance*.

### Revenue

means the money paid or payable to the *Insured* for the *Business* activities as stated in the *Schedule* or as amended by Endorsement.

## S

### Sanitary Fittings

means fixed items of sanitary ware, the property of the *Insured*, or for which the *Insured* is responsible, situated within the *Premises*.

### Schedule

means the Schedule of Insurance attaching to and forming part of this Policy.

### Software

means any *Programme(s)* which is/are characterised as systems and/or application software and which is/are designed to invoke processing and/or facilitate the writing of any *Programme(s)*.

### Standard Rent Receivable

means the *Rent Receivable* during that period in the 12 (twelve) months immediately before the date of the *Incident* which corresponds with the *Indemnity Period*.

*Annual Rent Receivable* and *Standard Rent Receivable* are subject to such adjustments as may be necessary to provide for the trend of the *Business* and for variations in or other circumstances affecting the *Business*, either before or after the date of the *Incident* or which would have affected the *Business* had the *Incident* not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *Incident* would have been obtained during the relative period after the date of the *Incident*.

### Standard Revenue

means the *Revenue* during that period in the 12 (twelve) months immediately before the date of the *Incident* which corresponds with the *Indemnity Period*.

*Annual Revenue* and *Standard Revenue* are subject to such adjustments as may be necessary to provide for the trend of the *Business* and for variations in or other circumstances affecting the *Business* either before or after the date of the *Incident* or which would have affected the *Business* had the *Incident* not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *Incident* would have been obtained during the relative period after the date of the *Incident*.

### Standard Turnover

means the *Turnover* during that period in the 12 (twelve) months immediately before the date of the *Incident* which corresponds with the *Indemnity Period*.

*Rate of Gross Profit*, *Standard Turnover* and *Annual Turnover* are subject to such adjustments as may be necessary to provide for the trend of the *Business* and for variations in or other circumstances affecting the *Business*, either before or after the date of the *Incident* or which would have affected the *Business* had the *Incident* not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the *Incident* would have been obtained during the relative period after the date of the *Incident*.

**Stock in Trade**

means stock and materials in trade, including finished stock and work in progress, the property of the *Insured* and goods in trust for which the *Insured* is responsible.

**Subsidiary**

means any entity of which the *Insured* either owns more than 50% of the voting rights or owns more than 50% of total issued share capital.

**Sum in Dispute**

means the sum in dispute between the *Insured* and a *Contracting Party*.

**Sum Insured**

means the *Sum Insured* as stated in the *Schedule* applicable to the particular Item or Section.

**T****Temporary Partial Disablement**

means temporary disablement entirely preventing the *Insured Person* from engaging in or attending to a substantial part of their usual occupation.

**Temporary Total Disablement**

means temporary disablement entirely preventing the *Insured Person* from engaging in or attending to their usual occupation.

**Territorial Limits**

means unless expressly stated to the contrary in any Section of this Policy, the *Schedule* or any Endorsement which may be attached to this Policy, Great Britain, Northern Ireland, the Channel Islands and the Isle of Man. In respect of Sections 7, 8 and 9 cover is extended to include:

- 1 member states of the European Union;
- 2 the non-manual activities of any director and/or partner of the *Insured* and/or *Person Employed* ordinarily resident in the territories named above, but temporarily engaged in the *Business* elsewhere in the world;
- 3 elsewhere in the world in connection with any *Event*, arising out of the *Products*.

**Terrorism**

means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

**Transit**

means the period during which the *Insured Goods* are being:

- a conveyed by or temporarily housed in or upon a vehicle or trailer owned or operated by the *Insured*;
- b conveyed by or in the charge of a carrier for the purpose of transportation by the carrier;
- c conveyed by any other means of *Transit* stated in the *Schedule*;
- d loaded onto or unloaded from the means of conveyance described in a, b or c above;

anywhere within the *Territorial Limits*, including sea and air transits therein.

**Turnover**

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

**U****Unattended**

means not under the direct supervision of an authorised person who is either inside or within 2 (two) metres of the vehicle.

**Uninsured Working Expenses**

means uninsured working expenses as stated in the *Schedule*.

**United Kingdom**

means England, Scotland, Wales and Northern Ireland.

**Unlawful Association**

means any organisation which is engaged in *Terrorism* and includes an organisation which at any time is a proscribed organisation within the meaning of the Northern Ireland (Emergency Provisions) Act 1973 or any amendment thereto.

**Unoccupied**

means closed for *Business* or not occupied for its usual *Business* purposes, for any period of more than 30 (thirty) consecutive days.

**V****Vehicle**

means any vehicle including a caravan or trailer constructed to be towed by such a vehicle on the public highway, which is owned by the *Insured* or leased to the *Insured* other than one used in connection with racing and/or rallies and/or competition of any kind.

**Verified**

means checked for accuracy and integrity to ensure a precise match with the source data and capable of restoration.

**Virus or Similar Mechanism**

means any programme code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect any computer *Programme(s)*, data files or operations, whether involving self-replication or not. *Virus or Similar Mechanism* includes but is not limited to trojan horses, worms and logic bombs.

## W

### War Risks

means war:

**a** whether declared or not between any of the following:

France;

People's Republic of China;

*United Kingdom*;

The Russian Federation or any of the former Russian States;

United States of America;

or

**b** in *Europe* whether declared or not (other than civil war but including any enforcement action by or on behalf of the United Nations) in which any of these countries or any of their armed forces are engaged.

### Waste

means all waste including materials to be recycled, reconditioned or reclaimed.

### We/Us/Our

means Brit Insurance Limited.

### Witness Attendance Allowance

means costs not to exceed £100 per day or £1,000 *Any One Claim* when any director, partner or *Employee* of the *Insured* is absent from work consequent upon attending a court or tribunal hearing of a claim to which the *Claims Administrator* has given written consent under this Policy.

### Works

(Section 11) means the temporary or permanent work specified in any contract whether written or verbal (which is not originally scheduled to be of longer duration than 3 (three) years exclusive of the defects liability period) which is being executed or is to be executed or has been executed in the course of the *Business*, including materials supplied pursuant to such contract and other materials for use in connection therewith.

### Wrongful Act

means any actual or alleged act or omission by the *Directors and Officers* in the discharge of their duties solely in their capacity as *Directors and Officers* of the *Insured*, individually or collectively.

## Y

### You/Your/Yours

means the *Insured* as stated in the *Schedule*.

# Section 1 | Property Damage All Risks

## The Cover

**The Insurers will indemnify the Insured against Damage arising from any accidental cause not being an Excepted Cause, occurring during the Period of Insurance, subject always to the Excess(es) and the limits, terms, conditions and exclusions of this Section and the Policy.**

## Limit of Liability

The liability of the Insurers under this Section shall not exceed in the whole the Total Sum Insured or the Sum Insured in respect of any individual Item subject to any other limit of liability as stated herein or in the Schedule.

## The Excess

The Insurers shall not indemnify the Insured for the amount of the Excess specified in the Schedule.

## The Property Insured

- A** Building(s);
- B** Contents (including Computer Equipment);  
Unless as otherwise stated in the Schedule, any insurance by this Section in respect of Building(s) or Contents shall include provision for Professional Fees and Debris Removal;
- C** Stock in Trade;
- D** Rent;
- E** Any other property specified in Section 1 of the Schedule;

All the property of the Insured or for which the Insured is legally responsible whilst at the Premises to which this Insurance applies.

## Section 1 Exclusions

### Excepted Causes

The Insurers shall not indemnify the Insured for:

- 1** Damage caused directly by or consisting of:
  - a** inherent vice, latent defect, gradual deterioration, wear and tear, frost, its own faulty or defective design or materials;
  - b** faulty or defective workmanship, operational error or omission on the part of the Insured or any of their employees;
  - c** the operation of machinery, plant, apparatus or equipment unless such operation is in accordance with the manufacturers' instructions or specification;
- d** explosion occasioned by 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 Insured;  
but this shall not exclude subsequent Damage which itself results from a cause not being an Excepted Cause or otherwise excluded.
- 2** Damage caused directly by or consisting of:
  - a** corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, humidity, action of light, marring, scratching, vermin or insects;
  - b** change in temperature, colour, flavour, texture or finish;
  - c** 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:
  - i** such Damage which itself results from a Defined Peril or from any other cause not being an Excepted Cause or otherwise excluded;
  - ii** subsequent Damage which itself results from a cause not being an Excepted Cause or otherwise excluded.
- 3** Damage caused directly by or consisting of mechanical or electrical breakdown, derangement or overloading in respect of the particular machine, apparatus or equipment in which such breakdown, derangement or overloading originates;  
but this shall not exclude:
  - a** loss of, or damage to, surrounding property not forming part of the same machine, apparatus or equipment;
  - b** such Damage which itself results from a Defined Peril or from any other cause not being an Excepted Cause or otherwise excluded;
  - c** subsequent Damage which itself results from a cause not being an Excepted Cause or otherwise excluded.
- 4** Damage caused directly by or consisting of theft or attempted theft unless:
  - a** involving forcible and violent entry to or exit from Buildings at the Premises;
  - b** involving assault or violence or threat of assault or violence to the Insured or any partner, director or employee of the Insured or members of their families or any other person lawfully on the Premises.

- 5** *Damage* caused directly by or consisting of theft or attempted theft from yards, gardens, open spaces or *Outbuildings* unless the contents thereof are specifically insured by this Section.
- 6** *Damage* caused directly 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.
- 7** *Damage* caused directly by or consisting of:
- a** acts of fraud or dishonesty on the part of the *Insured* or any partner, director or employee of the *Insured*, members of their families or any other person to whom *Property Insured* has been entrusted;
  - b** unexplained disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
  - c** erasure or distortion of information on computer systems or other records:
    - i** whilst mounted in or on any machine or data processing apparatus; or
    - ii** due to the presence of a magnetic flux;
 unless caused by *Damage* not being the result of an Excepted Cause in respect of the machine or apparatus in which the records are mounted.
- 8** *Damage* in respect of buildings or structures caused directly by their own collapse or cracking unless such *Damage* results from a *Defined Peril* and is not otherwise excluded.
- 9** *Damage* caused directly by wind, rain, hail, sleet, snow, flood or dust to:
- a** moveable property in the open or in open sided buildings or contained in *Outbuildings*;
  - b** fences and gates.
- 10** *Damage* caused directly by fire resulting from its undergoing any process involving the application of heat.
- 11** *Damage* (other than by fire) resulting from:
- a** its undergoing any process of production;
  - b** its undergoing any process of packing, treatment, testing, commissioning, cleaning, servicing, repair or any other process;
- but this shall not exclude loss of or damage to surrounding property not forming part of:
- i** the same machine;
  - ii** the same process of production;
  - iii** the same process of packing, treatment, testing, commissioning, cleaning, servicing, repair or other process.
- 12** *Damage* caused directly by or consisting of the solidification of molten material unless such *Damage* results from a *Defined Peril* and is not otherwise excluded.

- 13** *Damage*:
- a** caused directly by the escape of water from any tank, apparatus or pipe;
  - b** caused directly (other than by fire or explosion) by malicious persons not acting on behalf of or in connection with any political organisation;
  - c** caused directly by freezing;
  - d** caused directly by theft or attempted theft;
- in respect of any *Unoccupied Building*.
- 14** *Damage* caused directly by or consisting of or occasioned by the voluntary parting with title or possession of any property or rights to property.
- 15** *Damage* caused directly by or consisting of or resulting from cessation of work.
- 16** delay, loss of market, loss of use or consequential loss or damage of any kind except loss of *Rent* when such loss is included in the cover by this Section.
- 17** *Damage* attributable solely to change in the water table level.

## Excepted Property

The *Insurers* shall not indemnify the *Insured* in respect of loss of or damage to:

- 1 a** jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art or rare books;
  - b** *Glass* or *Sanitary Fittings*;
  - c** glass (other than *Glass*), china, earthenware, marble, statuary or other fragile or brittle objects;
- but this shall not exclude *Damage* caused by a *Defined Peril* and not otherwise excluded.
- 2** property in transit except as provided for in Extensions 17 Property at Exhibitions, 21 Temporary Removal, 22 Temporary Removal Computer Records and 23 Temporary Removal Documents.
  - 3 a** vehicles licensed 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** working dynamos, motor wires, main or electrical apparatus through short circuiting, overrunning or excessive pressure;
  - d** land, roads, pavements, piers, jetties, bridges, culverts or excavations;
  - e** livestock, growing crops or trees;

unless specifically mentioned in the *Schedule* as insured by this Section.

## Section 1 Clauses

### 1 Designation

For the purpose of determining where necessary the heading under which any property is insured, the *Insurers* agree to accept the designation under which such property has been entered into the *Insured's* books of accounts.

### 2 Electrical Apparatus

If any electrical apparatus or fittings are damaged by fire due to self ignition, over-running, excessive pressure, short circuiting, self heating or leakage of electricity, the *Insurers* shall not be liable for damage to the equipment which contained the particular piece of apparatus or fitting which has caused the fire, but the *Insurers* shall be liable for damage to any other apparatus or fittings in consequence of such fire if such other apparatus or fittings are otherwise insured under this Section.

### 3 Non-Invalidation

The Insurance under this 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 *Insured*, provided that the *Insured* shall give notice to the *Insurers* as soon as reasonably practicable after such act or omission or alteration comes to the notice of the *Insured* and shall pay any additional premium required by the *Insurers*.

### 4 Replacement or Reinstatement

In the event of *Damage* under Item A (*Building(s)*) and/or Item B (*Contents*) insured hereby, the basis upon which the amount payable by the *Insurers* is to be calculated shall be the reinstatement of the *Property Insured* suffering *Damage*, subject to the following Special Provisions and subject also to the limits, terms, conditions and exclusions of the Policy except insofar as the same may be varied hereby.

For the purpose of this Clause "reinstatement" shall mean the carrying out of the after-mentioned work, namely:

- a where *Property Insured* is lost or destroyed, the rebuilding of the property, if a *Building*, or, in the case of other property, its replacement by similar property, in either case in a condition equal to but not better or more extensive than its condition when new;
- b where *Property Insured* is damaged, the repair of the *Damage* and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

#### Special Provisions for Clause 4

- a The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the *Insured* subject to the liability of the *Insurers* not being thereby increased) must be commenced and carried out with reasonable despatch; otherwise no payment beyond the amount which would have been payable under this Policy if this Clause had not been incorporated herein shall be made.
- b When any *Property Insured* under Item A (*Building(s)*) and/or Item B (*Contents*) is damaged or destroyed in part only the liability of the *Insurers* shall not exceed the sum representing the cost that the *Insurers* could have been called upon to pay for reinstatement if such property had been wholly destroyed.

- c No payment beyond the amount which would have been payable by the *Insurers* under this Policy if this Clause had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred by the *Insured*.

- d Item A (*Building(s)*) and Item B (*Contents*) are declared to be separately subject to the following condition of Average:

If at the time of reinstatement the sum representing 85% (eighty five percent) of the cost which would have been incurred by the *Insured* in reinstatement if the whole of the *Property Insured* under the Item had been destroyed, exceeds the *Sum Insured* at the commencement of the *Damage*, then the *Insured* shall be considered as being their own insurers for the difference between the *Sum Insured* and the sum representing the cost of reinstatement of the whole of the *Property Insured* and shall bear a rateable proportion of the loss accordingly.

Where by reason of any of the above Special Provisions no payment is to be made by the *Insurers* beyond the amount which would have been payable under the Policy if these Special Provisions had not been incorporated herein, the rights and liabilities of the *Insurers* and the rights and liabilities of the *Insured* in respect of the loss, destruction or damage shall be subject to the limits, terms, conditions and exclusions of this Policy, including any conditions of Average herein as if these Special Provisions had not been incorporated herein.

### 5 72 Hours Clause

It is hereby agreed that *Damage* caused by storm, tempest, flood, subsidence or landslip occurring in any one period of 72 (seventy two) consecutive hours during any one *Period of Insurance* shall constitute one *Occurrence* for the purposes of this Section. The *Excess* shall apply separately to each selected period as follows:

The *Insured* shall select the time from which any such period shall commence but no 2 (two) such selected periods shall overlap.

## Section 1 Condition

### 1 Fire Extinguishing Appliances

This Insurance takes into consideration the installation of fire extinguishing appliances in accordance with details provided by the *Insured* to the *Insurers* and the *Insured* undertakes to maintain the said appliances in full and effective working order and under a contract for maintenance during the *Period of Insurance*. Subject to the observance of this Condition, this Section shall not be invalidated by any defect in any of the said appliances due to any circumstances unknown to or beyond the control of the *Insured*.

## Section 1 Extensions

Unless otherwise stated in the *Schedule* the following Extensions shall apply, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

### 1 Additional Costs

This Section extends to include cover for reasonable additional costs necessarily incurred by the *Insured* to maintain security, habitability and tenability at the *Premises* following *Damage* insured hereby, other than the loss of keys by theft, subject to a limit of £25,000 or 5% (five percent) of the Total *Sum Insured* as stated in the *Schedule*, whichever is the lesser, in respect of the *Premises* at which the *Damage* occurred.

### 2 Automatic Reinstatement of Sums Insured

In consideration of the *Sums Insured* not being reduced by the amount of any loss, the *Insured* undertakes to pay the appropriate additional premium on the amount of the loss from the date thereof to the expiry of the *Period of Insurance*, and to carry out any measures that the *Insurers* may require to prevent further *Damage* or enhance the security of the *Premises*. Subject to the *Insurers'* liability not exceeding the *Sum Insured* in respect of any one Item in respect of any one *Occurrence*.

### 3 Breakage of Glass and Sanitary Fittings Extension

This Section extends to indemnify the *Insured* for the costs of repair or replacement in the event of *Breakage of Glass* or *Sanitary Fittings*.

The liability of the *Insurers* under this Extension shall not exceed the replacement value of the *Glass* or *Sanitary Fittings* at the time of the *Breakage*.

The basis of claim settlement shall be the value of *Glass* or *Sanitary Fittings* or at the *Insurers'* option its repair, replacement or reinstatement.

The *Insurers* will also pay:

- a for damage to frames or framework which has to be removed to replace the *Glass*;
- b for the cost of necessary boarding-up and the provision of a temporary door, consequent upon the *Breakage of Glass*;
- c for damage to goods displayed for an amount not exceeding £500 any one *Occurrence* provided such damage was not a direct result of theft or attempted theft.

The *Insurers* will not indemnify the *Insured* for:

- 1 *Breakage* arising directly from alteration to or repair or restoration of the *Premises*;
- 2 *Breakage of Glass* or *Sanitary Fittings*:
  - i already damaged at inception of the *Period of Insurance*;
  - ii forming part of the *Insured's Stock in Trade*;
- 3 scratching or chipping of *Glass* unless it extends through the complete fabric of the *Glass*;
- 4 *Breakage* caused by wear and tear, any gradually operating cause or the costs of maintenance;
- 5 *Breakage* in respect of any *Unoccupied* building;

6 *Breakage* of bulbs or tubes unless consequent upon damage to neon or illuminated signs;

7 *Breakage* caused by mechanical or electrical breakdown or the application of electrical energy;

8 *Breakage* arising from a *Defined Peril*;

9 the first £250 of each and every loss arising hereunder.

### 4 Capital Additions, Alterations and Improvements

The Insurance of Item A (*Building(s)*) and Item B (*Contents*) extends to include cover for capital additions, alterations and improvements and newly acquired and/or newly erected *Building(s)* subject to the following conditions:

- a the *Insured* shall declare to the *Insurers* the date and value of such capital additions, alterations, improvements and newly acquired and/or newly erected *Building(s)* at intervals of not more than 6 (six) months and shall pay an appropriate additional premium from the time such additional cover applies;
- b the maximum additional cover granted by this Extension shall not exceed 10% (ten percent) of the Total *Sum Insured* under Items A (*Building(s)*) and B (*Contents*) or £500,000 whichever the lesser;
- c this Extension does not include cover for appreciation in value.

### 5 Changing Locks

This Section extends to include costs incurred by the *Insured* as a result of the necessary replacement of locks, if any of the keys of the *Premises* are accidentally lost or stolen from the *Premises* or from the homes of principals, partners, directors or authorised employees, provided that if such keys relate to a safe or strong-room they shall not be left on the *Premises* outside the *Insured's* normal business hours. Subject to a limit of £1,000 in respect of any one *Occurrence*.

The *Excess* as stated in the *Schedule* does not apply in respect of this Extension.

### 6 Contract Price

In respect of goods sold, but not delivered, for which the *Insured* is legally responsible and with regard to which under the conditions of the sale, the sale contract is cancelled by reason of *Damage* insured hereby whether wholly or to the extent of the *Damage*, the liability of the *Insurers* shall be based on the contract price. For the purpose of any condition of Average the value of all goods to which this Extension would in the event of *Damage* be applicable shall be ascertained on the same basis.

### 7 Customers Goods

It is agreed that the *Insured* having intimated to their customers that they will accept responsibility for loss of or destruction of or damage to goods the property of such customers or for which the said customers may be legally responsible whether manufactured by the *Insured* or not, upon which work is to be, is being or has been done on behalf of customers by the *Insured* or which may be left in the *Insured's* hands for storage or despatch or otherwise temporarily in the *Insured's* custody, then all such goods shall be held to be insured by Item C (*Stock in Trade*) of this Section unless they are more specifically insured elsewhere.

## 8 Deterioration of Stock

The Insurance of Item C (*Stock in Trade*) extends to include *Damage* to foodstuffs contained in refrigeration cabinets or compartments by deterioration or putrefaction caused by:

- a rise or fall in the temperature as a result of breakdown, stoppage or failure from any inherent cause of the said appliance;
- b action of refrigerant fumes escaping from the said appliance;
- c loss of refrigerant;
- d failure of the public supply of electricity and/or gas due to any cause not following the deliberate act of the supply authority or the exercise of such authority of its power to withhold or restrict supply.

This Extension is subject to the following:

- i It is a condition that any refrigeration cabinet or compartment more than 10 (ten) years old shall be maintained under contract with a recognised refrigeration engineer, unless specifically stated to the contrary by Endorsement in the *Schedule*;
- ii The maximum liability of the *Insurers* not exceeding £5,000 any one *Occurrence* and in the aggregate during the *Period of Insurance*.

## 9 Dismantling and Re-erection Costs

The Insurance of Item B (*Contents*) includes the costs of dismantling, re-erection, fitting and fixing of machinery and plant following *Damage* insured hereby. Subject to the *Insurers'* liability not exceeding the *Sum Insured* stated in the *Schedule*.

## 10 Drain Clearing

This Section extends to include cover for reasonable expenses necessarily incurred by the *Insured* in clearing, cleaning and/or repairing drains, gutters, sewers and the like for which the *Insured* is legally responsible in consequence of *Damage* insured hereby. Subject to the maximum liability of the *Insurers* not exceeding £10,000 any one *Occurrence* and in the aggregate during the *Period of Insurance*.

## 11 Extinguishment Expenses

It is hereby agreed that this Section extends to include reasonable reimbursement costs for:

- a fire brigade charges;
- b the refilling of fire extinguishing appliances;
- c the replacement of used sprinkler heads;

arising out of *Damage*, subject to the maximum liability of the *Insurers* not exceeding £10,000.

## 12 Landscaped Grounds

It is agreed that the Insurance by this Section extends to include the costs necessarily and reasonably incurred by the *Insured* in making good the landscaped grounds of the *Premises* damaged by the Fire Brigade or any other Emergency Service in consequence of *Damage* to *Property Insured*. The *Insurers'* liability under this Extension is limited to £25,000 in respect of any one *Occurrence*.

## 13 Loss of Metered Water Charges

This Section extends to include cover for additional metered water charges incurred by the *Insured*, following *Damage* insured hereby, at the *Premises* during the *Period of Insurance*. The *Insurers* shall not be liable for any such charges incurred by the *Insured* in respect of any *Unoccupied Building(s)*. The basis upon which the amount payable is to be calculated shall be the amount of the water charges for the period during which *Damage* occurs, less the charge made to the *Insured* for the corresponding period in the preceding year, adjusted for changes in the water suppliers' charges and for variations affecting the water consumption of the *Insured* during the intervening period. Subject to the maximum liability of the *Insurers* not exceeding £10,000 any one *Occurrence* and in the aggregate during the *Period of Insurance*.

## 14 Mortgagees Freeholders and Lessors

It is agreed that mortgagees, freeholders and lessors shall not be prejudiced by any increase in the risk of *Damage* resulting from any act of negligence of any mortgagor, leaseholder, lessee or occupier of any *Building(s)* insured by this Section, provided such increase in risk is without their prior knowledge or authority and that the *Insurers* are notified immediately they become aware of such increase in risk.

## 15 Other Interests

In the event of the *Insured* having property under the terms of any hire purchase or similar form of agreement then the interest of such parties is noted in this Insurance, and the nature and extent of such interest is to be declared to the *Insurers* in the event of *Damage*.

## 16 Power Handling Appliances

The use of power handling appliances is allowed, including any necessary recharging thereof.

## 17 Property at Exhibitions

The Insurance of Item B (*Contents*) and Item C (*Stock in Trade*) extends to include cover for *Damage* insured hereby to *Property at Exhibition* whilst within the *Territorial Limits*. Subject to the maximum liability of the *Insurers* not exceeding £10,000 any one *Occurrence*.

## 18 European Union and Public Authorities

The Insurance by Item A (*Building(s)*) or Item B (*Contents*) extends to include such additional cost of reinstatement of the lost, destroyed or damaged *Property Insured* as may be incurred by the *Insured* 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 with Bye Laws of any municipal or local authority or other Codes of Practice;

(hereinafter referred to as the Stipulations) in respect of the lost, destroyed or damaged *Property Insured* and undamaged portions thereof provided always that the amount recoverable under this Extension shall not include:

- a the cost incurred in complying with the Stipulations:
  - i in respect of *Damage* occurring prior to the granting of this Extension;
  - ii in respect of *Damage* not insured hereby;
  - iii under which notice has been served upon the *Insured* prior to the happening of the *Damage*;
  - iv for which there is an existing requirement which has to be implemented within a given period;
- b the additional cost that would have been required to make good the property lost, damaged or destroyed to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Stipulations not arisen;
- c the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Stipulations.

Provided that:

- a the work of reinstatement must be commenced and carried out with reasonable despatch and in any case must be completed within 12 (twelve) months after the *Damage*, or within such further time as the *Insurers* may (during the said 12 (twelve) months) in writing allow and may be carried out wholly or partially upon another site (if the aforesaid Stipulations so necessitate) subject to the liability of the *Insurers* under this Extension not being thereby increased;
- b if the liability of the *Insurers* under any Item of the *Schedule* apart from this Extension shall be reduced by the application of any of the terms and conditions of the Section and the Policy then the liability of the *Insurers* under this Extension in respect of any such Item shall be reduced in like proportion;
- c the total amount recoverable under any Item of the *Schedule* shall not exceed:
  - i in respect of the lost, destroyed or damaged *Property Insured* – its *Sum Insured*;
  - ii in respect of undamaged portions of property (other than foundations) 15% (fifteen percent) of the total amount for which the *Insurers* would have been liable had the *Property Insured* by the Item at the *Premises* where the *Damage* has occurred been wholly destroyed;
  - iii in respect of European Union legislation:
    - a 15% (fifteen percent) of its *Sum Insured*;
    - b where the *Sum Insured* by the Item applies to property at more than one *Premises* 15% (fifteen percent) of the total amount for which the *Insurers* would have been liable had the *Property Insured* by the Item at the *Premises* where *Damage* has occurred been wholly destroyed;
  - iv in respect of building or other regulations under or framed in pursuance of any Act of Parliament or Bye Laws of any municipal or local authority or other Codes of Practice its *Sum Insured* being part of and not in addition to the *Sum Insured* shown in the *Schedule*;

- d all the terms, limits, exclusions and conditions of this Section and the Policy except in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein.

## 19 Services

The *Property Insured* includes telephone, gas, water and electric instruments, meters, pipes, ducts, cables and the like and the accessories thereof including similar property in adjoining yards or roadways or underground (and pertaining to the *Building(s)* or *Contents* insured under the respective Items of this Section) all the property of the *Insured* or for which the *Insured* is legally responsible.

## 20 Spontaneous Heating

The Insurance of each Item extends to include cover for *Damage* to coal, coke and wood blocks caused by its own spontaneous fermentation, heating or combustion.

## 21 Temporary Removal

The *Property Insured* under this Section (other than *Stock in Trade* or *Rent*) is covered whilst temporarily removed for cleaning, renovation, repair or similar purposes, elsewhere on the same or to any other premises and in transit thereto and therefrom by road, rail or inland waterway within the *Territorial Limits*, subject to a limit of 15% (fifteen percent) of the relevant *Sum Insured* as stated in the *Schedule*. The *Insurers* shall not be liable for losses arising elsewhere than at the *Premises* from which the property is temporarily removed to vehicles licensed for road use in so far as they are insured by this Section.

## 22 Temporary Removal Computer Records

The Insurance of *Computer Records* extends to cover such property for an amount not exceeding 10% (ten percent) of the total value of such property whilst temporarily removed to any premises not in the *Insured's* occupation and whilst in transit thereto and therefrom all within the *Territorial Limits*.

## 23 Temporary Removal Documents

Deeds and other documents (including stamps thereon), manuscripts, plans and writings of every description and books (written and printed) are insured for an amount not exceeding 10% (ten percent) of the total value of such property whilst temporarily removed to any premises not in the *Insured's* occupation and whilst in transit thereto and therefrom all within the *Territorial Limits*.

## 24 Temporary Repairs

Within the limits of the *Sum Insured*, this Section extends to include cover for the cost actually incurred by the *Insured* in making temporary repairs to any of the insured *Building(s)* and erecting temporary buildings in place of any of the insured *Building(s)* following *Damage* insured hereby.

## 25 Theft Damage to Buildings

Where buildings are not insured under Item A (*Building(s)*), cover is extended to include *Damage* to buildings for which the *Insured* is legally responsible as a result of theft or attempted theft involving forcible and violent entry to or exit from buildings at the *Premises*. The liability of the *Insurers* under this Extension and this Policy shall not exceed the Total *Sum Insured* by this Section arising out of any one *Occurrence*. Provided that if such *Damage* is insured elsewhere no liability shall be admitted by the *Insurers* under this Extension.

## 26 Trace and Access

In the event of *Damage* during the *Period of Insurance* resulting from escape of water or fuel oil from any tank, apparatus or pipe, the *Insurers* shall pay costs necessarily and reasonably incurred by the *Insured* in locating the source of such *Damage*, and in the subsequent making good of *Damage* caused as a consequence of locating such source, up to an amount of £10,000 any one *Occurrence* and in the aggregate during the *Period of Insurance*.

## 27 Transfer of Interest

It is agreed that notwithstanding General Condition 25 Insurable Interest that, if at the time of *Damage* to any *Building(s)* insured by Item A of this Section, the *Insured* shall have contracted to sell their interest in such *Building(s)* and the purchase shall not have been completed but shall thereafter be completed, the purchaser on the completion of the purchase, if and so far as the property is not otherwise insured by or on behalf of the purchaser against such *Damage*, shall be entitled to the benefit of this Section so far as it relates to such *Damage*, without prejudice to the rights and liabilities of the *Insured* or the *Insurers* under this Section, but only up until the date of completion.

## 28 Unauthorised Use of Electricity, Gas or Water

This Section is extended to include the cost of metered electricity, gas or water for which the *Insured* is legally responsible arising from its unauthorised use by persons taking possession of or occupying the *Premises* without the *Insured's* authority.

Provided that:

- a the *Insurers'* maximum liability under this Extension shall not exceed £10,000;
- b the *Insured* shall take all practical steps to terminate such unauthorised use as soon as it is discovered.

## 29 Workmen

Workmen shall be allowed on the *Premises* for the purpose of carrying out minor repairs, decorations or alterations without prejudice to this Insurance.

## 30 Equipment Breakdown Extension

### Insuring Agreement

Subject to all of the provisions stated herein and in the Policy of which this Extension is part, not in conflict herewith, the *Insurers* agree to provide insurance for loss, as defined in Section 1 Property Damage All Risks and Section 2 Business Interruption All Risks, where these Sections are shown as effective under the *Schedule* for the current *Period of Insurance*, caused by or resulting from an *Accident* to *Covered Equipment* owned by the *Insured* or for which the *Insured* is responsible.

Equipment Breakdown cover will apply in respect of an *Accident* arising out of:

- a electrical or mechanical *Breakdown*, including rupture or bursting caused by centrifugal force;
- b artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;

- c *Explosion* or *Collapse* where the *Covered Equipment* is operating under steam or other fluid pressure and is owned or leased by the *Insured*, or operated under the *Insured's* control;
- d any condition or event (not otherwise excluded), occurring inside *Covered Equipment* operating under steam or other fluid pressure;
- e any condition or event (not otherwise excluded), occurring inside hot water boilers or other water heating equipment;
- f operator error.

None of the following is deemed to be *Covered Equipment* under this Extension:

- i supporting structure, foundation, masonry, brickwork, cabinet, compartment or air supported structure or building;
- ii insulating or refractory material;
- iii sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
- iv water piping other than boiler feedwater piping, boiler condensate, return piping, hot water heating and supply piping or water piping forming a part of a refrigerating or air conditioning system;
- v vehicles, aircraft, floating vessels or any equipment mounted on such vehicle (other than vehicle recovery cranes or equipment), aircraft or floating vessel;
- vi mobile plant and equipment (other than fork lift trucks used by the *Insured* at their *Premises*) dragline, excavation or construction equipment;
- vii equipment manufactured by the *Insured* for sale;
- viii tools, dies, cutting edges, crushing surfaces, trailing cables, non metallic linings, driving belts or bands, consumables and auxiliary materials, reagents, toner, coolant and extinguishing medium, development fluids, cassette ribbons, image and sound carriers, films, film/foil combinations, specially prepared paper and type face carriers, light sources, fuses, batteries, filters, cutters, bits, tools or any part requiring periodic renewal or replacement;
- ix any electronic equipment (other than *Computer Equipment*), used for research, diagnostic, treatment, experimental or other medical or scientific purposes;
- x any *Manufacturing Production or Process Equipment*;
- xi domestic laundry, kitchen, audio visual and home entertainment equipment when such equipment is used in private living quarters;
- xii equipment owned by tenants of the *Insured*;
- xiii neon signs;
- xiv satellites.

## Extensions of Cover applicable to the Equipment Breakdown Extension

The following Extensions of Cover also apply to loss caused by or resulting from an *Accident to Covered Equipment*. These extensions do not provide additional amounts of insurance.

### 1 Hazardous Substances

The *Insurers* shall be liable for the additional costs to repair or replace *Covered Equipment* because of contamination by a hazardous substance. This includes the additional expenses to clean up or dispose of such property.

Hazardous substance means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

Additional costs mean those beyond what would have been required had no hazardous substance been involved.

The *Insurers* shall not be liable for more than £10,000 for loss or damage under this extension of cover, including, if shown as covered, actual loss of Business Interruption sustained.

### 2 Computer Equipment, Reinstatement of Data and Increased Costs of Working

**a** The *Insurers* shall be liable under this extension for loss or damage caused by or resulting from an *Accident to Computer Equipment*. The liability of the *Insurers* in any one *Period of Insurance* shall not exceed £100,000 in respect of damage to *Computer Equipment*.

**b** In addition, the *Insurers* shall be liable for costs incurred in reinstating data lost or damaged in consequence of an *Accident to Computer Equipment*.

Provided that:

- i** liability is limited solely to the cost of reinstating data onto *Data Media*;
- ii** the *Insurers* shall not be liable for any losses discovered later than 6 (six) months after the loss was initiated;
- iii** the liability of the *Insurers* shall not exceed £25,000 in respect of such costs;
- iv** the *Insurers* shall not be liable for loss of or damage to *Software*;
- v** the *Insurers* shall not be liable under this additional coverage for costs more specifically described under the increased costs of working coverage.

**c** In addition, the *Insurers* will pay reasonable costs necessarily incurred in minimising or preventing the resulting interruption or interference to the computer operations of the *Insured*. The total liability of the *Insurers* in any one *Period of Insurance* shall not exceed £25,000 in respect of such additional costs.

### 3 Business Interruption

Liability of the *Insurers* for loss as described under Section 2 Business Interruption All Risks that is caused by an *Accident to Covered Equipment* or *Computer Equipment* shall not exceed £30,000.

### 4 Public Authorities/Law or Ordinance

If an *Accident to Covered Equipment* damages a *Building* that is covered under this Policy, and the loss is increased by enforcement of any public authority, ordinance or law in force at the time of the *Accident* that regulates the construction or repair of buildings, or establishes zoning or land use requirements, the *Insurers* shall be liable for the following additional costs to comply with such ordinance or law:

- a** the *Insured's* actual expenditures for the cost to demolish and clear the site of undamaged parts;
- b** the *Insured's* actual expenditures for increased costs to repair, rebuild or construct the *Building*. If the *Building* is repaired or rebuilt, it must be intended for similar use or occupancy as the current building, unless otherwise required by zoning or land use ordinance or law;
- c** loss as described under Section 2 Business Interruption All Risks caused by loss covered in a or b above.

The *Insurers* shall not be liable for:

- i** any fine;
- ii** any liability to a third party;
- iii** any increase in loss due to a hazardous substance (other than as specifically insured under 1 Hazardous Substances); or
- iv** increased construction costs until the building is actually repaired or replaced.

This additional coverage is within and does not increase the *Sum Insured* shown in the *Schedule*.

### 5 Expediting Expenses

With respect to damaged *Covered Equipment* or *Computer Equipment*, the *Insurers* shall be liable for the reasonable extra cost to make temporary repairs and expedite permanent repairs or permanent replacement. The *Insurers* shall not be liable for more than £20,000 for loss or damage under this coverage.

### 6 Hire of Substitute Item

If *Covered Equipment* or *Computer Equipment* is damaged as a result of an *Accident* the *Insurers* will also indemnify the *Insured* against the cost of hire charges actually incurred by the *Insured* during the *Period of Insurance* for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item lost or damaged. The *Insurers* shall not be liable for more than £5,000 under this coverage.

### 7 Storage Tanks and Loss of Contents

The Insurance under this Policy extends to include damage caused by an *Accident* to oil storage tanks or water tanks (other than sprinkler system tanks), including connected pipework belonging to the *Insured* or for which the *Insured* is responsible at the *Premises*. In addition, this Extension covers loss of the contents of oil storage tanks caused by:

- a** escape of contents - leakage, discharge or overflow from the oil storage tanks caused by or resulting from an *Accident*;

**b** contamination - contamination of the contents of the oil storage tanks caused by or resulting from an *Accident*, including cleaning costs incurred as a result of such loss.

This additional coverage excludes:

- 1** loss caused by fire howsoever the fire may have been caused;
- 2** loss resulting from corrosion, erosion or wasting;
- 3** contamination of the contents resulting from:
  - a** the natural settling, separation or accumulation of fluids or materials constituting the normal contents;
  - b** the deliberate use of fluids or materials in the oil storage for cleaning, flushing or similar purposes;
- 4** loss sustained whilst oil storage tanks are in transit between premises;
- 5** costs or expenses arising from pollution or contamination of property not covered by this additional cover.

The *Insurers* shall not be liable for more than £7,500 under this coverage in respect of any one *Accident* or series of *Accidents* arising out of one occurrence.

## **8 Loss Avoidance Measures**

Reasonable costs necessarily incurred by the *Insured* to take exceptional measures to prevent or mitigate impending damage to *Covered Equipment* or *Computer Equipment* as a result of an *Accident*.

Provided that:

- a** damage would reasonably be expected if such measures were not implemented;
- b** the *Insurers* are satisfied that damage has been avoided or mitigated by means of the exceptional measures;
- c** the amount payable will be limited to the cost of damage which would have otherwise occurred;
- d** the terms, conditions and exclusions of this Section and the Policy apply as if damage has occurred;
- e** if damage had occurred it would have resulted in a claim that would have been accepted by the *Insurers* under this Section of the Policy.

Limit £5,000 any one *Period of Insurance*.

## **9 Damage to Own Surrounding Property**

The *Insurers* shall be liable for damage to property belonging to or in the custody and control of the *Insured* and for which the *Insured* is responsible directly resulting from *Explosion* or *Collapse* of any steam boiler, steam generator, economiser, superheater, steam pipework or steam vessel.

### **Additional Conditions to Equipment Breakdown Extension**

#### **1 Precautions**

The *Insured* shall exercise due diligence in:

- a** complying with any statute or order;

**b** ensuring that insured items are properly maintained and used in accordance with manufacturers' recommendations and in taking reasonable precautions to prevent loss or damage.

#### **2 Back Up Records**

The *Insured* shall maintain a minimum of 2 (two) generations of verified back-up computer records taken at intervals no less frequently than 48 (forty eight) hours, one copy as a minimum being held off site and take all reasonable precautions to store and maintain records in accordance with the makers' recommendations.

### **Exclusions to Equipment Breakdown Extension**

The following exclusions are in addition to those in the Policy to which this Extension is attached.

- 1** The *Insurers* will not be liable for the amount shown in the *Schedule* as the *Excess*. The *Excess* applicable under this Extension is either the *Excess* applicable under Section 1 Property Damage All Risks or Section 2 Business Interruption All Risks (as appropriate) or £250, whichever is the greater.
- 2** The *Insurers* will not be liable for loss or damage caused by or resulting from:
  - a** hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an insulation breakdown test of any type of electrical equipment, or caused by its own *Breakdown* or derangement before the satisfactory completion of testing or commissioning;
  - b** loss due to solidification, biological activity or spontaneous chemical reaction in the contents of tanks.
- 3** The *Insurers* will not be liable for loss or damage recoverable under any maintenance agreement or any Warranty or Guarantee, or which would be recoverable but for breach of the *Insured's* obligations under the agreement.
- 4** The *Insurers* will not be liable for loss or damage arising from any defect, virus or any loss of data (other than as specifically provided for under Extension of Cover 2 or other situation arising within *Data Media*).
- 5** With respect to Section 2 Business Interruption All Risks, the *Insurers* will not be liable for delay in resuming operations due to the need to reconstruct or re-input data or programs on *Data Media* where the *Insured* has not fully complied with Additional Condition 2 Back Up Records.
- 6** The *Insurers* will not be liable for loss or damage or any loss arising from programming errors or design defects in *Software*.
- 7** The *Insurers* will not be liable for loss or damage or any loss arising from the use of *Software* on which development has not been finalised or that has not passed all testing procedures and has not been successfully proven.
- 8** The *Insurers* will not be liable for loss or damage or any loss arising from an *Accident* to *Covered Equipment* or *Computer Equipment* that is prototype, experimental or untried.

- 9 The *Insurers* will not be liable for loss or damage arising out of depletion, corrosion, erosion, wear and tear or other gradually developing conditions, scratching, denting, rust and oxidisation, damp and mildew, but if loss or damage from an *Accident* results, the *Insurers* shall be liable for that resulting loss or damage.
- 10 The *Insurers* will not be liable for loss or damage arising from the wilful act or wilful neglect of the *Insured*.
- 11 The *Insurers* will not be liable for any loss arising from the failure of the *Insured* to comply with the manufacturers' recommendations for the storage of *Software* and *Data Media*.
- 12 The *Insurers* will not be liable for the value to the *Insured* of data stored on the *Computer Equipment*.
- 13 The *Insurers* will not be liable for any loss arising from the failure or fluctuation of the electricity supply directly or indirectly caused by:
  - a a deliberate act not performed for the sole purpose of safeguarding life or protecting any part of the supply system; or
  - b a scheme of rationing not necessitated by accidental damage to the generating or supply distribution equipment; or
  - c the inability of the supplier to maintain the supply system as a result of industrial action.
- 14 The *Insurers* will not be liable for any loss arising as a result of the failure of any telecommunications system directly or indirectly caused by the:
  - a use of equipment by the *Insured* that is not approved by the telecommunications supplier;
 or
  - b deliberate act of any telecommunications supplier in withholding or restricting the operation of the telecommunications system or the inability of the supplier to maintain the telecommunications system caused by industrial action.
- 15 The *Insurers* will not be liable for any professional or other fees incurred in making a claim.
- 16 The *Insurers* will not be liable for any loss or destruction of or damage arising as a result of the cleaning, servicing or repair of the *Covered Equipment* or *Computer Equipment*.
- 17 The *Insurers* will not be liable for consequential loss except as expressly provided for herein.

## Special Extensions

Each Special Extension shall only apply if stated as 'Included' in the *Schedule*.

### 1 Day One Basis (Non Adjustable) Extension

Day One Basis (Non Adjustable) applicable to Item A (*Building(s)*) and Item B (*Contents*) unless otherwise stated in the *Schedule*:

- a The *Insured* having stated in writing the Declared Value incorporated in each Item to which this Special Extension applies, the *Premium* has been calculated accordingly. Declared Value shall mean the *Insured's* assessment of the cost of reinstatement of the *Property Insured* arrived at in accordance with paragraph a of Clause 4 at the level of cost applying at the inception 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 the additional cost of reinstatement to comply with Public Authority requirements;
  - ii *Professional Fees*;
  - iii *Debris Removal*.
- b At the inception of the *Period of Insurance* the *Insured* shall notify the *Insurers* of the Declared Value of the *Property Insured* by the said Item. In the absence of such declaration the last amount declared by the *Insured* shall be taken as the Declared Value for the ensuing *Period of Insurance*.
- c Notwithstanding any General Condition or Endorsement to the contrary, the following wordings shall apply to the Special Provisions to Clause 4, paragraph d of which is restated as follows:
  - d Each Item insured under this Extension is declared to be separately subject to the following condition of Average: If at the time of *Damage* the Declared Value of the *Property Insured* covered by such Item is less than the cost of reinstatement (as defined in paragraph a of Clause 4) at the inception of the *Period of Insurance* then the *Insurers'* liability for any *Damage* hereby insured shall be limited to that proportion thereof which the Declared Value bears to the cost of reinstatement.

Where by reason of any of the Section Extensions, no payment is to be made beyond the amount which would have been payable under this Policy if this Special Extension had not been incorporated therein the rights and liabilities of the *Insurers* and the rights and liabilities of the *Insured* in respect of the loss, destruction or damage shall be subject to the limits, terms, conditions and exclusions of this Policy including any condition of Average therein, as if this Special Extension had not been incorporated therein except that the *Sums Insured* shall be limited to the percentage as stated in the *Schedule* of the Declared Value.

- d The provisions of Section Extension 4 (Capital Additions, Alterations and Improvements) shall not be subject to this Special Extension.

## 2 Subsidence Extension

It is hereby understood and agreed that:

- 1 Excepted Causes 6 a and 6 b are deleted and of no further effect;
- 2 this Section is extended to include *Damage* caused by subsidence, landslip or ground heave of any part of the site on which the *Property Insured* stands, excluding *Damage*:
  - a resulting from:
    - i collapse, cracking, shrinkage or settlement of *Building(s)* or any part thereof;
    - ii coastal or river erosion;
    - iii defective design or workmanship or the use of defective materials, including inadequate construction of foundations;
    - iv settlement or movement of made up ground;
    - v the normal settlement or bedding down of new structures;
  - b to forecourts, car parks, driveways, footpaths, walls, gates, hedges or fences, unless specifically insured hereunder where such *Damage* also affects the structure of the *Building(s)* insured herein against such *Damage*;
  - c which originated prior to the inception of this cover;
  - d resulting from:
    - i demolition, construction, structural alteration or repair of any *Building(s)*;
    - ii groundworks or excavation;at the same *Premises*.

### Special Conditions

- i It is a condition that the *Insured* shall notify the *Insurers* immediately they become aware of any demolition, groundworks, excavation or construction being carried out on any adjoining site.
- ii The *Insurers* shall then have the right to vary the terms or cancel cover in respect of subsidence, ground heave or landslip.

## Section 2 | Business Interruption All Risks

### The Cover

The *Insurers* will indemnify the *Insured* against *Consequential Loss* arising from any accidental *Incident* occurring during the *Period of Insurance* and not otherwise being excluded, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

Provided that:

at the time of the happening of the *Incident* there shall be in force an insurance covering the interest of the *Insured* in the property at the *Premises* against such loss or damage and that:

- a payment shall have been made or liability admitted therefor; or
- 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.

The *Insurers* will also indemnify the *Insured* in respect of *Auditor's Fees*, subject to the *Sum Insured* as stated in the *Schedule*.

### Notes

- 1 To the extent that the *Insured* is accountable to the tax authorities for Value Added Tax, all terms in this Section shall be exclusive of such tax.
- 2 For the purpose of any Definitions applicable to this Section, any adjustment implemented in current cost accounting shall be disregarded.
- 3 The undefined words in this Section shall have the meaning usually attached to them in the *Insured's* books and accounts.
- 4 Refer to Extension 30 Equipment Breakdown of Section 1 Property Damage All Risks for details of coverage/limits of liability in respect of business interruption following breakdown of equipment.

### Limit of Liability

The liability of the *Insurers* under this Section shall not exceed in the whole the Total *Sum Insured* or the *Sum Insured* in respect of any individual Item or any other limit of liability stated herein or in the *Schedule*.

### The Excess

The *Insurers* shall not indemnify the *Insured* for the amount of the *Excess* specified in the *Schedule*.

### Section 2 Exclusions

The *Insurers* shall not indemnify the *Insured* for:

- 1 *Consequential Loss* caused directly by or consisting of:
  - a inherent vice, latent defect, gradual deterioration, wear and tear, frost, its own faulty or defective design or materials;
  - b faulty or defective workmanship, operational error or omission on the part of the *Insured* or any of their employees;
  - c the operation of machinery, plant, apparatus or equipment unless such operation is in accordance with the manufacturers' instructions or specification;
  - d explosion occasioned by the bursting of any vessel, machine or apparatus (not being a boiler or economiser on the *Premises*) in which internal pressure is due to steam only and belonging to or under the control of the *Insured*;

but this shall not exclude subsequent *Consequential Loss* which itself results from a cause not otherwise excluded.

- 2 *Consequential Loss* caused directly by or consisting of:
  - a corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, humidity, action of light, marring, scratching, vermin or insects;
  - b change in temperature, colour, flavour, texture or finish;
  - c 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;
  - d a deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services;

but this shall not exclude:

- i such *Consequential Loss* which itself results from a *Defined Peril* or from any other accidental loss or damage not otherwise excluded;
  - ii subsequent *Consequential Loss* which itself results from a cause not otherwise excluded.
- 3 *Consequential Loss* caused directly by or consisting of mechanical or electrical breakdown, derangement or overloading in respect of the particular machine, apparatus or equipment in which such breakdown, derangement or overloading originates but this shall not exclude:
    - a *Consequential Loss* in respect of surrounding property not forming part of the same machine, apparatus or equipment;
    - b such *Consequential Loss* which itself results from a *Defined Peril* or from any other accidental loss or damage not otherwise excluded;
    - c subsequent *Consequential Loss* which itself results from a cause not otherwise excluded.

- 4** *Consequential Loss* caused directly by or consisting of theft or attempted theft unless:
- a** involving forcible and violent entry to or exit from *Building(s)* at the *Premises*;
  - b** involving assault or violence or threat of assault or violence to the *Insured* or any partner, director or employee of the *Insured* or members of their families or any other person lawfully on the *Premises*.
- 5** *Consequential Loss* caused directly 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.
- 6** *Consequential Loss* caused directly by or consisting of:
- a** acts of fraud or dishonesty on the part of the *Insured* or any partner, director or employee of the *Insured*, members of their families or any other person to whom property has been entrusted;
  - b** unexplained disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
  - c**
    - i** erasure, loss, distortion or corruption of information on computer systems or other records, *Programmes* or *Software* caused deliberately by rioters, strikers, locked-out workers, persons taking part in labour disturbances or civil commotions or malicious persons;
    - ii** other erasure, loss, distortion or corruption of information on computer systems or other records, *Programmes* or *Software* unless resulting from a *Defined Peril* insofar as it is not otherwise excluded.
- 7** *Consequential Loss* in respect of buildings or structures caused directly by their own collapse or cracking unless resulting from a *Defined Peril* and not otherwise excluded.
- 8** *Consequential Loss* in respect of moveable property in the open or in open sided buildings or contained in *Outbuildings*, fences and gates caused directly by:
- a** theft or attempted theft;
  - b** wind, rain, hail, sleet, snow, flood or dust.
- 9** *Consequential Loss* caused directly by fire resulting from property undergoing any process involving the application of heat.
- 10** *Consequential Loss* resulting from:
- a** property undergoing any process of production;
  - b** property undergoing any process of packing, treatment, testing, commissioning, cleaning, servicing, repair or any other process;
- but this shall not exclude *Consequential Loss* in respect of surrounding property not forming part of:
- i** the same machine;
  - ii** the same process of production;
  - iii** the same process of packing, treatment, testing, commissioning, cleaning, servicing, repair or other process.
- 11** *Consequential Loss* caused directly by or consisting of the solidification of molten material unless such *Consequential Loss* results from a *Defined Peril* and is not otherwise excluded.
- 12** *Consequential Loss*:
- a** caused directly by escape of water from any tank, apparatus or pipe;
  - b** caused directly (other than by fire or explosion) by malicious persons not acting on behalf of or in connection with any political organisation;
  - c** caused directly by freezing;
  - d** caused directly by theft or attempted theft;
- in respect of any *Unoccupied* building.
- 13** *Consequential Loss* occasioned by the voluntary parting with title or possession of any property or rights to property.
- 14** *Consequential Loss* in respect of:
- a** jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art or rare books;
  - b** *Glass* or *Sanitary Fittings*;
  - c** glass (other than *Glass*), china, earthenware, marble, statuary or other fragile or brittle objects;
- but this shall not exclude *Consequential Loss* caused by a *Defined Peril* and not otherwise excluded.
- 15** *Consequential Loss* in respect of *Computer Equipment* but this shall not exclude *Consequential Loss* caused by a *Defined Peril* or theft or attempted theft and not otherwise excluded.
- 16** *Consequential Loss* in respect of 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 unless specifically mentioned within the Definition of the *Business* and such sites of construction or erection are specifically mentioned within the Definition of the *Premises* or otherwise added by Endorsement to the cover by this Section subject to:
- a** such *Consequential Loss* being caused by a *Defined Peril* and not otherwise excluded;
  - b** all other terms, conditions and exclusions of the Policy.
- 17** *Consequential Loss* in respect of:
- a** land, roads, pavements, piers, jetties, bridges, culverts or excavations;
  - b** vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
  - c** livestock, growing crops or trees.
- 18** *Consequential Loss* attributable solely to change in the water table level.

## Item A Gross Profit

The Insurance under Item A (*Gross Profit*) is limited to loss of *Gross Profit* due to:

- 1 Reduction in *Turnover*; and
- 2 Increase in Cost of Working.

The amount payable by the *Insurers* as indemnity hereunder shall be:

- 1 In respect of Reduction in *Turnover*: the sum produced by applying the *Rate of Gross Profit* to the amount by which the *Turnover* during the *Indemnity Period* as stated in the *Schedule* shall, in consequence of the *Incident*, fall short of the *Standard Turnover*;
- 2 In respect of Increase in Cost of Working: the additional expenditure necessarily and reasonably incurred by the *Insured* for the sole purpose of avoiding or diminishing the reduction in *Turnover*, which but for that expenditure would have taken place during the *Indemnity Period* in consequence of the *Incident*, but not exceeding the sum produced by applying the *Rate of Gross Profit* to the amount of the reduction thereby avoided;

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

### Special Condition to Item A – Underinsurance

If the *Sum Insured* under this Item A (*Gross Profit*) is less than the sum produced by applying the *Rate of Gross Profit* to the *Annual Turnover* (or proportionate to a multiple thereof where the *Maximum Indemnity Period* exceeds 12 (twelve) months), the amount payable by the *Insurers* shall be proportionately reduced.

### Special Provisions to Item A – Gross Profit

- 1 If any standing charges of the *Business* are not insured by this Section (having been deducted in arriving at the *Gross Profit*), then, in computing the amount recoverable hereunder as Increase in Cost of Working, that proportion only of any additional expenditure shall be brought into account which the *Gross Profit* bears to the sum of the *Gross Profit* and the *Uninsured Working Expenses*.
- 2 The premium paid for Item A (*Gross Profit*) may be adjusted on receipt by the *Insurers* of a declaration of *Gross Profit* earned during the financial year most nearly concurrent with the *Period of Insurance*, as reported by the *Insured's* auditors. If any *Incident* shall have occurred giving rise to a claim for loss of *Gross Profit*, the above-mentioned declaration shall be increased for the purposes of premium adjustment by the amount by which the *Gross Profit* was reduced during the financial year solely in consequence of the *Incident*.
- 3 If the declaration (adjusted as provided for above and proportionately increased where the *Maximum Indemnity Period* exceeds 12 (twelve) months) is less than the *Gross Profit Sum Insured* for the relative *Period of Insurance*, the *Insurers* will allow a pro rata return premium not exceeding 50% (fifty percent) of the premium paid.

## Item B Revenue

The Insurance under Item B (*Revenue*) is limited to:

- 1 Loss of *Revenue*; and
- 2 Increase in Cost of Working.

The amount payable by the *Insurers* as indemnity hereunder shall be:

- 1 In respect of Loss of *Revenue*: the amount by which the *Revenue* during the *Indemnity Period* as stated in the *Schedule* shall, in consequence of the *Incident*, fall short of the *Standard Revenue*;
- 2 In respect of Increase in Cost of Working: the additional expenditure necessarily and reasonably incurred by the *Insured* for the sole purpose of avoiding or diminishing the reduction in *Revenue*, which but for that expenditure would have taken place during the *Indemnity Period* in consequence of the *Incident*, but not exceeding the amount of the reduction in *Revenue* thereby avoided;

less any sum saved during the *Indemnity Period* in respect of such of the charges and expenses of the *Business* as may cease or be reduced in consequence of the *Incident*.

### Special Condition to Item B – Underinsurance

If the *Sum Insured* under Item B (*Revenue*) is less than the *Annual Revenue* (or proportionate to a multiple thereof where the *Maximum Indemnity Period* exceeds 12 (twelve) months), the amount payable by the *Insurers* shall be proportionately reduced.

### Special Provisions to Item B – Revenue

- 1 The premium paid for Item B (*Revenue*) may be adjusted on receipt by the *Insurers* of a declaration of *Revenue* earned during the financial year most nearly concurrent with the *Period of Insurance*, as reported by the *Insured's* auditors. If any *Incident* shall have occurred giving rise to a claim for loss of *Revenue*, the above-mentioned declaration shall be increased for the purposes of premium adjustment by the amount by which the *Revenue* was reduced during the financial year solely in consequence of the *Incident*.
- 2 If the declaration (adjusted as provided for above and proportionately increased where the *Maximum Indemnity Period* exceeds 12 (twelve) months) is less than the *Revenue Sum Insured* for the relative *Period of Insurance*, the *Insurers* will allow a pro rata return premium not exceeding 50% (fifty percent) of the premium paid.

## Extensions for Items A (Gross Profit) and B (Revenue)

**If stated in the *Schedule* as 'Insured' the following Extensions shall apply, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.**

### 1 Declaration Linked loss of Gross Profit/loss of Revenue Endorsement

The following amendments are made to the *Schedule* and to Section 2 to change this Section to the Declaration Linked Basis:

- a On the *Schedule* the words '*Estimated Gross Profit*' or '*Estimated Revenue*' whichever is insured hereunder replace '*Sum Insured*';

- b Item A shall read 'on *Estimated Gross Profit*' or Item B 'on *Estimated Revenue*';
- c Special Condition – Underinsurance is deleted;
- d The following 'Limit of Liability' is added in respect of Item A (*Gross Profit*) or Item B (*Revenue*) whichever is insured by this Section:

Notwithstanding anything herein to the contrary, the liability of the *Insurers* shall in no case exceed, in respect of loss of *Gross Profit* or *Revenue* 133.333% (one hundred and thirty three and one third percent) of the *Estimated Gross Profit* or *Estimated Revenue* whichever stated as insured in the *Schedule*, nor in the whole 133.333% (one hundred and thirty three and one third percent) of the *Estimated Gross Profit* or *Estimated Revenue* whichever stated as insured in the *Schedule* and 100% (one hundred percent) of the *Sums Insured* by other Items or such amounts as may be substituted by the *Insurers*.

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

- e The following 'Premium Adjustment Clause' and 'Renewal Clause' are included in respect of this Section:

#### i Premium Adjustment

The first and renewal premiums in respect of Item A (*Estimated Gross Profit*) or Item B (*Estimated Revenue*) where insured by this Section are provisional and are based on the *Estimated Gross Profit* or the *Estimated Revenue* whichever is insured hereunder. The *Insured* shall furnish to the *Insurers* not later than 6 (six) months after the expiry of each *Period of Insurance*, a declaration confirmed by the *Insured's* auditors of the *Gross Profit* or *Revenue* earned during the financial year most nearly concurrent with the *Period of Insurance*.

If any *Incident* shall have occurred giving rise to a claim for loss of *Gross Profit* or loss of *Revenue* the aforementioned declaration shall be increased by the *Insurers*, for the purposes of premium adjustment, by the amount by which the *Gross Profit* or *Revenue* was reduced during the financial year solely in consequence of the *Incident*.

If the declaration (adjusted as provided above or proportionately increased where the *Maximum Indemnity Period* exceeds 12 (twelve) months):

- a is less than the *Estimated Gross Profit* or *Estimated Revenue* whichever insured hereunder for the relative *Period of Insurance* the *Insurers* shall allow a pro rata return of premium paid on the *Estimated Gross Profit* or *Estimated Revenue* but not exceeding 50% (fifty percent) of such premium;
- b is greater than the *Estimated Gross Profit* or *Estimated Revenue* whichever insured for the relative *Period of Insurance* the *Insured* shall pay a pro rata addition to the premium paid on the *Estimated Gross Profit* or *Estimated Revenue* whichever is insured hereunder.

#### ii Renewal

The *Insured* shall prior to each renewal furnish the *Insurers* with the *Estimated Gross Profit* or the *Estimated Revenue* whichever insured for the financial year most nearly concurrent with the ensuing *Period of Insurance*.

### 2 Denial of Access

This insurance extends to include interruption of or interference with the *Business* in consequence of accidental loss, destruction or damage as insured by this Section to any property within 250 (two hundred and fifty) metres of the *Premises* which prevents or hinders the use of the *Property Insured* or access to the *Premises* (whether or not the *Property Insured* or the *Premises* suffer similar loss, destruction or damage). The *Insurers* shall not be liable for any claim in excess of £100,000 unless otherwise stated in the *Schedule*.

### 3 Disease, Infestation and Defective Sanitation

This insurance extends to include interruption of or interference with the *Business* commencing on the first day of any such interruption or interference in consequence of the occurrence at the *Premises* of:

- a murder, suicide or food or drink poisoning;
- b a notifiable, human, infectious or contagious disease excluding Acquired Immune Deficiency Syndrome (AIDS) or an AIDS related condition;
- c vermin, pests or defective sanitation;
- d which causes restrictions on the use of the *Premises* on the order or advice of the competent local authority; or
- e accidental loss, destruction or damage as insured by this Section, to the drains or sanitary apparatus at the *Premises* which results in closure of the *Premises* for the *Business*.

The *Insurers* shall not be liable for any claim in excess of 5% (five percent) of the *Sum Insured* under this Section or £100,000 whichever is the lesser unless otherwise stated in the *Schedule*.

#### Clarification of Notifiable Human Infectious or Contagious Disease

It is hereby understood and agreed that for the purposes of the cover afforded by this Extension, the reference to a notifiable, human, infectious or contagious disease contained in paragraph b shall be deemed to mean solely the following diseases:

#### Diseases notifiable under the Public Health (Control of Disease) Act 1984 or the Public Health (Infectious Diseases) Regulations 1988, namely:

Acute encephalitis, Acute poliomyelitis, Anthrax, Cholera, Diphtheria, Dysentery, Food poisoning, Leptospirosis, Malaria, Measles, Meningitis, Meningococcal, Pneumococcal, Haemophilus influenzae, Viral, Other specified, Unspecified, Meningococcal septicaemia (without meningitis), Mumps, Ophthalmia neonatorum, Paratyphoid fever, Plague, Rabies, Relapsing fever, Rubella, Scarlet fever, Smallpox, Tetanus, Tuberculosis, Typhoid fever, Typhus fever, Viral haemorrhagic fever, Viral hepatitis, Hepatitis A, Hepatitis B, Hepatitis C, Whooping cough and Yellow fever.

No other disease shall be added to the above list without the prior written consent of the *Insurers*.

#### 4 Property Stored

This Insurance extends to include interruption of or interference with the *Business*, in consequence of accidental loss, destruction or damage as insured by this Section, to the *Property Insured* whilst stored anywhere in the *Territorial Limits* other than at any *Premises* in the occupation of the *Insured*.

The *Insurers* shall not be liable for any claim in excess of 5% (five percent) of the *Sum Insured* under this Section or £100,000, whichever is the lesser, unless otherwise stated in the *Schedule*.

#### 5a Public Utilities – Providers' Premises

This Insurance extends to include interruption of or interference with the *Business* in consequence of accidental loss, destruction or damage as insured by this Section, to property at the premises of the following public utilities in the *Territorial Limits* from which the *Insured* obtains supplies or services:

- a any generating station or sub-station of the public electricity supply undertaking from which the *Insured* obtains electricity;
- b any land-based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith from which the *Insured* obtains gas;
- c any water works or pumping station of the public water supply undertaking from which the *Insured* obtains water;
- d any land-based telecommunication services to the *Premises*.

The *Insurers* shall not be liable for any claim in excess of 5% (five percent) of the *Sum Insured* under this Section or £100,000, whichever is the lesser, unless as otherwise stated in the *Schedule*.

The *Insurers* shall not be liable for total or partial failure occasioned by strike or lock-out, total or partial withdrawal of labour, or total or partial cessation of work.

#### 5b Public Utilities – Terminal Ends

This Insurance extends to include interruption of or interference with the *Business*, in consequence of the accidental failure in the *Territorial Limits* of:

- a the public supply of electricity at the terminal ends of the supply undertaking's service feeders at the *Premises*;
- b the public supply of gas at the supply undertaking's meters at the *Premises*;
- c the public supply of water at the supply undertaking's main stop cock serving the *Premises*;
- d the public supply of telecommunications services, other than satellite services, at the incoming line terminals or receivers at the *Premises*;

but excluding any failure:

- i which does not involve a cessation of supply for at least 12 (twelve) consecutive hours;
- ii caused by the deliberate act of any supply undertaking or by the exercise by any such undertaking of its power to withhold or restrict supply or services;
- iii due to strikes or any labour or trade dispute or any industrial action;

iv due to drought;

v due to atmospheric or weather conditions, but this shall not exclude failure due to damage to equipment caused by such conditions.

Provided that:

- a the *Insurers* shall not be liable for any claim in excess of 5% (five percent) of the *Sum Insured* by this Section or £100,000, whichever is the lesser, unless as otherwise stated in the *Schedule*;
- b the *Maximum Indemnity Period* under this Extension shall not exceed 12 (twelve) months.

#### 6 Suppliers Extension

This Insurance extends to include interruption of or interference with the *Business* in consequence of accidental loss, destruction or damage as insured by this Section, to property at the premises of the *Insured's* suppliers as stated in the *Schedule* and situated within the *Territorial Limits*.

Under this Extension the premises or facilities of any supply undertaking from which the *Insured* obtains electricity, gas, water or telecommunication services shall not be deemed to be the premises of the *Insured's* suppliers, manufacturers or processors.

The *Insurers* shall not be liable for any claim in excess of the amount or percentage of the *Sum Insured* for Item A (*Gross Profit*) or Item B (*Revenue*) of this Section as stated in the *Schedule*.

#### 7 Unspecified Customers

This Insurance extends to include interruption of or interference with the *Business* in consequence of accidental loss, destruction or damage as insured by this Section to property at the premises of any of the *Insured's* customers, other than as specified herein, within the *Territorial Limits*.

The *Insurers* shall not be liable for any claim amount in excess of 5% (five percent) of the *Sum Insured* under this Section or £100,000, whichever is the lesser, unless as otherwise stated in the *Schedule*.

#### 8 Unspecified Suppliers

This Insurance extends to include interruption of or interference with the *Business* in consequence of accidental loss, destruction or damage as insured by this Section to property at the premises of any of the *Insured's* suppliers, manufacturers or processors of components, goods or materials, other than as specified herein, within the *Territorial Limits*.

Under this Extension the premises or facilities of any supply undertaking from which the *Insured* obtains electricity, gas, water or telecommunication services shall not be deemed to be the premises of the *Insured's* suppliers, manufacturers or processors.

The *Insurers* shall not be liable for any claim amount in excess of 5% (five percent) of the *Sum Insured* under this Section or £100,000, whichever is the lesser, unless as otherwise stated in the *Schedule*.

## 9 Subsidence Extension

It is hereby understood and agreed that:

- 1 Exclusions 5 a and 5 b are deleted and of no further effect;
- 2 this Section is extended to include *Consequential Loss* caused by subsidence, landslip or ground heave of any part of the site excluding *Consequential Loss*:
  - a resulting from:
    - i collapse, cracking, shrinkage or settlement of *Building(s)* or any part thereof;
    - ii coastal or river erosion;
    - iii defective design or workmanship or the use of defective materials including inadequate construction of foundations;
    - iv settlement or movement of made up ground;
    - v the normal settlement or bedding down of new structures;
  - b to forecourts, car parks, driveways, footpaths, walls, gates, hedges or fences, unless specifically insured hereunder where such an *Incident* also affects the structure of the *Building(s)* insured herein against such loss, destruction or damage;
  - c which originated prior to the inception of this cover;
  - d resulting from:
    - i demolition, construction, structural alteration or repair of any *Building(s)*;
    - ii groundworks or excavation;at the same *Premises*.

### Special Conditions

- 1 It is a condition that the *Insured* shall notify the *Insurers* immediately they become aware of any demolition, groundworks, excavation or construction being carried out on any adjoining site.
- 2 The *Insurers* shall then have the right to vary the terms or cancel cover in respect of subsidence, ground heave or landslip.

## Item C Additional Expenditure

The Insurance under Item C (Additional Expenditure) is limited to the additional expenditure necessarily and reasonably incurred by the *Insured* with the prior consent of the *Insurers* in consequence of the *Incident* in order to prevent or minimise the interruption of or interference with the *Business* during the *Indemnity Period* (including the cost of removal to and from temporary premises and expenses incidental thereto, increase in rents, rates and taxes, salaries of additional staff and overtime payments) but only in so far as such additional expenditure is not recoverable under any other Item of this Policy.

The limit of the *Insurers'* liability shall not exceed the *Sum Insured* by this Item as stated in the *Schedule*.

## Item D Outstanding Debit Balances

The Insurance under Item D (*Outstanding Debit Balances*) is limited to loss of *Outstanding Debit Balances* incurred by the *Insured* following loss, destruction or damage as insured by this Section to the *Insured's* books of account or other *Business* books or records at the *Premises*, and the maximum liability in respect of any one *Occurrence* shall not exceed whichever is the lesser of the total of:

- a the difference between the *Outstanding Debit Balances* and the total of the amounts received or traced in respect thereof; and
  - b the additional expenditure necessarily and reasonably incurred with the *Insurers'* prior consent for the sole purpose of tracing and establishing customers' debit balances after the loss, destruction or damage;
- or the *Sum Insured* stated in the *Schedule*,

excluding any loss or expenditure arising from bad debts or erasure, distortion or corruption or deliberate falsification of *Business* records.

### Special Condition to Item D – Outstanding Debit Balances

The *Insured* shall maintain an up-to-date monthly record of all *Outstanding Debit Balances*, and shall either:

- a keep such record in fire-resisting safe(s) or fire-resisting cabinet(s) when not in use; or
- b keep a duplicate record in a building separate from that in which the working record is kept.

## Item E Loss of Rent Receivable

The Insurance under Item E (Loss of *Rent Receivable*) is limited to:

- 1 Loss of *Rent Receivable*; and
- 2 Increase in Cost of Working.

The amount payable by the *Insurers* as indemnity hereunder shall be:

- a In respect of Loss of *Rent Receivable*: the amount by which the *Rent Receivable* during the *Indemnity Period* as stated in the *Schedule* shall, in consequence of the *Incident*, fall short of the *Standard Rent Receivable*;
- b In respect of Increase in Cost of Working: the additional expenditure necessarily and reasonably incurred by the *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 *Incident*, but not exceeding the amount of the reduction in *Rent Receivable* thereby avoided;

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

### Special Condition to Item E – Underinsurance

If the *Sum Insured* under this Item E (Loss of *Rent Receivable*) is less than the *Annual Rent Receivable* (or proportionate to a multiple thereof where the *Maximum Indemnity Period* exceeds 12 (twelve) months) the amount payable by the *Insurers* shall be proportionately reduced.

## Special Provisions to Item E – Loss of Rent Receivable

- 1 The premium paid for Item E (Loss of *Rent Receivable*) may be adjusted on receipt by the *Insurers* of a declaration of *Rent Receivable* earned during the financial year most nearly concurrent with the *Period of Insurance*, as reported by the *Insured's* auditors. If any *Incident* shall have occurred giving rise to loss of *Rent Receivable*, the above-mentioned declaration shall be increased for the purpose of premium adjustment by the amount by which the *Rent Receivable* was reduced during the financial year solely in consequence of the *Incident*.
- 2 If the declaration (adjusted as provided for above and proportionately increased where the *Maximum Indemnity Period* exceeds 12 (twelve) months) is less than the *Rent Receivable Sum Insured* for the relative *Period of Insurance*, the *Insurers* shall allow a pro rata return premium not exceeding 50% (fifty percent) of the premium paid.

## Section 2 Conditions

The following Conditions are included in this Section.

### 1 Accumulated Stock

In adjusting any loss, account shall be taken, and an equitable allowance made, if any reduction in *Turnover* due to the *Incident* is postponed by reason of the *Turnover* being temporarily maintained from accumulated stocks of finished goods.

### 2 Alternative Trading

If during the *Indemnity Period* as stated in the *Schedule* goods shall be sold or services rendered elsewhere than at the *Premises* for the benefit of the *Business*, either by the *Insured* or by others on the *Insured's* behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the *Turnover* during the *Indemnity Period*.

### 3 Cessation of Business

This Section of this Policy shall be avoided if the *Business* is wound up or carried on by a liquidator, receiver or administrator or permanently discontinued unless this Section's continuance is agreed in writing by the *Insurers*.

### 4 Departmental Clause

If the *Business* is conducted in departments, the independent results of which are ascertainable, Increase in Cost of Working, Reduction in *Turnover* and Loss of *Revenue* shall apply separately to each department affected by the *Incident*; except that if the *Sum Insured* by the said Item is less than the aggregate of the sums produced by applying the relevant Definition of the Item for each department of the *Business* (whether affected by the *Incident* or not), the amount payable by the *Insurers* shall be proportionately reduced.

### 5 Due Diligence

In the event of an *Incident* that may give rise to a claim under this Section, the *Insured* shall with due diligence take all steps that are reasonably practicable to avoid or minimise any interruption of or interference with the *Business*.

### 6 First Twelve Months Trading

In the event of a claim arising from an *Incident* occurring before the completion of the first 12 (twelve) months trading of the *Business* at the *Premises*, any terms in the Definitions referring to *Turnover* or *Revenue* during a prior period of 12 (twelve) months shall be adjusted so as to apply to the *Turnover* or *Revenue* during the period from commencement of the *Business* to the date of the *Incident*.

### 7 Payments on Account

Payments on account shall be made by the *Insurers* to the *Insured* during the *Indemnity Period* if required.

### 8 Reinstatement of Limit

In the event of loss or losses occurring under this Section, it is hereby mutually agreed to reinstate the *Sum Insured* of the Item(s) affected to the full amount from the time of the occurrence of such loss or losses until expiry of this Insurance and that an additional premium (calculated at pro rata of the Insurance rate) from the date of such loss or losses to expiry of this Insurance, shall be paid by the *Insured* upon the amount of such loss or losses when such loss or losses is/are settled. However, the liability of the *Insurers* shall never exceed the *Sum Insured* in respect of any one loss.

### 9 Salvage Sale

If following an *Incident* giving rise to a claim under this Section the *Insured* shall hold a salvage sale during the *Indemnity Period* Clause 1 of Item A (*Gross Profit*) shall for the purpose of such claim read as follows:

in respect of Reduction in *Turnover*: the sum produced by applying the *Rate of Gross Profit* to the amount by which the *Turnover* during the *Indemnity Period* (less the *Turnover* for the period of the salvage sale) shall in consequence of the *Incident* fall short of the *Standard Turnover* from which sum shall be deducted the *Gross Profit* actually earned during the period of the salvage sale.

## Section 3 | Specified Business Equipment All Risks

### The Cover

The *Insurers* will indemnify the *Insured* against *Damage* occurring during the *Period of Insurance* and within the *Territorial Limits*, including whilst in transit, and arising from any accidental cause not otherwise being excluded, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

### Limit of Liability

The liability of the *Insurers* under this Section shall not exceed the *Sum Insured* in respect of any one Item or any other limit of liability as stated in the *Schedule*.

### Basis of Settlement

The amount payable shall be the cost of repair, reinstatement or replacement of the specified *Property Insured* as new without deduction for wear and tear to a condition equivalent to or substantially the same but not better or more extensive than its condition when new.

Provided that repair, reinstatement or replacement has been effected.

### The Excess

The *Insurers* shall not indemnify the *Insured* for the amount of the *Excess* specified in the *Schedule*.

### Section 3 Conditions

#### 1 Average

Each Item under this Section is declared to be subject to General Condition 2 Average (Underinsurance) (unless otherwise stated in the *Schedule*).

#### 2 Warranties/Conditions Precedent to Liability

Where *Property Insured* at the *Premises* insured by Section 1 of this Policy is or may be made subject to any Warranty or Condition precedent to liability then the Warranty or Condition precedent to liability shall be deemed to apply in like manner in the event of loss of or damage to *Property Insured* under this Section which occurs at the *Premises*.

#### 3 Unattended Vehicle

It is a condition precedent to the *Insurers'* liability that:

- a when any vehicle is left *Unattended* all windows and doors are closed and all locks and other security devices are in actual and complete operation and the keys are removed from the vehicle;
- b no vehicle is left loaded *Overnight Unattended* unless in a locked building or in a locked or continuously supervised public garage or vehicle compound with locked gates. The onus of proving that the loss, destruction or damage did not occur *Overnight* shall be upon the *Insured*.

### Section 3 Exclusions

- 1 **Excluded Property** – this Section does not cover (unless specified in the *Schedule*):
  - a moveable property in the open where *Damage* arises as a result of wind, rain, hail, sleet, snow, flood or dust;
  - b property whilst it is operational or being worked upon or undergoing maintenance, repair, restoration or testing;
  - c *Computer Records*.
- 2 **Excluded Causes** – the *Insurers* shall not indemnify the *Insured* for:
  - a *Damage* caused by:
    - i inherent vice, latent defect, gradual deterioration, wear, tear, frost, its own faulty or defective design or materials;
    - ii faulty or defective workmanship, operational error or omission on the part of the *Insured* or any of their employees;but this shall not exclude subsequent *Damage* which itself results from a cause not being an Excluded Cause or otherwise excluded;
  - b *Damage* caused by:
    - i corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, change in colour, flavour, texture or finish, dampness, dryness, marring, scratching, dust, chemical action or reaction, pests, vermin or insects;
    - ii change in temperature or atmospheric or climatic conditions;
    - iii mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which such breakdown or derangement originates and erasure or distortion of data records or systems by electromagnetic flux;but this shall not exclude:
    - i such *Damage* which results from a *Defined Peril* or from any other cause, not being an Excluded Cause or otherwise excluded;
    - ii subsequent *Damage* which itself results from a cause not being an Excluded Cause or otherwise excluded;
  - c *Damage* caused by:
    - i acts of fraud or dishonesty by the *Insured's* employees;
    - ii unexplained disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
    - iii any process of fitting, testing, servicing, repair, renovation or adjustment.

## Section 4 | Money and Personal Accident Assault

### Section 4A Money

#### The Cover

The *Insurers* shall pay for:

- 1 the loss of current coinage and the other negotiable instruments listed in paragraph 1 of the General Definition of *Money* up to the Limits of Liability as stated in the *Schedule*, by any cause not otherwise excluded, whilst in:
  - a the *Premises* during *Business Hours*;
  - b transit within the *Territorial Limits* or in any bank night safe;
  - c a locked safe, the details of which have been notified to and agreed by the *Insurers*, when outside *Business Hours*, provided the keys or any record of the safe combination are removed from the *Premises* and held in the personal custody of an authorised *Insured Person*;
  - d the *Premises* outside *Business Hours* and not in a locked safe;
  - e the personal custody of the *Insured* or an authorised *Insured Person* in their private dwelling or in transit between such dwelling and the *Premises* and/or as otherwise stated in the *Schedule*;
- 2 the loss of crossed cheques and the other non-negotiable instruments listed in paragraph 2 of the General Definition of *Money* up to the amount stated in the *Schedule* by any cause not otherwise excluded whilst within the *Territorial Limits*;
- 3 the cost of repair or replacement in the event of loss of, destruction of or damage to safes, strongrooms, tills, cash registers, franking machines and special money-carrying cases if loss, destruction or damage results from the theft or attempted theft of *Money*;
- 4 losses arising from the fraudulent use by any unauthorised person, other than an employee of the *Insured*, of any credit card issued to the *Insured* for use in the *Insured's Business* up to a limit of £1,000 in respect of any one Occurrence and £5,000 in the aggregate during the *Period of Insurance*;

occurring during the *Period of Insurance* subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

#### Limit of Liability

The liability of the *Insurers* under Section 4A Money shall not exceed any Limit of Liability as stated in the *Schedule* or any other limit of liability as stated herein.

#### The Excess

The *Insurers* shall not indemnify the *Insured* for the amount of the *Excess* specified in the *Schedule*.

### Section 4A Money Conditions

It is a condition that:

- 1 any till or cash register on the *Premises* is left open and unlocked and empty of *Money* outside *Business Hours*;
- 2 *Money* in transit in excess of £2,500 any one transit, must be accompanied in accordance with the amounts and number of persons detailed as follows, unless varied by Endorsement in the *Schedule*:

Amount in Transit	Minimum Accompaniment
£2,501 to £5,000	by at least 2 able bodied persons
£5,001 to £7,500	by at least 3 able bodied persons
£7,501 and over	by an independent specialist security company carrier.

- 3 a complete record is kept of all *Money* held by the *Insured*;
- 4 the *Insured* upon becoming aware of a loss of any credit card shall give immediate notice to the organisation which issued the card.

### Section 4A Money Exclusions

Section 4A Money does not cover any loss of *Money*:

- 1 caused by fraud or dishonesty of any *Insured Person* or members of their families or households unless discovered and reported to the Police and the *Insurers* in writing within 14 (fourteen) days of the actual occurrence;
- 2 due to shortages from accounting or mysterious or unexplained disappearances, or other error or omission, depreciation in value, counterfeit money or dishonoured cheques;
- 3 from an *Unattended* vehicle;
- 4 from the *Premises* outside of *Business Hours* unless all keys, duplicate keys and combination codes to safes, strongrooms, cash boxes, drawers or filing cabinets from which *Money* was taken were removed from the *Premises* at the time of loss;
- 5 from any machine operated by coins, bank notes or credit cards unless stated in the *Schedule*;
- 6 whilst in the custody of any security company employed by the *Insured* unless specifically mentioned as included up to a Limit of Liability as stated in the *Schedule* and the security company is as agreed by the *Insurers*. However, security companies' contingency cover is granted hereunder in circumstances where loss of, destruction of or damage to *Money* in the custody or control of a security company as agreed by the *Insurers* is not recoverable from such company subject always to the Limits of Liability as stated herein.

## Section 4B Personal Accident Assault

### The Cover

The *Insurers* shall pay for:

- 1 **accidental bodily injury occurring during the *Period of Insurance* to any *Insured Person(s)*, solely as the direct result of *Assault* in the course of his/her duties in the *Business*, anywhere within the *Territorial Limits* up to the amount of *Benefit* as stated in the Schedule of Compensation below;**
- 2 **any medical expenses incurred by the *Insured Person* following such *Assault*, up to but not exceeding 15% (fifteen percent) of the total amount of any claim admitted by the *Insurers* under Item 2 of the Schedule of Compensation below;**
- 3 **damage to clothing of the *Insured Person* as a result of *Assault* in the course of his/her duties in the *Business* anywhere within the *Territorial Limits* up to £250 in respect of any one loss;**

subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

Schedule of Compensation	Benefit
<b>Item 1</b>	
Death, <i>Permanent Total Disablement</i> or <i>Permanent Loss of Eye and/or Loss of Limb</i> :	the Capital Sum as stated in the <i>Schedule</i> as the Compensation Limit for any one <i>Insured Person</i> .
<b>Item 2</b>	
<i>Temporary Total Disablement</i> (so long as such <i>Disablement</i> continues):	the weekly amount as stated in the <i>Schedule</i> as the Compensation Limit for a maximum of 104 (one hundred and four) consecutive weeks for any single <i>Disablement</i> covered hereunder.

### Limit of Liability

The liability of the *Insurers* under Section 4B Personal Accident Assault for any one *Insured Person* shall not exceed the Capital Sum as stated in the *Schedule*.

## Section 4B Assault Conditions

- 1 *Benefit* shall not be payable by the *Insurers* in respect of the consequences of any one *Assault* involving any one *Insured Person*:
  - a under more than one of the types of claim in the Schedule of Compensation; or
  - b until the total amount of *Benefit* has been agreed by the *Insurers*.
- 2 In the event of any bodily injury, the *Insured Person* must place himself/herself under the care of a qualified medical practitioner and act upon such medical or surgical advice as is given as soon as practicable.
- 3 The *Insured* shall notify the *Insurers* within 7 (seven) days of the incident giving rise to the claim, providing all necessary details and obtaining at the *Insured's* own expense any medical report(s) as may be required by the *Insurers*.
- 4 The *Insured Person* shall at the request of the *Insurers* submit himself/herself to medical examination at the expense of the *Insurers* as often as the *Insurers* deem necessary.
- 5 Notwithstanding anything to the contrary in Condition 1 above, the *Insurers* may at their discretion pay any weekly *Benefit* due at intervals in arrears of not less than 4 (four) weeks, if the *Insured* so requests.
- 6 *Benefit* shall only be paid by the *Insurers* on production of medical evidence or other such written evidence from a qualified medical practitioner, and in the event of Death of an *Insured Person*, the *Insurers* shall be entitled to have a post mortem examination performed.
- 7 *Benefit* payable by the *Insurers* under Item 2 of the Schedule of Compensation shall not exceed the *Insured Person's* pre-injury weekly earnings from the *Business* of the *Insured Person*.

## Section 4B Assault Exclusions

- 1 Section 4B Assault does not cover *Benefit*:
  - a to any person under 16 (sixteen) or over 65 (sixty five) years of age at the commencement of the *Period of Insurance*;
  - b for death, bodily injury or disablement caused or contributed to by or arising from any pre-existing medical condition, infirmity or disease.
- 2 Bodily injury does not include sickness or disease or any naturally occurring condition or degenerative process or the result of a gradually operating cause.

## Section 5 | Goods in Transit

### The Cover

**The Insurers shall indemnify the Insured against loss of, destruction of or damage to the Insured Goods occurring whilst in Transit and during the Period of Insurance arising from any external and accidental cause, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.**

### Limit of Liability

The liability of the Insurers under this Section shall not exceed any Limit of Liability as stated in the Schedule or any other limit of liability as stated herein.

### The Excess

The Insurers shall not indemnify the Insured for the amount of the Excess specified in the Schedule.

### Section 5 Extensions

The following Extensions shall apply, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

#### 1 Removal of Debris

The Insurers shall pay for the necessary and reasonable costs and expenses incurred by the Insured in:

- a removing or reloading the Insured Goods;
- b removing debris of such Insured Goods;
- c dismantling or breaking up such Insured Goods;

following the occurrence of an insured loss under this Policy provided that:

- i the liability of the Insurers shall not exceed the amount as stated in the Schedule;
- ii this Extension does not cover any costs or expenses in connection with seepage and/or pollution and/or contamination of any kind or description arising directly or indirectly from any cause.

#### 2 Clothing and Personal Effects

The Insurers shall pay for loss of, destruction of or damage to clothing and personal effects of the driver and/or attendant caused by or following an accident to the conveying vehicle or trailer whilst going about the Business of the Insured for an amount not exceeding £500 any one Occurrence.

#### 3 Tools and Travellers Samples

The Insurers shall pay for loss of, destruction of or damage to directors', partners' or employees' tools and samples on the vehicle or trailer for an amount not exceeding £500.

#### 4 Substitution of Vehicles

Where vehicles are individually specified in the Schedule the Insurers will insure subject to the Limit of Liability as stated in the Schedule, terms, conditions and exclusions applicable to the original vehicle the Insured Goods in or on any other vehicle:

- a temporarily substituted for the specified vehicle whilst the specified vehicle is out of use for maintenance, repair or official vehicle testing;
- b permanently substituted for the specified vehicle provided that the Insurers are advised in writing within 21 (twenty one) days of the substitution.

### Section 5 Conditions

- 1 It is a condition precedent to the Insurers' liability that:
  - a when any vehicle is left Unattended all windows and doors are closed and all locks and other vehicle manufacturer's security devices including any key operated immobiliser where fitted and approved by the Insurers, are in actual and complete operation and the keys are removed from the vehicle;
  - b when any vehicle is left loaded and Unattended away from the Insured's Premises outside the Insured's normal Business Hours, the vehicle shall be in a locked building or in a locked or continuously supervised public garage or vehicle compound with locked gates. The onus of proving that the loss, destruction or damage did not occur outside the Insured's normal Business Hours shall be upon the Insured.
- 2 No claim shall be payable by the Insurers for which no proof of dispatch is provided.
- 3 The Insured shall maintain their vehicles in a roadworthy condition.

### Section 5 Exclusions

- 1 **Excluded Property** – Unless an ancillary part of the Insured's Business this Section does not cover (unless stated in the Schedule):
  - a tobacco products, wines and spirits;
  - b cameras, photographic equipment, binoculars, radio, television, audio, video and Computer Equipment;
  - c jewellery, watches, precious metals and stones, furs and clothing;
  - d Money, deeds and other documents;
  - e glass, china, earthenware, marble, statuary and other items of a fragile or brittle nature unless Damage arises as a direct result of fire, theft, collision or overturning of the conveying vehicle;
  - f livestock;
  - g dangerous goods as defined in the current standard conditions of the Road Haulage Association (including but not limited to explosives, acids, chemicals and gases);
  - h Computer Records;
  - i property temporarily removed from the Insured's Premises for cleaning, renovation, repair or similar purposes.

**2 Excluded Causes** – this Section does not cover loss, destruction or damage caused by or arising from:

- a** inherent vice or latent vice or defect;
- b** vibration, defective packing, denting, scratching or bruising, vermin or insects;
- c** mechanical or electrical breakdown, derangement, defect or failure;
- d** variation in temperature, loss of refrigerant or controlled atmosphere unless caused by collision or overturning of the conveying vehicle, atmospheric or climatic conditions;
- e** temporary housing of the *Insured Goods* in course of *Transit* for the purpose of storage, making-up, packing or processing;
- f** delay or inadequate documentation;
- g** inventory shortages or mysterious or unexplained disappearances;
- h** theft or attempted theft of the *Insured Goods* from open backed, soft sided or soft topped vehicles;
- i** the dishonesty of any person to whom the *Insured Goods* have been entrusted;
- j** packing which was inadequate to withstand normal handling during *Transit*;
- k** loss of market, loss of profit, loss of use and consequential loss or damage of any kind.

## Section 6 | Terrorism

### The Cover

**The Insurers shall indemnify the Insured against Damage under Section 1 Property Damage All Risks and Section 3 Specified Business Equipment All Risks and Section 11 Contract Works and/or any Consequential Loss under Section 2 Business Interruption All Risks, resulting therefrom insofar and to the extent that it is stated as being insured in the Schedule to this Section in Great Britain (meaning England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 or any subsequent amending legislation and not the Isle of Man or the Channel Islands) caused by an Act of Terrorism certified as such by Her Majesty's Government or Her Majesty's Treasury or any successor or other relevant authority, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.**

### Limit of Liability

The liability of the Insurers under this Section in respect of any one Occurrence and in the aggregate during the Period of Insurance shall not exceed the Limits of Liability as stated in the Schedule;

and

in any action, suit or other proceedings where the Insurers allege that any claim hereunder is not covered by this Section of this Policy (or is covered only up to a Limit of Liability as stated in the Schedule), the burden of proving that such claim hereunder is covered (or is covered beyond that Limit of Liability) shall be upon the Insured.

### Section 6 Conditions

The Insurance provided by this Section shall be subject to all limits, terms, conditions and exclusions of this Policy except that the following shall not apply:

- 1 any long term agreement or undertaking;
- 2 any terms in the Policy which provide for adjustments of premium based upon declarations on expiry or during the Period of Insurance;
- 3 any extension of Premises to locations outside England and Wales and Scotland;
- 4 any General or Section Exclusions elsewhere in this Policy (other than those stated as Section 6 Exclusions).

### Section 6 Exclusions

This Section does not cover any claim of whatsoever nature directly or indirectly caused by or occasioned by or happening through or in consequence of:

- 1 Chemical, biological or radioactive contamination from:
  - a the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
  - b ionising radiation or contamination by radioactivity or from the combustion of any radioactive material;
  - c chemical and/or biological and/or radiological irritants contaminants or pollutants;

in respect only of residential property houses and blocks of flats and other dwellings insured in the name of a private individual.

- 2 Riot, civil commotion, war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, martial law, confiscation or nationalisation or requisition or seizure or destruction of or damage to property by or under the order of any Government or public or local authority.
  - 3 Arising out of Marine, Aviation, Transit and Motor Certificates or Policies.
  - 4 Electronic, digital or cyber risks that is any loss whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from:
    - a damage to any computer or other equipment or component or system or item which processes, stores, transmits or receives data or any part thereof, whether tangible or intangible (including but without limitation any information or Programme(s) or Software) and whether the property of the Insured or not, where such damage is caused by Virus or Similar Mechanism or Hacking or Denial of Service Attack;
- or
- b consequential loss directly or indirectly caused by or arising from Virus or Similar Mechanism or Hacking or Denial of Service Attack.

## Section 7 | Employers' Liability

### The Cover

**The Insurers shall indemnify the Insured and any Additional Insured:**

- 1 against legal liability for damages and claimant's costs and expenses in respect of Injury sustained by any Person Employed caused during the Period of Insurance within the Territorial Limits and arising out of and in the course of employment by the Insured in the Business;**
- 2 in respect of Legal Costs in connection with any Event which is or may be the subject of indemnity under 1 above.**

**The Insurers shall not indemnify the Insured in respect of any judgement, award or settlement made in any country or territory outside Great Britain, Northern Ireland, the Channel Islands, the Isle of Man or in respect of any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part unless the Insured has requested that there shall be no such limitation and has accepted the limits, terms, conditions and exclusions offered by the Insurers in granting such cover, which offer and acceptance must be signified by an Endorsement attaching to this Policy.**

### Limit of Liability

Irrespective of:

- 1 the number of parties and/or entities entitled to indemnity;**
- 2 the number of claimants;**

the liability of the Insurers under this Section including all Extensions in respect of or arising from any one claim or series of claims against the Insured arising out of one Event shall not exceed the Limit of Liability as stated in the Schedule.

Notwithstanding the provisions of General Exclusion 11 Terrorism, this Section provides cover against legal liability for damages and claimant's costs and expenses in respect of Injury sustained by Persons Employed caused as a result of Terrorism during the Period of Insurance within the Territorial Limits up to a limit of £5,000,000 in respect of any one Event.

### Section 7 Exclusions

This Section shall not apply to legal liability for damages and claimant's costs and expenses and/or Legal Costs in respect of:

- 1 Road traffic legislation:**  
*Injury for which the Insured is required to arrange motor insurance or security in accordance with any road traffic legislation within the Territorial Limits.*
- 2 Offshore work:**  
*Injury sustained by any Person Employed whilst Offshore.*

### Section 7 Extension

The following Extension shall apply, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

#### Unsatisfied Court Judgements

If a judgement for damages obtained:

- a** by any Person Employed or the personal representative(s) of any Person Employed in respect of Injury sustained by the Person Employed caused during the Period of Insurance and arising out of and in the course of employment by the Insured in the Business;
- b** against any company, partnership or limited liability partnership or individual operating from premises in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man;

in any court within the territories specified in b above remains unsatisfied in whole or in part 6 (six) months after the date of such judgement, then at the request of the Insured the Insurers shall pay to the Person Employed or the personal representative(s) of the Person Employed the amount of any such damages and any awarded costs and expenses (but excluding any interest which may accrue after the day of judgement) to the extent that they remain unsatisfied provided that there is no appeal outstanding against the judgement.

If any payment is made by the Insurers under the terms of this Extension, the Person Employed or the personal representative(s) of the Person Employed shall assign the benefit of the unsatisfied amount of the judgement and awarded costs and expenses to the Insurers and will give all information and assistance required.

### Section 7 Condition

The indemnity granted by this Section is deemed to be in accordance with the requirements of any legislation enacted in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man relating to the compulsory insurance of legal liability to employees. The Insured shall repay to the Insurers all sums paid under this Policy which the Insurers would not have been liable to pay but for the provisions of such legislation.

## Section 8 | Public Liability

### The Cover

**The Insurers shall indemnify the Insured and any Additional Insured:**

- 1 against legal liability for damages and claimant's costs and expenses in respect of:**
  - a accidental Injury sustained by any person;**
  - b accidental Damage to Property;**
  - c accidental Nuisance;****occurring during the Period of Insurance within the Territorial Limits in connection with the Business;**
- 2 in respect of Legal Costs in connection with any Event which is or may be the subject of indemnity under 1 above.**

### Limit of Liability

- 1 Irrespective of:**
  - a** the number of parties and/or entities entitled to indemnity;
  - b** the number of claimants;

the liability of the Insurers under this Section including all Extensions in respect of any one Event shall not exceed the Limit of Liability as stated in the Schedule.
- 2 Legal Costs payable by the Insurers shall be paid in addition to the Limit of Liability unless as otherwise stated in the Schedule, provided that:**
  - a** if a payment of damages and/or claimant's costs and expenses exceeding the Limit of Liability has to be made by the Insured to settle any claim;

and

  - b** the Insurers are liable to pay Legal Costs in addition to the Limit of Liability;

then the liability of the Insurers for Legal Costs shall be limited to such proportion as the Limit of Liability bears to the amount paid by the Insured in settlement of such claim. Nothing contained in this clause shall be construed to vary or override Condition 2 of Sections 7, 8 and 9 of this Policy.

However, in respect of any liability subject to the jurisdiction of any Court of Law in the United States of America or Canada, their territories or possessions, and any judgement, award, order or settlement in any such Court or orders for enforcement of judgement, award, order or settlement made elsewhere by way of reciprocal agreement, convention or otherwise, including any order made anywhere in the world to enforce such judgement, award, order or settlement either in whole or in part, the Limit of Liability as stated in the Schedule is inclusive of Legal Costs.

Notwithstanding the provisions of General Exclusion 11 Terrorism, this Section provides cover against legal liability for damages and claimant's costs and expenses and Legal Costs in respect of Injury sustained by any person, other than a Person Employed, and Damage to Property directly or indirectly caused by or contributed to by or arising from Terrorism occurring during the Period of Insurance within the Territorial Limits up to a limit of £2,000,000 in respect of any one Event or the amount of the Limit of Liability as stated in the Schedule, whichever is the lower.

### Section 8 Extensions

The following Extensions shall apply, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

#### 1 Cross Liabilities

If the Insured comprises more than one party and/or entity the Insurers shall indemnify each in the same manner and to the same extent as if a separate Policy had been issued to each.

Provided that the liability of the Insurers shall not exceed the Limit of Liability stated in the Schedule regardless of the number of parties and/or entities entitled to indemnity.

#### 2 Contingent Motor Liability

Notwithstanding Section Exclusion 4, the Insurers shall indemnify the Insured (and no other) against legal liability for damages and claimant's costs and expenses arising out of the use and in the course of the Business of any mechanically propelled vehicle not the property of nor provided by the Insured.

This Extension shall not apply to legal liability for damages and claimant's costs and expenses:

- a** arising while such vehicle is being driven by the Insured or any Additional Insured, other than any Person Employed;
- b** in respect of loss of or damage to such vehicle or to any property conveyed therein;
- c** arising out of the use of any such vehicle owned or provided by any principal for whom the Insured is working or any sub-contractor acting for or on behalf of the Insured;
- d** arising outside Great Britain, Northern Ireland, the Channel Islands and the Isle of Man;
- e** notwithstanding Condition 3 to Sections 7, 8 and 9, where indemnity is provided by any other insurance;
- f** caused or arising whilst such vehicle is engaged in racing, pace-making, reliability trials or speed testing;
- g** caused or arising whilst such vehicle is being driven with the general consent of the Insured or their representative by any person who to the knowledge of the Insured or other such representative does not hold a licence to drive such a vehicle, unless such person has held and is not disqualified from holding or obtaining such a licence.

### 3 Overseas Personal Liability Indemnity

The *Insurers* shall indemnify the *Insured* and, if the *Insured* so requests, any director or partner of the *Insured* or *Person Employed* against legal liability for damages and claimant's costs and expenses incurred in a personal capacity while temporarily outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man but excluding any country or territory which operates under the law of the United States of America or Canada in connection with the *Business*.

This Extension will not apply to legal liability for damages and claimant's costs and expenses:

- a arising out of the ownership or occupation of land or buildings;
- b notwithstanding Condition 3 to Sections 7, 8 and 9, where indemnity is provided by any other insurance.

### 4 Data Protection

The *Insurers* shall indemnify the *Insured* and, if the *Insured* so requests, any director or partner of the *Insured* or *Person Employed* against legal liability for damages and claimant's costs and expenses arising out of any claim under Section 13 of the Data Protection Act 1998, or any subsequent amending legislation first made against the *Insured* during the *Period of Insurance*. For the purposes of this Extension only damage and/or distress within the meaning of such Act shall be deemed to be *Injury* provided that the *Insured*:

- a is registered in accordance with the terms of such Act or has applied for registration, which has not been refused or withdrawn;
- b has taken all reasonable care to comply with the requirements of such Act.

This Extension shall not apply to:

- i the costs of replacing, reinstating, rectifying or erasing data;
- ii legal liability for damages and claimant's costs and expenses arising from or caused by any deliberate act or omission of the *Insured* or any person entitled to indemnity if the result thereof could reasonably have been expected by the *Insured* or such other person having regard to the nature and circumstances of such act or omission;
- iii fines or penalties of any kind;
- iv claims arising out of circumstances notified to previous insurers or known to the *Insured* at the inception of this Policy;
- v legal liability for damages and claimant's costs and expenses in respect of which indemnity is provided by any other insurance.

### 5 Defective Premises Act

The *Insurers* shall indemnify the *Insured* against damages and claimant's costs and expenses arising out of legal liability in respect of accidental *Injury* or accidental *Damage to Property* incurred by the *Insured* by virtue of Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with premises disposed of by the *Insured*.

This Extension will not apply to legal liability:

- a for the costs of remedying any defect or alleged defect in premises disposed of by the *Insured*;
- b notwithstanding Condition 3 to Sections 7, 8 and 9, where indemnity is provided by any other insurance.

### 6 Wrongful Arrest

This Section is extended to include the *Insured's* liability arising out of wrongful detention, false or malicious arrest, malicious prosecution or false imprisonment arising out of any accusation of shoplifting, theft, dishonesty or other improper conduct by any person and occurring on or about the *Premises*.

## Section 8 Exclusions

This Section shall not apply to legal liability for damages and claimant's costs and expenses and/or *Legal Costs*:

### 1 Injury Sustained by Persons Employed

for *Injury* sustained by any *Person Employed* arising out of and in the course of employment by the *Insured* in the *Business*.

### 2 Product

directly or indirectly caused by, arising from or in connection with any *Product(s)* (other than food or drink for consumption on the *Insured's Premises*).

### 3 Pollution or Contamination

directly or indirectly caused by, arising from or in connection with *Pollution or Contamination*.

### 4 Vehicles

arising out of the ownership, possession or use of any mechanically propelled vehicle by or on behalf of the *Insured* in circumstances where insurance or security is required under the provisions of any road traffic legislation but this Exclusion shall not apply to:

- a mechanical plant while operating as a tool of trade;
- b the loading or unloading of any vehicle;

except in respect of legal liability for which:

- i insurance or security is required by law;
- ii indemnity is provided by any motor insurance contract.

## 5 Vessels and Craft

arising out of the ownership, possession or use by or on behalf of the *Insured* of any vessel or craft designed to travel in, on or through water and/or air and/or space but this Exclusion shall not apply to waterborne craft not exceeding 4 (four) metres in length on inland or *United Kingdom* territorial waters.

## 6 Property in the Insured's Care, Custody or Control JCT 21.2.1

in respect of *Damage to Property*:

- a which constitutes or forms any part of the contract works happening before the date of certified completion or hand over of the contract works by the *Insured*. **This Exclusion is applicable solely when cover is afforded by Section 11 Contract Works;**
- b which at the time of the *Event* giving rise to such liability is the property of or held in trust by or in the care, custody or control of the *Insured* or any *Person Employed*, other than:
  - i personal effects including vehicles and their contents of any *Person Employed* or any director or partner of or visitor to the *Insured*;
  - ii premises including their contents, not owned by or leased or rented to the *Insured* but temporarily occupied by the *Insured* for the purposes of undertaking work in connection with the *Business*, provided that this paragraph ii shall not include any property to which a above applies;
  - iii premises and their fixtures and fittings leased or rented to the *Insured*, provided that where such liability has been accepted by agreement, indemnity shall only be provided by the *Insurers* to the extent that such liability would have attached in the absence of the said agreement;
- c in respect of which the *Insured* is required to effect insurance under the terms of Clause 21. 2. 1 of the JCT Conditions of Contract 1980 edition or any revision or substitution thereof or any clause of similar intent under any other conditions of contract. **This Exclusion is applicable solely when cover is afforded by Section 11 Contract Works.**

## 7 Work Offshore

arising from or in connection with any work undertaken *Offshore*.

## 8 War

directly or indirectly occasioned by, happening through or in consequence of war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military or usurped power, whether war be declared or not.

## 9 Cyber Liabilities

in respect of any claim or loss:

- a arising from loss, alteration or impairment of, or damage to, information and/or data in electronic form;
- b arising from malicious acts of any person carried out by electronic means;
- c for defamation or harassment carried out by electronic means;

but this Exclusion shall not apply in respect of liability for any ensuing accidental *Injury* (save for mental injury or mental disease) or *Damage to Property* which is not otherwise excluded.

## 10 Defective Work

in respect of loss of or damage to or the costs of recall, removal, repair, alteration, replacement or reinstatement of any property which comprises the *Works* caused or necessitated by the defective condition or unsuitability of any part of such property.

**This Exclusion is applicable solely when cover is afforded by Section 11 Contract Works.**

## 11 Heat Away from Insured's own Premises

where the *Insured* is using any process which involves the application of heat away from the *Insured's* own *Premises* unless:

- a the immediate area in which the operation is to be carried out has been segregated to the greatest practicable extent by the use of screens made of metal and/or fire retardant material;
- b the whole of the segregated area has been adequately cleaned and freed from combustible material before operations commence;
- c combustible floors, substances in or surrounding the segregated area have been liberally covered with sand or protected by overlapping sheets of incombustible material before operations commence;
- d where work is being carried out in any enclosed area an additional employee of the *Insured* or an employee of the occupier or of the main contractor is present at all times to guard against the outbreak of fire;
- e specifically authorised and signed for by the occupier or the main contractor who must also approve the safety arrangements;
- f the following are in readiness for immediate use at the scene of operations:
  - i suitable fire extinguishers by number and size for the scope of operations;and/or
  - ii hoses connected up for immediate use and successfully tested prior to the commencement of the operations;

- g** a thorough examination has been made in the vicinity of the operations approximately one hour after the termination of each operation. In the event that it is not practicable for such examination to be carried out by the *Insured's* own employee then appropriate arrangements must be made with and signed off by the occupier;
- h** before burning off metal work built into or projecting through walls or partitions an examination has been made including the area on the other side of any walls or partitions to ensure that no combustible material is in danger of ignition either directly or by conducted heat;
- i** when the *Insured* burns debris away from their *Premises* the following precautions are taken on each occasion:

  - i** fires are in a cleared area and at a distance of at least 10 (ten) metres from any property;
  - ii** fires are attended at all times;
  - iii** suitable fire extinguishers by number and size are kept available at the scene of operations for immediate use;
  - iv** fires are extinguished at least one hour prior to leaving the contract site at the end of each working day.

## Section 9 | Products Liability

### The Cover

The *Insurers* shall indemnify the *Insured* and any **Additional Insured**:

- 1 against legal liability for damages and claimant's costs and expenses in respect of:
  - a accidental *Injury* sustained by any person;
  - b accidental *Damage to Property*;happening during the *Period of Insurance* and caused by any **Product(s)**;
- 2 in respect of *Legal Costs* in connection with any *Event* which is or may be the subject of indemnity under 1 above.

### Limit of Liability

- 1 Irrespective of:
  - a the number of parties and/or entities entitled to indemnity;
  - b the number of claimants;the liability of the *Insurers* under this Section including all Extensions in respect of any one *Event* and in the aggregate shall not exceed the Limit of Liability as stated in the *Schedule* and in the aggregate.
- 2 *Legal Costs* payable by the *Insurers* shall be paid in addition to the Limit of Liability unless as otherwise stated in the *Schedule*, provided that:
  - a if a payment of damages and/or claimant's costs and expenses exceeding the Limit of Liability has to be made by the *Insured* to settle any claim;and
  - b the *Insurers* are liable to pay *Legal Costs* in addition to the Limit of Liability;then the liability of the *Insurers* for *Legal Costs* shall be limited to such proportion as the Limit of Liability bears to the amount paid by the *Insured* in settlement of such claim. Nothing contained in this clause shall be construed to vary or override Condition 2 of Sections 7, 8 and 9 of this Policy.

However, in respect of any liability subject to the jurisdiction of any Court of Law in the United States of America or Canada, their territories or possessions, and any judgement, award, order or settlement in any such Court or orders for enforcement of judgement, award, order or settlement made elsewhere by way of reciprocal agreement, convention or otherwise, including any order made anywhere in the world to enforce such judgement, award, order or settlement either in whole or in part, the Limit of Liability as stated in the *Schedule* is inclusive of *Legal Costs*.

Notwithstanding the provisions of General Exclusion 11 Terrorism, this Section provides cover against legal liability for damages and claimant's costs and expenses and *Legal Costs* in respect of *Injury* sustained by any person, other than a *Person Employed*, and *Damage to Property* directly or indirectly caused by or contributed to by or arising from *Terrorism* occurring during the *Period of Insurance* within the *Territorial Limits* up to a limit of £2,000,000 or the amount of the Limit of Liability as stated in the *Schedule*, whichever is the lower.

### Section 9 Extensions

The following Extensions shall apply, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

#### 1 Consumer Protection Act and Food Safety Act Legal Defence Costs

The *Insurers* shall indemnify the *Insured* and, if the *Insured* so requests, any *Person Employed* or any director or partner of the *Insured* in respect of *Legal Costs* incurred with the written consent of the *Insurers* in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of:

- a Part 2 of the Consumer Protection Act 1987; or
- b Part 2 of the Food Safety Act 1990;

arising out of the *Business*.

This Extension will not apply:

- a to fines or penalties of any kind;
- b to proceedings consequent upon any deliberate act or omission by:
  - i the *Insured*; or
  - ii any partner or director or *Person Employed* of the *Insured*;which could reasonably have been expected to constitute a breach of applicable legislation having regard to the nature and circumstances of such act or omission;
- c notwithstanding Condition 3 to Sections 7, 8 and 9, where indemnity is provided by any other insurance.

For the purposes of this Extension, *Product(s)* shall be deemed to include food or drink for consumption on the *Insured's Premises*.

#### 2 Cross Liabilities

If the *Insured* comprises more than one party and/or entity the *Insurers* shall indemnify each in the same manner and to the same extent as if a separate Policy had been issued to each.

Provided that the liability of the *Insurers* shall not exceed the Limit of Liability stated in the *Schedule* regardless of the number of parties and/or entities entitled to indemnity.

### Section 9 Exclusions

This Section shall not apply to legal liability for damages and claimant's costs and expenses and/or *Legal Costs*:

#### 1 Product(s)

- a in respect of loss of or damage to any *Product(s)* caused by any defect therein or the unsuitability thereof for its intended purpose;
- b in respect of the costs of recall, removal, repair, alteration, reconditioning, replacement, reinstatement, reduction in value or making any refund in respect of any *Product(s)* caused or necessitated by the defective condition or unsuitability of any *Product(s)* or part of such *Product(s)* to fulfil its intended purpose;

## 2 Aircraft and Marine Products

arising from or in connection with any *Product(s)* which to the knowledge of the *Insured* is or are for use in or incorporation into any craft designed to travel in, on or through air or space or in the safety or navigation of marine craft of any sort;

## 3 Pollution or Contamination

directly or indirectly caused by, arising from or in connection with *Pollution or Contamination*;

## 4 Contractual Liability

in respect of liability assumed under contract or agreement which would not have attached in the absence of such contract or agreement;

## 5 Food and Drink

directly or indirectly caused by, arising from or in connection with food or drink for consumption on the *Insured's Premises*.

## 6 North American Products

in connection with any *Product(s)* which to the knowledge of the *Insured* are directly or indirectly exported to the United States of America or Canada;

## 7 War

directly or indirectly occasioned by, happening through or in consequence of war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military or usurped power, whether war be declared or not.

## Sections 7, 8 and 9 Extensions

The following Extensions shall apply, subject always to the limits, terms, conditions and exclusions of Sections 7, 8 and 9 and the Policy.

### 1 Health and Safety at Work Legal Defence Costs

Subject to the written consent and the control of the *Insurers*, the *Insurers* shall indemnify the *Insured* and if the *Insured* so requests any *Person Employed* or director or partner of the *Insured* in respect of *Legal Costs* incurred in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of any Applicable Legislation provided that an offence is alleged to have been committed during the *Period of Insurance* in the course of the *Business*.

This Extension shall not apply to:

- a fines or penalties of any kind;
- b proceedings consequent upon any deliberate act or omission by:
  - i the *Insured*; or
  - ii any partner, director or *Person Employed* of the *Insured*;which could reasonably have been expected to constitute a breach of the Applicable Legislation having regard to the nature and circumstances of such act or omission;
- c where indemnity is provided by any other Insurance.

For the purposes of this Extension "Applicable Legislation" shall mean:

- i the Health & Safety at Work Act 1974 and any amending and/or subsequent legislation;
- ii the Health & Safety at Work (Northern Ireland) Order 1978 and any amending and/or subsequent legislation.

### 2 Compensation for Court Attendance

If at the request of the *Insurers* any director or partner of the *Insured* or any *Person Employed* shall attend court as a witness in connection with a claim in respect of which the *Insured* is entitled to indemnity under these Sections the *Insurers* shall provide compensation to the *Insured* at the following rates per day for each day on which attendance is required.

Any director or partner of the <i>Insured</i>	£500
Any other <i>Person Employed</i>	£250

## Sections 8 and 9 Extension

The following Extension shall apply, subject always to the limits, terms, conditions and exclusions of Sections 8 and 9 and the Policy.

### 1 Pollution or Contamination

Notwithstanding Exclusion 3 of Section 8 and Exclusion 3 of Section 9 the *Insurers* will indemnify the *Insured* and any *Additional Insured* against legal liability for damages and claimant's costs and expenses in respect of *Pollution or Contamination* within the *Territorial Limits* in connection with the *Business* provided always that:

- a *Pollution or Contamination* is caused by a sudden, identifiable, unintended and unexpected happening, which takes place in its entirety at a specific time and place during the *Period of Insurance*;
- b no indemnity shall be provided in respect of activities commenced by or on behalf of the *Insured* prior to inception of the *Period of Insurance* or any period of continuous Insurance prior to inception of the *Period of Insurance* placed under Brit Insurance Limited.

All *Pollution or Contamination* which arises out of a sudden, identifiable, unintended and unexpected happening, which takes place in its entirety at a specific time and place during the *Period of Insurance* shall be deemed by the *Insurers* for the purposes of this Policy to have been caused at the time such happening takes place.

The total liability of the *Insurers* for all events agreed by the *Insurers* to have happened during the *Period of Insurance* in respect of *Pollution or Contamination* shall not exceed the Limit of Liability specified in the *Schedule* for Section 8 in the aggregate for Sections 8 and 9 in respect of the *Period of Insurance*, inclusive of *Legal Costs*.

## Sections 8 and 9 Exclusions

Sections 8 and 9 of this Policy shall not apply to legal liability:

### 1 Professional Services

arising from or in connection with:

- a advice;
- b design;
- c specification;

provided for a fee.

### 2 Employment Practice Liability

directly or indirectly occasioned by, happening through or in consequence of any claim for breach of employment contract in relation to the hiring, supervision, retention and/or personal development of any director or partner of the *Insured* and/or *Persons Employed* howsoever arising.

## Sections 7, 8 and 9 Conditions

### 1 Excess(es)

No indemnity shall be provided until the applicable *Excess(es)* for any claim has been paid to and received by the *Insurers*.

### 2 Discharge of Liability

In respect of any claim(s) against the *Insured* to which a Limit of Liability applies, the *Insurers* may at any time pay the amount of such Limit after deduction of any sums already paid or incurred or any lesser amount for which at the absolute discretion of the *Insurers*, such claim(s) can be settled. The *Insurers* shall relinquish control of the said claim(s) and be under no further liability in respect thereof except for *Legal Costs* for which the *Insurers* may be responsible prior to the date of such payment unless the Limit of Liability is inclusive of *Legal Costs*.

### 3 Other Insurances

If at the time of any claim(s) covered by this Policy there is, or but for the existence of this Policy would be any other insurance covering the same legal liability the indemnity afforded by this Policy will not apply except in respect of any amount beyond that which would have been payable under such other insurance had this Policy not been effected and shall be subject to the Limit of Liability as stated in the *Schedule*.

### 4 Bona Fide Sub-contractors

The *Insured* shall as a condition precedent to liability in every instance ensure and keep a record that bona fide sub-contractors maintain Employers' Liability insurance where required by statute and Public and Products Liability insurances for not less than the Limit of Liability in respect of each such Section as stated in the *Schedule*.

## Sections 7, 8 and 9 Exclusions

Sections 7, 8 and 9 of this Policy shall not apply to legal liability:

### 1 Radioactive Contamination

directly or indirectly caused by or contributed to, by or arising from:

- a ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- b the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- c the radioactive, toxic, explosive or other hazardous or contaminating properties of any explosive nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

but in respect of Section 7 only, this Exclusion shall apply only where such legal liability is:

- i that of any principal;
- ii accepted under agreement and would not have attached in the absence of such agreement.

### 2 Punitive and Exemplary Damages

for punitive, exemplary or aggravated damages or any damages resulting from the multiplication of compensatory damages or any similar compensation ordered by the Courts.

### 3 Fines, Liquidated Damages, Penalty Clauses and Performance Warranties

for fines, liquidated damages, penalty clauses or performance warranties.

### 4 Defamation

in respect of any form of defamation.

### 5 Excess(es)

for the amount of the *Excess(es)* as stated in the *Schedule* for each Operative Section.

## 6 North American Pollution or Contamination

directly or indirectly caused by or arising from *Pollution* or *Contamination* in the United States of America or Canada.

## 7 North American Companies

arising from or in connection with any company domiciled or registered in the United States of America or Canada or their territories or possessions.

## 8 Inhalation of Asbestos

directly or indirectly caused by or contributed to, by or arising from the handling, removal, stripping out, demolition, transportation or disposal of asbestos or materials containing asbestos fibre.

However, where such activities do not form any part of the *Insured's* normal activities this Exclusion shall not apply to legal liability arising from:

- a** the accidental discovery of materials known or suspected to be asbestos or to contain asbestos fibre;
- b** the investigation of any such suspect materials;

Provided always that:

- i** immediately upon discovery as defined in **a** above all work ceases until the composition of all such materials is established;
- ii** any subsequent handling, removal, stripping out, demolition, transportation or disposal of asbestos or materials containing asbestos fibre requiring licence is carried out by qualified licensed sub-contractors on terms which indemnify the *Insured* for liability arising out of such work.

## Section 10 | Legal Expenses

### The Cover

The *Insurers* agree to indemnify the *Insured*, to the extent specified in the following Insuring Clauses, in connection with the *Business* of the *Insured* subject to the terms, conditions, exclusions and limitations in this Policy and its *Schedule*.

### Limit of Liability

The *Insurers'* total liability under this Policy shall not exceed the amounts specified in the undernoted table:

### Notes

All claims arising under Insuring Clauses 2 Employment Disputes and 7 Tax Protection are to be handled by an *Appointed Representative* chosen by Brit's *Claims Administrator*.

*You* should carefully read the *Insuring Clauses* of *Your Policy* for Employment Disputes immediately on acceptance to make sure that *You* are in no doubt as to when *You* need to call the *Brit Advisory Service* (see page 49).

If *You* elect to purchase Contract Disputes cover, please note that:

- There is no cover for any disputes which are to be resolved by arbitration.
- There is no cover for any disputes in respect of construction contracts within the meaning defined in part 2 of the Housing Grants Construction and Regeneration Act 1996.

If *You* are in any doubt, then phone the *Brit Advisory Service*, as taking the wrong action can jeopardise any chance of defending an employment action which may arise in the future. It can also jeopardise *Your* entitlement to cover under *Your Policy* as *Your* action (or inaction) could have contributed to the claim against *You*.

Insuring Clauses	Limit of Indemnity – Any One Claim	Excess – Any One Claim	Increased Excess – Any One Claim
1 Contract Disputes	£50,000	£250	£1,000
2 Employment Disputes	£50,000	£250	Not Available
3 Health and Safety	£50,000	£250	£1,000
4 Criminal Prosecution	£50,000	£250	£1,000
5 Property Disputes	£50,000	£250	£1,000
6 Data Protection	£50,000	£250	£1,000
7 Tax Protection	£50,000	£250	Not Available
7 Tax Protection – <i>Aspect Enquiry</i>	£2,500	£250	Not Available
8 Personal Injury	£50,000	£250	£1,000

The aggregate limit of liability for all claims notified to Brit's *Claims Administrator* during the *Period of Insurance* is £500,000

## Excess and Increased Excess

The *Insurers* shall only be liable under this Insurance to the extent that such liability exceeds the *Excess* or *Increased Excess* as specified in this Section. A separate *Excess* or *Increased Excess* shall apply to *Any One Claim*.

## Insuring Clauses

### 1 Contract Disputes

The *Insurers* agree to indemnify the *Insured* against *Legal Expenses* incurred in the pursuit or defence of any claim or legal proceedings made by or brought against the *Insured* within the *Territorial Limits* and arising from the *Business* activity of the *Insured* in a dispute with a *Contracting Party* arising out of a contract for the sale or supply of goods or services within the meaning laid down in the Sale of Goods Act 1979 and the Supply of Goods and Services Act 1982 and any amending legislation, provided that:

- a the indemnity for *Legal Expenses* incurred under this clause shall not exceed 75% (seventy-five percent) of the *Sum in Dispute*;
- b the amount in dispute exceeds the *Minimum Sum in Dispute*;
- c where the dispute relates to monies owed to the *Insured* notification of the claim to the *Claims Administrator* shall be made at the sooner of:
  - i 30 days from the date at which the debt is contested, or
  - ii 90 days from the *Due Date* provided that all reasonable attempts have been made to recover the money owed or negotiate a reasonable settlement within those 90 days; and
- d the claim is or legal proceedings are made by or brought against the *Insured* and are notified to the *Claims Administrator* during the *Period of Insurance*.

#### Exclusions to Insuring Clause 1 Contract Disputes:

The *Insurers* shall not be liable to indemnify the *Insured* in respect of claims arising out of or in connection with:

- a contracts:
  - i performed outside the *Territorial Limits*;
  - ii for the provision or procurement of insurance, credit, secured lending or guarantee;
  - iii where the liability of the *Insured* or the right of recovery is incurred through an agent or by assignment or subrogation;
  - iv regulated or alleged to be regulated by the Consumer Credit Act 1974 or any amending legislation;
  - v of employment;
  - vi for the possession, purchase, sale or use of *Property*;
  - vii in connection with or related to a franchise;
  - viii for the sale or use of an insured *Vehicle*;
  - ix of construction within the meaning as defined in part 2 of the Housing Grants Construction and Regeneration Act 1996;
  - x containing an arbitration clause where the claim is related to or due to a dispute over such clause;

- b breach or alleged breach of *Professional Duty* owed to or by the *Insured*.

### 2 Employment Disputes

The *Insurers* agree to indemnify the *Insured* against *Legal Expenses* and *Awards of Compensation* incurred in defending any claim or legal proceedings made or brought against the *Insured* within the *Territorial Limits* and arising from the *Business* of the *Insured* following a dispute with an *Employee* and/or ex *Employee* and/or prospective *Employee* arising out of their contract of employment with the *Insured* or breach of employment legislation, provided that:

- a the claim is made or legal proceedings are brought against the *Insured* and is or are notified to the *Claims Administrator* during the *Period of Insurance* in accordance with Section 10 Condition 1 Notification; and
- b the *Insured* obtains the advice of the *Brit Advisory Service* as to the procedure to be adopted and follows and acts on that advice with due diligence:
  - i prior to carrying out any disciplinary procedure or taking any disciplinary action, such action is specifically authorised by the *Brit Advisory Service*;
  - ii prior to the dismissal of an *Employee*, such dismissal is specifically authorised by the *Brit Advisory Service*;
  - iii prior to instituting an individual redundancy or a redundancy programme the terms, procedure and application of such action is specifically authorised by the *Brit Advisory Service*;
  - iv upon notification formally or informally express or implied of a complaint of sexual and/or racial and/or disability discrimination and/or other unlawful discrimination;
  - v prior to altering the terms and conditions of employment of an *Employee* (other than in respect of increasing their wages or salary) or refusing to alter the terms and conditions of employment when requested to do so by the *Employee*, such alteration or refusal of alteration is specifically authorised by the *Brit Advisory Service*;
  - vi on becoming aware of any cause, event or circumstance that may reasonably be deemed to amount to constructive dismissal including absence from work following an *Employee* walking out with or without written notice.

#### Exclusion to Insuring Clause 2 Employment Disputes:

The *Insurers* shall not be liable to indemnify the *Insured* in respect of claims arising out of or in connection with any business transfer or purported business transfer falling within the scope of the Transfer of Undertakings (Protection of Employment) Regulations 1981 or the Acquired Rights Directive.

### 3 Health and Safety

The *Insurers* agree to indemnify the *Insured* against *Legal Expenses* incurred in an appeal made by the *Insured* within the *Territorial Limits* and arising from the *Business* of the *Insured* against the service of an Improvement or Prohibition Notice under the Health and Safety at Work etc Act 1974 or the Food Safety Act 1990 or any amending legislation provided that the appeal is made and notified to the *Claims Administrator* during the *Period of Insurance*.

#### Exclusion to Insuring Clause 3 Health and Safety:

The *Insurers* shall not be liable to indemnify the *Insured* in respect of claims arising out of or in connection with the use or ownership of a *Vehicle*.

### 4 Criminal Prosecution

The *Insurers* agree to indemnify the *Insured* against *Legal Expenses* incurred in defending a prosecution in a court of criminal jurisdiction brought or commenced against the *Insured* within the *Territorial Limits* and arising from the *Business* of the *Insured* provided that the prosecution is brought or commenced and notified to the *Claims Administrator* during the *Period of Insurance*.

#### Exclusions to Insuring Clause 4 Criminal Prosecution Cover:

The *Insurers* shall not be liable to indemnify the *Insured* in respect of any prosecution arising out of or in connection with:

- a the ownership, possession or use of any vehicle;
- b investigations by the Inland Revenue, HM Customs & Excise or the Department for Work and Pensions;
- c an allegation against the *Insured* involving:
  - i assault, violence or dishonesty;
  - ii malicious falsehood;
  - iii the manufacture, dealing in or use of alcohol, illegal drugs, indecent or obscene materials;
  - iv illegal immigration;
  - v offences under Part 7 of the Proceeds of Crime Act 2002 (money laundering offences) or any amending legislation.

### 5 Property Disputes

The *Insurers* agree to indemnify the *Insured* against *Legal Expenses* incurred in the pursuit or defence of any claim or legal proceedings brought or commenced by or against the *Insured* within the *Territorial Limits* and arising from the *Business* of the *Insured* relating to:

- a disputes over the possession of *Property* owned, tenanted or occupied by the *Insured*;
- b claims or legal proceedings against the *Insured* for nuisance or trespass to *Property* owned, tenanted or occupied by the *Insured*;
- c disputes following physical damage to *Property* owned, tenanted or occupied by the *Insured*;
- d disputes between the *Insured* and landlords or tenants and the obtaining and serving of eviction orders.

Provided that:

- i the *Insured* will suffer financial loss if it fails to pursue or defend the claim or legal proceedings; and
- ii the claim is made or legal proceedings are brought against the *Insured* and is or are notified to the *Claims Administrator* during the *Period of Insurance*.

#### Exclusions to Insuring Clause 5 Property Disputes:

The *Insurers* shall not be liable to indemnify the *Insured* in respect of any claim or legal proceedings arising out of or in connection with any dispute:

- a concerning *Property* relating to mining, subsidence or heave whatever the cause of such mining, subsidence or heave;
- b arising out of or in connection with a contract other than a lease or a licence for the use of *Property* and made between the *Insured* and a *Contracting Party*;
- c relating to the payment or non-payment or review of rent or service charges;
- d relating to planning consents, building regulations or compulsory purchase orders;
- e relating to the renewal of a lease or other contract to use the *Property*.

### 6 Data Protection

The *Insurers* agree to indemnify the *Insured* against *Legal Expenses* and *Compensation Awards* incurred in any claim or legal proceedings brought or commenced against the *Insured* within the *Territorial Limits* and arising out of the *Business* of the *Insured* arising from:

- a defending the *Insured* from an allegation of a breach of the Data Protection Act 1998 and any amending legislation;
- b appealing against the refusal of an application for registration, or alteration of registered particulars; or
- c appealing against an Enforcement or Deregistration or Transfer Prohibition Notice;

Provided that the claim is made or legal proceedings are brought against the *Insured* and notified to the *Claims Administrator* during the *Period of Insurance*.

### 7 Tax Protection

The *Insurers* agree to indemnify the *Insured* against *Professional Expenses* incurred by the *Insured* arising out of any *Investigation* or *Aspect Enquiry* brought or commenced against the *Insured* within the *Territorial Limits* arising out of the *Business* of the *Insured* and notified to the *Claims Administrator* during the *Period of Insurance* in accordance with Section 10 Condition 1 Notification, provided that:

- a HM Revenue & Customs has given notice of dissatisfaction with the tax return and/or accounts of the *Insured*; and
- b any such claim is made or proceedings are brought against the *Insured* and notified to the *Claims Administrator* during the *Period of Insurance*.

### Exclusions to Insuring Clause 7 Tax Protection:

The *Insurers* shall not be liable to indemnify the *Insured* in respect of any *Investigation* or *Aspect Enquiry* arising out of or in connection with:

- a any dispute referred to or dealt with by the National Investigations Service of HM Revenue & Customs, the Special Compliance Offices of HM Revenue & Customs, the Special Investigation Section of HM Revenue & Customs or any matter falling within S.60 of the VAT Act 1994 or any amending legislation;
- b taxes, fines, interest or any other duties or penalties imposed upon the *Insured* by HM Revenue & Customs or any court or tribunal;
- c the preparation, appeal or processing of any tax computation, assessment, demand or payment or routine treatment of taxation matters;
- d any claim arising directly or indirectly from an inspection, *Investigation* or *Aspect Enquiry* undertaken prior to the commencement of this Policy;
- e any claim arising directly or indirectly from the submission of returns or accounts where HM Revenue & Customs levy a penalty or claim for interest or which contain negligent mis-statements or where the *Insured* falls below the standard of a reasonably prudent businessman in keeping books and records.

### 8 Personal Injury

The *Insurers* agree to indemnify the *Insured* against *Legal Expenses* incurred in the pursuit of any claim or legal proceedings made by the *Insured* within the *Territorial Limits* arising from the act or omission by a third party which results in *Injury* to the *Insured* provided:

- a the *Injury* was sustained by the *Insured* away from the *Insured's* business premises within the *Territorial Limits*; and
- b the *Injury* occurs and is notified to the *Claims Administrator* during the *Period of Insurance*.

### Co-Insurance

The *Insured* shall be liable in respect of claims for indemnity under Insuring Clause 1 Contract Disputes of this Policy for the proportion of *Legal Expenses* over and above the *Excess* or *Increased Excess* as specified in the *Schedule* under the heading Co-Insurance.

## Section 10 Exclusions

The *Insurers* shall not have any liability under this Section in respect of:

- 1 the defence of the *Insured* in civil legal proceedings arising from or connected with:
  - a death or injury to any person including (without limitation) any sickness, disease or any naturally occurring condition or degenerative process;
  - b loss, destruction or damage to property owned, occupied or under the control of a third party;
  - c alleged breach of *Professional Duty*;
  - d any tortious liability save as specifically provided in Insuring Clause 5 Property Disputes;
- 2 any claims arising out of the use or alleged use of any intellectual property, breach of confidentiality or infringement of rights to privacy whether related to use of an intellectual property right or not;
- 3 any claim arising out of defamation or alleged defamation;
- 4 any claim made, brought or commenced outside the *Territorial Limits*;
- 5 *Legal Expenses* and/or *Professional Expenses* incurred before the *Claims Administrator's* consent has been granted in writing or without such consent;
- 6 *Awards of Compensation* and/or *Compensation Awards* in any claim where the prior written consent of the *Claims Administrator* has not been given for *Legal Expenses* to be incurred;
- 7 any claim in connection with or arising from any cause, event or circumstance occurring prior to or existing at inception of the Policy and which the *Insured* knew or ought reasonably to have known might give rise to a claim or legal proceedings by or against the *Insured*;
- 8 fines, exemplary and punitive damages or other penalties imposed by a court or tribunal;
- 9 taxes, fines, interest or any other duties or penalties imposed by HM Revenue & Customs;
- 10 any claim or legal proceedings in respect of which the *Insured* is, but for the existence of this Policy, entitled to indemnity under any other insurance policy or legal aid certificate or representation order;
- 11 any claim arising out of the deliberate, conscious or intentional or reckless or negligent disregard by the *Insured* of the need to take all reasonable steps to avoid and prevent claims or legal proceedings. In this context, "reasonable" shall be assessed by the standards of a reasonable person carrying on the *Business* of the *Insured*;
- 12 costs awarded against the *Insured* by a court of criminal jurisdiction following a conviction;
- 13 any dispute with government or local authority departments concerning the imposition of statutory charges;
- 14 any dispute between the *Insured* and any parent, subsidiary or associated company or partner;
- 15 any dispute between the *Insured*, and the *Insurers*, and/or the *Claims Administrator* and/or the *Appointed Representative*;
- 16 any *Legal Expenses*, *Professional Expenses*, *Awards of Compensation* or *Compensation Awards* in connection with judicial review or a reference to the European Court of Justice;
- 17 any claims or legal proceedings (including any *Legal Expenses* or other costs or expenses of any description) arising out of or in connection with:
  - a war (whether declared or not), invasion, acts of a foreign enemy, hostilities, or any similar act, condition or warlike operation, warlike action by a regular or irregular military force or other authority to hinder or defend against an actual or expected attack;

- b insurrection, rebellion, revolution, riot, attempt to usurp power, popular uprising, or any action taken by any governmental or martial authority in hindering or defending against any of these;
  - c discharge, explosion, or use of a weapon of mass destruction, whether or not employing nuclear fission or fusion, or chemical, biological, radioactive or similar agents, by any party at any time for any reason;
- 18 any claims or legal proceedings (including any *Legal Expenses* or other costs or expenses of any description) arising out of or in connection with any terrorist action (regardless of any other cause or event contributing concurrently or in any other sequence to the liability) or any action taken in controlling, preventing or suppressing terrorist action. If the *Insurers* allege that by reason of this Exclusion any liability or loss is not covered by this Policy, the burden of proving the contrary shall be upon the *Insured*;
- 19 any claims or legal proceedings (including any *Legal Expenses* or other costs or expenses of any description) arising out of or in connection with any pollution, seepage, discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant including, but not limited to, smoke, vapours, soot, dust, fibres, fungi, mould, fumes, acids, alkalis, chemicals and waste (including but not limited to material to be recycled, reconditioned or reclaimed) or contamination of any kind; or ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel; or radioactive, toxic, explosive or other hazardous properties of any explosive.

## Section 10 Conditions

### 1 Notification

It is a condition precedent to the *Insurers'* liability that the *Claims Administrator* must be notified in writing immediately the *Insured* is aware of any cause, event or circumstance which has given rise or may give rise to a claim or legal proceedings involving the *Insured* as soon as that cause, event or circumstance shall come to the attention of the *Insured*.

In the event that the *Claims Administrator* is notified during the *Period of Insurance* of any cause, event or circumstance which in the *Claims Administrator's* reasonable opinion is likely to give rise to a claim or legal proceedings then any subsequent claim or legal proceedings which arise directly from that cause, event or circumstance shall be deemed to have been made during the *Period of Insurance*.

On receipt of the *Insured's* notification, the *Claims Administrator* will forward to the *Insured* a claim form which must be completed and returned immediately.

Any claim notification under this Section must be made to the *Claims Administrator* at the address stipulated in the *Schedule*.

Other notices under this Section shall be deemed to be given:

- a to the *Insurers* if sent in writing by first class post to the following address:

**Legal Expenses Insurance Division**  
 Brit Insurance Limited  
 55 Bishopsgate  
 London EC2N 3AS

- b to the *Insured* if sent in writing by first class post to the address as last declared to the *Insurers* or in relation to any matters arising out of any claim or legal proceedings if sent to the *Appointed Representative*.

Notices shall be deemed to be given if sent by first class post at the expiration of 48 hours from dispatch.

### Important procedure for Employment Disputes

If a Form ET1 (Originating Application) is received from an Employment Tribunal, the *Insured* must complete a claim form and forward it to the *Claims Administrator* including copies of Forms ET1, ET2 and ET3 (Notice of Appearance by Respondent) immediately and in any event within 14 (fourteen) days of receipt. Failure to do so may prejudice the *Insured's* position and will therefore invalidate the *Insured's* claim under this Policy.

### Important procedure for Tax Protection

To comply with this condition an *Investigation or Aspect Enquiry* by HM Revenue & Customs into the *Insured's* tax affairs must be notified to the *Claims Administrator* immediately and in any event within 30 (thirty) days of receipt of the HM Revenue & Customs notice of dissatisfaction with the *Insured's* tax return. Failure to do so may prejudice the *Insured's* position and will therefore invalidate the *Insured's* claim under this Policy.

## 2 Claims Administrator's Consent

It is a condition precedent to the *Insurers'* liability that the *Claims Administrator's* consent to incur *Legal Expenses* or *Professional Expenses* must first be obtained in writing. This consent will be given by the *Claims Administrator* if the *Insured* can satisfy the *Claims Administrator* that it is reasonable to incur *Legal Expenses* or *Professional Expenses* and:

- a there are in the view of the *Claims Administrator* reasonable prospects of a successful defence;
- b in Criminal Prosecution claims where the *Insured* pleads guilty, there is in the view of the *Claims Administrator* a reasonable prospect of a significant mitigation of the *Insured's* sentence or fine; or
- c there are in the view of the *Claims Administrator* reasonable prospects of a recovery of damages or other remedy.

In making this decision the *Claims Administrator* will have regard (without limitation) to:

- i the advice received by the *Claims Administrator* concerning the merits of the *Insured's* case;
- ii the *Insured's* prospects of securing and enforcing any judgement;
- iii the amount of money in dispute in relation to the *Legal Expenses* and/or *Professional Expenses* likely to be incurred;
- iv the alternative methods available for protecting the *Insured's* interests.

The decision to grant or withhold consent will be based on the consideration of the opinion of the *Appointed Representative* and any other adviser the *Claims Administrator* may deem it necessary to consult.

The *Claims Administrator* at its discretion may require the *Insured* to participate in mediation or other forms of dispute resolution and provide assistance in settling disputes, the cost of which will be covered under this Policy subject to all other terms, conditions and limitations of this Policy.

The *Claims Administrator* at its discretion may require the *Insured* to obtain an opinion from counsel or obtain an expert's report at the *Insured's* expense as to the merits of a claim or legal proceedings which must have regard to the same criteria as required by the *Claims Administrator*. If that opinion indicates there are reasonable prospects, the *Insurers* will pay for the cost of the opinion within the Limit of Indemnity for that claim.

When the *Claims Administrator* grants consent, the *Insurers* agree to provide indemnity to the *Insured* within the terms, conditions, limitations, provisos and exclusions of this Policy. Such consent does not imply that all *Legal Expenses* and/or *Professional Expenses* shall be paid but only to those which the *Claims Administrator* has expressly agreed.

If after consent has been granted by the *Claims Administrator* it becomes apparent to the *Claims Administrator* that the claim falls outside the terms, conditions, limitations, provisos and exclusions of the Policy such consent shall be withdrawn and no indemnity provided.

If after consent has been granted by the *Claims Administrator* it ceases to be reasonable in the view of the *Claims Administrator* to incur *Legal Expenses* and/or *Professional Expenses*, the *Claims Administrator* may withdraw consent. *Legal Expenses* and/or *Professional Expenses* incurred up until that time will continue to be indemnified by the *Insurers*.

Notwithstanding any general consent granted, the *Insurers* limit their liability to the payment of *Legal Expenses* and/or *Professional Expenses* and/or *Awards of Compensation* and/or *Compensation Awards* incurred solely for the purpose of indemnifying the *Insured* in respect of the claim or legal proceedings to which consent has been granted. *Legal Expenses* and/or *Professional Expenses* incurred for the routine presentation or administration of the *Insured's* affairs or expenses which would have been incurred in the normal course of the *Insured's* *Business* shall fall outside the indemnity provided under this Policy.

If the *Insured* elects to proceed with the pursuit or defence of a claim or legal proceedings to which consent has not been granted by the *Claims Administrator* because there are not reasonable prospects and the *Insured* is successful in such a pursuit or defence, then the *Insurers* agree to pay those *Legal Expenses* and/or *Professional Expenses* incurred after the *Claims Administrator* refused consent subject to the terms, conditions and limitations of this Policy.

For the purposes of this clause, success shall mean a cost order or agreement to pay over 50% (fifty percent) of incurred costs in favour of the *Insured* or an acquittal of the *Insured* or a finding that no additional tax is payable. In respect of claims under the Employment Disputes Insuring Clause, success shall be where the *Insured* is neither ordered to pay nor agrees to pay any compensation.

### 3 Conduct of a Claim

#### a Choice of Appointed Representative

Where it is necessary that the *Insured* has recourse to a lawyer, the *Insured* is free to choose an *Appointed Representative* to act in the name and on behalf of the *Insured* in any claim or legal proceedings to which the *Claims Administrator* has given written consent subject to the application of the *Increased Excess*. In all other claims or legal proceedings the *Claims Administrator* will choose an *Appointed Representative* to act in the name and on behalf of the *Insured*.

If a claim is in respect of a dispute allocated to the small claims track under CPR part 27, the *Insurers* retain the right to choose an *Appointed Representative* to attempt to negotiate a settlement. Such settlement will be subject to the *Insured's* agreement which shall not be unreasonably withheld or delayed.

In selecting the *Appointed Representative* the *Insured* shall have a duty to minimise the cost of any claim or legal proceedings.

In all cases the *Appointed Representative* shall act in the name of and on behalf of the *Insured*.

#### b Access to information

The *Claims Administrator* is entitled to receive from the *Appointed Representative* any information, document or advice in connection with any claim or legal proceedings even if such material is legally privileged. On request the *Insured* will give to the *Appointed Representative* any instructions necessary to secure the required access.

#### c Disclosure and co-operation

The *Insured* must give the *Appointed Representative* all necessary help and information including a complete truthful account of the facts of the case and all relevant documentary or other evidence in the *Insured's* possession. The *Insured* must search for, provide, obtain, sign or execute all documents as required by the relevant court or tribunal rules or as recommended by the *Appointed Representative* and attend all meetings or conferences as requested. Cover may be withdrawn if the *Insured* fails to co-operate at all or within a reasonable time with the *Appointed Representative's* request.

#### d Payment of Legal Expenses or Professional Expenses

All invoices relating to a claim that the *Insured* receives from the *Appointed Representative* should be forwarded to the *Claims Administrator* immediately. If the *Claims Administrator* so requires, the *Insured* must ask the *Appointed Representative* to submit their bill of costs for assessment by the appropriate court, tribunal or Law Society.

The *Insured* shall be responsible for the payment of *Legal Expenses* and/or *Professional Expenses* invoices. The *Insurers* will, however, settle these direct with the *Appointed Representative* if requested to do so by the *Insured*. All invoices must be certified by the *Claims Administrator* to the effect that all charges have been properly incurred and this will be deemed authority for the *Insurers* to settle the invoice directly with the *Appointed Representative*.

Only invoices in respect of *Legal Expenses* and/or *Professional Expenses* incurred with the consent of the *Claims Administrator* and in the amount agreed with the *Claims Administrator* shall be paid.

**e Instruction of counsel and experts**

Where the *Appointed Representative* wishes to obtain the opinion of or instruct counsel or experts, it must provide its reasons and seek and receive the prior written consent of the *Claims Administrator*.

**f Settlement**

It is a condition precedent to the *Insurers'* liability that the *Insured* informs the *Claims Administrator* in writing as soon as the *Insured* receives a Part 36 offer, a payment into court, an offer to settle a claim or legal proceedings or an invitation to participate in a mediation or other form of dispute resolution. The *Insured* must not agree to settle any claim without the prior written consent of the *Claims Administrator* which will not be unreasonably withheld or delayed. If the *Insured* rejects any offer to settle a claim by way of Part 36 offer or payment into court or otherwise which the *Claims Administrator* considers reasonable and recommends acceptance of, then no further indemnity will be provided by the *Insurers* from the date of rejection by the *Insured*.

**g Recovery of Costs**

Whenever the *Insured* is awarded costs or costs are included under the terms of any settlement, those costs are to be repaid to the *Insurers*. In every claim the *Insured* and the *Appointed Representative* shall make every effort to make a full recovery of costs. Where a settlement purports to be a global or a without costs settlement, the *Insured* agrees that the *Appointed Representative's* appraisal of a fair and reasonable proportion of that settlement will be deemed costs and shall be due to the *Insurers*.

**h Appeals**

If, following legal proceedings to which the *Claims Administrator* had given written consent, the *Insured* wishes to appeal against the judgement or decision of the court or tribunal in those legal proceedings, the draft grounds of that appeal must be submitted to the *Claims Administrator* for its prior written consent to incur *Legal Expenses* and/or *Professional Expenses* in that appeal.

If, following legal proceedings to which the *Claims Administrator* has given written consent, an appeal is lodged against the judgement or decision of the court or tribunal in those legal proceedings made in favour of the *Insured*, the *Claims Administrator* must be informed immediately and its written consent obtained for cover to continue.

Where the *Insurers* wish to pursue or resist an appeal against the judgement or decision of the court or tribunal, the *Insured* must co-operate with the *Appointed Representative*.

**i Dishonest and Fraudulent Claims**

If the *Insured* makes any claim under this Policy (or has made a claim under any other or previous Policy) which the *Insured* knows or ought to know to be false or fraudulent in any way, this Policy shall be cancelled ab initio and all rights of the *Insured* under this Policy including the premium shall be forfeit. The *Insurers* shall be entitled to recover any *Legal Expenses* and/or *Professional Expenses* and/or *Awards of Compensation* and/or *Compensation Awards* previously paid.

**j Insolvency or Liquidation of the Insured**

If the *Insured* becomes insolvent or is placed in liquidation during the course of any claim or legal proceedings any consent previously given shall automatically be withdrawn unless expressly agreed in writing to the contrary by the *Claims Administrator*. The *Insured* shall be deemed insolvent or in liquidation upon the appointment of an office holder within the meaning given by the Insolvency Act 1986 and any amending legislation, or upon the appointment of a receiver within the meaning laid down in the Companies Act 1985 and any amending legislation.

**k Value Added Tax**

If the *Insured* is registered for VAT, the *Insurers* will not be liable to indemnify the *Insured* for the VAT element of any *Legal Expenses* or *Professional Expenses* invoices.

## Section 11 | Contract Works

### The Cover

**The Insurers will indemnify the Insured and any Additional Insured as stated in the Schedule against physical loss of, destruction of or damage to the undernoted property arising from any accidental cause not otherwise being excluded, occurring during the Period of Insurance, subject always to the Excess(es) and the limits, terms, conditions and exclusions of this Section and the Policy:**

- 1 the Works;
- 2 Contractors' Plant.

**The indemnity provided shall only apply to losses occurring within the Territorial Limits including whilst in transit therein but excluding transit by sea or air provided that the Insurers shall be under no liability in respect of contracts originally scheduled to be of longer duration than 3 (three) years (exclusive of the defects liability period).**

### Limit of Liability

The liability of the Insurers under this Section for each and every Occurrence shall not exceed the Limit of Liability as stated in the Schedule.

### The Excess

The Insurers shall not indemnify the Insured for the amount of the Excess specified in the Schedule.

### Section 11 Exclusions

The Insurers shall not indemnify the Insured in respect of:

- 1
  - a consequential loss, loss of use, liquidated damages, penalties for delay or non-completion;
  - b Damage due to work ceasing on the site of any contract for a continuous period in excess of 90 (ninety) consecutive days;
- 2 loss of or damage to:
  - a aircraft, aerospace devices or hovercraft;
  - b waterborne craft other than safety boats or other craft up to 4 (four) metres in length on or about the contract site;
- 3 loss of or damage to mechanically propelled vehicles including trailers attached thereto other than:
  - a vehicles designed primarily to operate as tools of trade (which term shall be deemed to include any plant primarily designed to operate on or about a contract site);
  - b other vehicles brought onto a contract site for use only on such site;
- 4
  - a loss of or damage to any mechanically propelled vehicle (including trailers or plant attached thereto or being towed) which is licensed for road use unless such loss or damage occurs on a contract site;
  - b damage to any tyres by punctures, cuts or bursts;

- 5 loss of or damage to or the cost necessary to replace, repair or rectify:
  - a Property Insured which is in a defective condition due to a defect in design, plan, specification, materials or workmanship of such Property Insured or any part thereof;
  - b Property Insured lost or damaged to enable the replacement, repair or rectification of Property Insured excluded by a above.

Exclusion 5a shall not apply to other Property Insured which is free of the defective condition but is damaged in consequence thereof.

For the purposes of this Section and not merely this Exclusion the Property Insured shall not be regarded as lost or damaged solely by virtue of the existence of any defect in design, plan, specification, materials or workmanship in the Property Insured or any part thereof;

- 6 the cost of making good:
  - a mechanical or electrical breakdown or derangement;
  - b wear, tear, rust or other gradual deterioration;but this Exclusion shall be limited to the parts immediately affected and shall not apply to Damage arising in consequence thereof;
- 7
  - a loss of or damage to Stock in Trade whilst at any Premises owned, leased or rented by the Insured unless specifically designated for use in the Works;
  - b loss of or damage to deeds, bonds and/or Money of whatsoever nature or other securities for Money;
- 8 loss of or damage to the Works after being taken into use by any Principal with the consent of the Insured or any employee of the Insured other than:
  - a during testing and commissioning when applicable;
  - b during the period of 14 (fourteen) days from the date of issue by the Engineer of a Certificate of Completion when a contract is subject to the standard conditions of Contract of the Institution of Civil Engineers or equivalent conditions.Where the Insured has engaged sub-contractors the reference in b to a Certificate of Completion does not include any Certificate of Completion issued in respect of sub-contract works for the purpose of transferring responsibility for such works to the Insured;
- 9 any loss of Property Insured either by disappearance or by shortage if such disappearance or shortage is only revealed when a routine inventory is made or is not traceable to an Occurrence;
- 10 loss of or damage to any property forming or which has formed part of any structure (including contents thereof) existing at the time of the commencement of the Works;
- 11 Damage caused by or arising from Pollution or Contamination other than that of or to the Works or Contractors' Plant unless otherwise excluded;
- 12 Damage for which the Insured is relieved of responsibility under the terms of any contract;

13 loss of or damage to:

- a nuclear material;
- b any works including decommissioning in or of any building, plant, equipment or other property which has been used or is designated to be used for the production or use of nuclear material without the prior agreement of the *Insurers*.

## Section 11 Conditions

### 1 Unattended Sites/Premises Precautions

It is a condition precedent to liability that when the contract site or premises used for storage is/are left unattended the *Insured* shall:

- a leave the site or premises securely locked;
- b keep tools and equipment inside a locked and secured building;
- c keep plant in a secure and locked compound or premises.

### 2 Scaffolding Equipment

It is a condition precedent to liability that each and every item of scaffolding equipment shall be security marked.

### 3 72 Hours Clause

It is hereby agreed that *Damage* caused by storm, tempest, flood, subsidence or landslip occurring in any one period of 72 (seventy two) consecutive hours during any one *Period of Insurance* shall constitute one *Occurrence* for the purposes of this Section. The *Excess* shall apply separately to each selected period as follows:

The *Insured* shall select the time from which any such period shall commence but no 2 (two) such selected periods shall overlap.

### 4 Plant Hire

It is a condition precedent to liability that:

- a all *Contractors' Plant* hired in is subject to Construction Plant Hire Association Conditions of Contract or conditions of similar effect;
- b all *Contractors' Plant* is maintained in a safe and sound condition and is examined by the *Insured* prior to and at the end of each hiring and any defects rectified;
- c a written record is kept of the date upon which each item of equipment is inspected with a note of any maintenance undertaken.

## Section 11 Extensions

Unless otherwise stated in the *Schedule* the following Extensions shall apply, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

### 1 Debris Removal

This Section includes costs and expenses necessarily and reasonably incurred by the *Insured* with the prior consent of the *Insurers* in respect of *Debris Removal*, dismantling, demolition (including off site storage), shoring, propping and clearance of drains and sewers following *Damage* but excluding all costs and expenses arising from *Pollution or Contamination* of property not insured by this Section. The *Insurers* shall not be liable for any claim in excess of 10% (ten percent) of the Limit of Liability by this Section unless otherwise stated in the *Schedule*.

### 2 Defects Liability Period

Notwithstanding the provisions of Exclusion 8 the *Insurers* will indemnify the *Insured*:

- a for loss of or damage to any permanent works comprising the *Works* occurring during any maintenance or defects liability period not exceeding 12 (twelve) months duration but only in respect of loss or damage for which the *Insured* is liable arising from a cause occurring prior to the commencement of the maintenance or defects liability period;
- b for loss of or damage to the *Works* or *Contractors' Plant* occurring during such maintenance or defects liability period and arising from or in connection with work actually undertaken by the *Insured* during such maintenance or defects liability period, solely in connection with the *Insured's* contractual obligations to remedy a defect or complete any snagging list.

### 3 Personal Effects

The *Insurers* will indemnify any:

- a director or officer of the *Insured*;
- b person under a Contract of Service or apprenticeship with the *Insured*;
- c clerk of works or resident engineer or any person under a Contract of Service with such clerk of works or resident engineer;

in respect of loss of or damage to personal effects including tools and clothing whilst on or about any contract site or the *Insured's Premises* whilst in transit thereto or therefrom or left *Overnight* at such person's place of residence provided that:

- i such person shall as though he or she were the *Insured* observe, fulfil and be subject to the terms, exclusions, conditions and definitions of this Policy in so far as they can apply;
- ii if such personal effects are left *Overnight* in an un-garaged vehicle such vehicle must be securely locked and alarmed.

The *Insurers' liability* under this Extension shall be limited to £500 in respect of any one loss by any one such person.

The *Insurers* shall not indemnify the *Insured* for the first £250 of each and every loss arising hereunder.

#### 4 Plans

The *Works* shall be deemed to include plans, specifications and other documentation necessary for the execution of the contract but the *Insurers'* liability under this Extension for loss of or damage to such plans, specifications and documentation shall be limited to the cost of reproducing such plans, specifications and documentation and shall not exceed £25,000 any one *Occurrence* and in the aggregate during the *Period of Insurance*.

#### 5 Professional Fees

This Section includes architects', surveyors', consulting engineers' and other professional fees necessarily and reasonably incurred with the *Insurers'* consent in the reinstatement of the *Damage*.

Provided that:

- a such *Professional Fees* shall not exceed those authorised under the scale of the appropriate professional body or institute regulating such charges prevailing at the time of the *Damage*;
- b the *Insurers* shall not provide indemnity against any fees incurred in preparing or pursuing any claim.

#### 6 European Union and Public Authorities

The *Insurers* will indemnify the *Insured* for such additional costs of reinstatement of the lost, destroyed or damaged *Works* as may be incurred with the *Insurers'* consent in complying with the stipulations of European Union legislation or building or other regulations under or framed in pursuance of any Act of Parliament or bye-laws of any public authority first imposed upon the *Insured* following *Damage* provided that the reinstatement is completed within 12 (twelve) months of the occurrence of the *Damage* or within such further time as the *Insurers* may in writing allow.

Provided that the *Insurers* shall not be liable in respect of costs for:

- a requirements relating to any undamaged part of the *Works* other than foundations (unless foundations are specifically excluded from this Insurance);
- b any rate, tax, duty, development or other charge or assessment which may arise out of capital appreciation as a result of complying with any of the regulations or requirements referred to above.

#### 7 Expediting Expenses

In the event of loss of or damage to the *Works* or *Contractors' Plant* the cost of repair, reinstatement or replacement admitted under this Section shall subject to the consent of the *Insurers* include the additional costs of overtime, weekend shift working, plant hire charges, express delivery (including air freight) necessarily and reasonably incurred in expediting repair, reinstatement or replacement of such loss or damage (but excluding any such costs solely to expedite the completion of any construction, erection or installation of *Property Insured* not damaged) provided that the liability of the *Insurers* shall not exceed 10% (ten per cent) of the Limit of Liability by this Section in respect of any one *Occurrence*.

#### 8 Immobilised Plant

The indemnity provided for *Contractors' Plant* shall include the cost of recovery or withdrawal of any *Contractors' Plant* which is unintentionally immobilised provided that such recovery or withdrawal is not necessitated solely by reason of electrical or mechanical breakdown or derangement.

#### 9 Free Issue Materials

The *Works* shall be deemed to include free issue materials provided that the value of such materials is included within both the Limit of Liability and any declaration of value made in accordance with General Condition 23.

#### 10 Additional Interest

This Policy duly notes the interest of any Bank, Finance Company, Building Society or other institution or concern that has a financial interest in the *Works* or *Contractors' Plant* covered by this Section including plant owners to the extent required by hire conditions.

#### 11 Testing and Commissioning

The indemnity will not apply to *Damage* caused by or arising out of electrical or mechanical testing of any machinery or plant comprising the *Works* except during a period not exceeding 45 (forty five) (not necessarily consecutive) days from the commencement of such testing.

#### 12 Subrogation Waiver

Where the *Insured* is awarded a contract under the Joint Contracts Tribunal Standard Form of Building Contract 1998 (or the equivalent thereof) the understated agreement applies to the *Works* and to the extent required by the contract.

In respect of *Damage* to the *Works* by any of the Specified Perils defined in the above mentioned Standard Form of Building Contract it is agreed that so far as is required by a sub-contract the *Insurers* will not pursue any right of subrogation against sub-contractors directly engaged by the *Insured*.

#### 13 Continuing Hire Charges/Negligent Breakdown

This Policy is extended to indemnify the *Insured* in respect of their legal liability for the payment of hiring charges in respect of *Contractors' Plant* hired in by the *Insured* whilst such *Contractors' Plant* is out of use following loss of or damage for which an indemnity is provided by this Section.

When *Contractors' Plant* is hired in by the *Insured* under the Model Conditions for Hiring of Plant of the Construction Plant Hire Association this Section is extended to indemnify the *Insured* against legal liability under clause 9 (d) of such conditions.

The indemnity provided by this Extension will also apply to liability for loss of or damage to and or breakdown of *Contractors' Plant* hired in by the *Insured* under conditions other than the Model Conditions for Hiring of Plant of the Construction Plant Hire Association to the extent that the *Insured* would have been legally liable for such loss, damage and/or breakdown had the hire been subject to their conditions.

Provided that the *Insurers* will not be liable under this Extension for:

- a liability incurred for the first 48 (forty-eight) hours that such property is out of use;
- b liability arising from the payment of hiring charges for a period exceeding 3 (three) months;
- c liability for sums in excess of £25,000 in respect of any one item of plant during any one hiring period.

## Section 12 | Fidelity Guarantee

### The Cover

**In the event of the *Insured* sustaining any loss of *Money* or other goods belonging to the *Insured* or for which the *Insured* are legally responsible during the *Period of Insurance* through any dishonest, fraudulent or criminal act of any *Employee* whether committed by the *Employee* alone or in collusion with other persons, the *Insurers* will indemnify the *Insured* in respect of such loss or losses subject always to the limits, terms, conditions and exclusions of this Section and the Policy.**

### Limit of Liability

Provided that:

- 1 the liability of the *Insurers* under this Section shall not exceed the Limit of Liability stated in the *Schedule* during any one *Period of Insurance* which shall be the *Insurers'* maximum liability in respect of any one or more acts of any one or more *Employees* acting alone or in collusion with others;
- 2 such loss is discovered not more than 24 (twenty-four) months following the termination of this Insurance, or the termination of employment of the *Employee(s)* involved in the loss, whichever shall happen first;
- 3 the continuation of this Insurance beyond the original *Period of Insurance* shall not in itself increase the Limit of Liability hereby;
- 4 this Section only applies to acts of *Employee(s)* within the *Territorial Limits*.

### The Excess

The *Insurers* shall not indemnify the *Insured* for the amount of the *Excess* specified in the *Schedule*.

### Section 12 Exclusions

This Section does not cover:

- 1 any loss brought about by an *Employee* who, to the knowledge of the *Insured*, has committed any dishonest, fraudulent or criminal act, provided that this Exclusion shall not be deemed to relieve the *Insurers* of liability for loss occurring prior to the *Insured* obtaining such knowledge;
- 2 the acts of any *Employee(s)* of any firm or firms whom the *Insured* shall merge with or acquire during the *Period of Insurance* unless the *Insurers* have signified their acceptance and any additional premium required by the *Insurers* has been paid;
- 3 any loss of interest or consequential loss of any kind;
- 4 any loss caused by any act of any *Employee* committed prior to the inception of this Insurance;
- 5 any unexplained shortages.

### Section 12 Extensions

Unless otherwise stated in the *Schedule* the following Extensions shall apply, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

#### 1 Auditors' Fees

The *Insurers* will also indemnify the *Insured* in respect of auditors' and other professional fees incurred solely for the purpose of submitting and quantifying a loss as herein defined.

#### 2 Re-writing of Records

The *Insurers* will also indemnify the *Insured* in respect of the reasonable cost of re-writing or amending the software programs or systems where such re-writing or amending is necessary to correct the programs or amend the security codes following the fraudulent use of computer hardware or software programs or computer systems the subject of a claim for which liability is admitted under this Section.

#### 3 Previous Insurance

If this Insurance immediately supersedes a Fidelity Insurance effected by the *Insured* (the "Superseded Insurance") the *Insurers* will indemnify the *Insured* in respect of any loss discovered during the continuation of this Insurance but committed during the continuation of the Superseded Insurance, if the loss is not recoverable under such Superseded Insurance solely because the period allowed for discovery has expired.

Provided that:

- a such Superseded Insurance had been continuously in force from the time of the loss until inception of this Insurance;
- b the loss would have been insured by this Insurance had it been in force at the time of the loss;
- c the liability of the *Insurers* shall not exceed whichever is the lesser of:
  - i the amount recoverable under the insurance in force at the time of the loss; or
  - ii the Limit of Liability under this Section.

In any event the total liability of the *Insurers* in respect of any one or more acts of any one or more *Employees* acting alone or in collusion with others continuing through both the term of the Superseded Insurance and the continuation of this Insurance shall not exceed the Limit of Liability stated in the *Schedule*.

#### 4 Temporary Agency Staff

The Definition of *Employee* is extended to mean any person furnished by a staff or employment agency who by arrangement with such agency is working for the *Insured* on a temporary or part-time basis in connection with the *Business* to perform the functions and duties of an *Employee* under the control or direction of the *Insured* but not including persons employed as drivers or in connection with warehouse duties or with computer operations or computer programming unless specifically stated as insured in this Insurance.

Provided that:

- a the *Insurers* shall not be liable for any loss caused by any such person if such loss is also covered for the benefit of the *Insured* by any insurance or guarantee held by the staff or employment agency furnishing the person concerned;
- b the amount of wages and salaries declared shall include the total amount of fees paid to staff and employment agencies in respect of temporary agency staff described above;
- c paragraph 1 References contained in the Section 12 System of Check and Supervision shall not apply to the temporary agency staff described above.

## 5 Unidentified Employee(s)

This Section extends to indemnify the *Insured* in the event that a loss is alleged to have been caused by the dishonest, fraudulent or criminal act of one or more *Employee(s)* and the *Insured* is unable to specify the person or persons concerned, but can establish that the loss is otherwise a valid claim hereunder. This indemnity shall not be operative in respect of any loss sustained by the *Insured* arising out of an inventory shortage.

## Section 12 Conditions

### 1 Deduction from Loss

All *Money* held by the *Insured* on behalf of the *Employee*, in respect of whom a claim is made, shall be deducted from the amount of the loss before a claim is made hereunder.

### 2 Stock in Trade

It is a condition precedent to the *Insurers'* liability under this Section that *Stock in Trade* and relative takings shall be checked monthly independently of the person responsible for such *Stock in Trade* and takings.

### 3 Money

It is a condition precedent to the *Insurers'* liability under this Section that all *Money* shall be accounted for by *Employee(s)* who are independent of the responsibility for handling and receiving such *Money* within 7 (seven) days of receipt.

### 4 System of Check

All *Employee(s)* are to be instructed as to their duties or responsibilities in respect of the System of Check and Supervision as set out below.

## Section 12 System of Check and Supervision

The *Insurers* have no liability under this Section unless the following procedures are adhered to on all occasions (or such other procedures as are agreed in writing with the *Insurers*).

### 1 References

The *Insured* will obtain satisfactory written references direct from the previous employer covering the whole of the preceding 2 (two) years of employment in confirmation of the honesty of all *Employee(s)* with responsibility for *Money*, *Stock in Trade* and/or accounts who are engaged after the inception of this Insurance. Any gaps in the preceding 2 (two) years of employment must be

accounted for. References need not be obtained in respect of *Employee(s)* who have satisfactorily and continuously served the *Insured* for at least 2 (two) years in another capacity before being entrusted with the duties referred to above. In respect of *Employee(s)* joining directly from school or Government sponsored youth training schemes at least one character reference shall be obtained. These references shall be produced in the event of any claim arising hereunder.

### 2 Cheque Signing

All instruments for the operation of bank accounts issued must be signed by 2 (two) authorised signatories after the amount has been inserted where the amount of such instrument exceeds £10,000. Supporting vouchers will be examined against the instrument in all cases by the signatories of the amount of the instrument.

### 3 General Accounting Checks

- a There will be a split in duties so that no one *Employee* both compiles the payroll and makes wage payments.
- b The cast of the payroll will be subject to an independent check to ensure that the total amount drawn is correct.
- c All payments of whatever form received by *Employee(s)* will be remitted and/or banked in full on the day of receipt or on the next banking day.
- d Statements of account for all sums due will be issued direct to customers independently of *Employee(s)* receiving or collecting payment at least at monthly intervals with management action being taken after the account is 3 (three) months overdue.
- e Cash book entries will be subject to a monthly physical check independently of the *Employee(s)* responsible against bank paying-in book counterfoils and vouchers and the balance tested with cash and unrepresented cheques.

### 4 General

- a Every *Employee* who handles *Money*, manages accounts and/or who is involved in the control and monitoring of other goods belonging to the *Insured* is required to take an uninterrupted holiday of at least 2 (two) weeks duration in any period of 12 (twelve) months during which he or she performs no duties and is absent from his or her place of business.
- b All departments are subject to an audit by an independent firm of Chartered Accountants at least every 12 (twelve) months and the Auditor's reports are submitted direct to the executive committee.
- c This System of Check and Supervision applies to all addresses from which the *Insured* operates.

## Section 13 | Loss of Licence

### The Cover

In the event of *Loss of Licence* the *Insurers* will pay to the *Insured*:

- 1 the depreciation in value of the interest of the *Insured* in the *Premises* or the *Business* caused by such *Loss of Licence*; and
- 2 all costs and expenses incurred by the *Insured* with the written consent of the *Insurers* in connection with any appeal against such *Loss of Licence*;

occurring during the *Period of Insurance* subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

### Limit of Liability

The liability of the *Insurers* under this Section shall not exceed the Total Sum *Insured* as stated in the *Schedule*.

### Section 13 Exclusions

The *Insurers* will not be liable for loss arising from:

- 1 such refusal to renew a *Licence* as entitles the *Insured* to claim compensation under any Statute;
- 2
  - a actual or proposed compulsory acquisition of the *Premises*;
  - b any scheme of town or country planning, improvement or redevelopment;
  - c redistribution, reduction in number or extinguishment of the *Licence* as a result of war damage whether the loss be direct or indirect;
- 3 alteration after the commencement of the *Period of Insurance* of the legislation governing the grant, surrender, renewal, suspension, forfeiture, withdrawal or transfer of the *Licence*, unless the *Insurers* confirm in writing that the Insurance will apply after such alteration;
- 4 failure:
  - a other than for good cause to keep open the *Premises* during the permitted hours;
  - b to comply with any direction or requirement of the Licencing or other authority;
  - c to maintain the *Premises* in good sanitary and general repair;
- 5 *Loss of Licence* occasioned wholly or in part by any act or omission by the *Insured* or by failure of the *Insured* to take all reasonable action to maintain the *Licence* in force.

### Section 13 Conditions

#### 1 Duties of the Insured

It is a condition precedent to the liability of the *Insurers* that the *Insured* shall give the *Insurers* written notice within 24 (twenty four) hours of receiving information whether oral or written that:

- a any notice, caution or complaint has been given or made against the *Premises* or the tenant, manager, occupier or

*Licence* holder or that such person has been summoned or charged with or convicted of or committed for trial for any offence whatsoever;

- b an application for renewal is to be opposed or that its consideration is adjourned or referred to any compensation authority or the *Licence* holder is required to give any undertaking or if structural alterations are required;
- c the *Licence* holder has died, become bankrupt, absconded or been rendered incapable by sickness or other infirmity of carrying on the *Business*.

#### 2 Claims

It is a condition precedent to the liability of the *Insurers* that the *Insured* shall give the *Insurers* written notice within 24 (twenty-four) hours of:

- a the *Loss of Licence*; or
- b any event coming to the knowledge of the *Insured* which is likely to prejudice the *Licence*.

Such notice is to state (as far as the *Insured* is able) the grounds on which any order was made or the particulars of the relevant event. The *Insurers* shall be entitled to appeal in the name of the *Insured* against any such *Loss of Licence* and shall have full discretion in the conduct of any proceedings for which the *Insured* shall give the *Insurers* all such assistance as the *Insurers* may require.

#### 3 Alterations

It is a condition precedent to the liability of the *Insurers* that:

- a no alterations to the *Premises* shall be made without the sanction of the Licencing or other competent authority;
- b no application shall be made for the removal of the *Licence* to other premises nor shall any offer be made to surrender or discontinue any *Licence* without the written consent of the *Insurers*;
- c the *Insured* shall from time to time give all such information as the *Insurers* may require for any purpose connected with this Insurance and the risk hereby insured against and any of the duly authorised representatives of the *Insurers* may at all reasonable times enter and inspect the *Premises*.

#### 4 The Rights of the Insurers

It is a condition precedent to the liability of the *Insurers* that:

- a the *Insurers* shall exercise against the tenant, manager or occupier of any *Premises* and the *Licence* holder all rights, powers and privileges which the *Insured* may be entitled so to exercise and which may be calculated to protect the *Licence* against loss or to protect the interest of the *Insured*;
- b the *Insured* shall make all such applications including applications to the Magistrates Court for a protection order and generally do all such acts or things which the *Insured* may be entitled to do under the appropriate legislation or otherwise and which are calculated or intended to prevent the *Loss of Licence* by the death, bankruptcy or incapacity of any tenant, manager, occupier or *Licence* holder or if any such person shall abscond or be convicted of any offence the *Insured* shall procure a suitable person to replace them and forthwith make application for the transfer of the *Licence* or grant of the *Licence* by way of renewal to such other person.

## Section 14 | Group Personal Accident

### The Cover

The *Insurers* hereby agree with the *Insured* that if during the **Operative Time** the *Insured Person* sustains **Bodily Injury** occurring anywhere within the **Geographical Limits** and during the **Period of Insurance**, the *Insurers* will pay to the *Insured*, or to the *Insured Person's* executors or administrators, the appropriate **Benefit** stated in the **Schedule**, after the total claim shall be sustained under this Insurance, subject always to the limits, terms, conditions and exclusions of this Section and the Policy. Provided always that compensation shall not be payable under more than one of the items of **Benefit** in respect of the consequences of the same **Accident**.

### The Excess

The *Insurers* shall not be liable to pay any **Benefit** under items 5 and 6 during the first number of days as stated in the **Schedule** following an **Accident** in respect of any *Insured Person* who is employed by the *Insured* in an occupation, which involves principally the performance of manual work.

### Section 14 Exclusions

The *Insurers* will not pay any **Benefit** where **Bodily Injury** is the result of or is consequent upon:

- 1 **War Risks** unless **Bodily Injury** is sustained during the course of a journey outside the *Insured Person's* country of residence;
- 2 the *Insured Person* engaging in or taking part in:
  - a naval, military or air force service or operations;
  - b winter sports (other than skating and curling);
  - c skin diving involving the aid of breathing apparatus, rock climbing or mountaineering normally involving the use of ropes or guides, potholing, parachuting, hunting on horseback or driving or riding in any kind of race;
  - d driving or riding on motor cycles or motor scooters other than mopeds;
  - e any leisure pursuits organised by the *Insured* in the course of the *Insured Person's* employment;
- 3 the *Insured Person* engaging in **Air Travel**, except as a passenger in a properly licensed multi-engined aircraft being operated by a licensed commercial air carrier or owned and operated by a commercial concern;
- 4 suicide or attempted suicide or intentional self-injury or the *Insured Person* being in a state of insanity;
- 5 deliberate exposure to exceptional danger (except in an attempt to save human life) or the *Insured Person's* own criminal act;
- 6 the *Insured Person* being under the influence of alcohol;

- 7 the *Insured Person* being under the influence of drugs or narcotics that are not lawfully available, unless prescribed for the *Insured Person* by a duly qualified medical practitioner and taken in accordance with the prescription other than for the treatment of addiction;
- 8 any pre-existing medical condition, infirmity or disease, unless otherwise declared to and agreed by the *Insurers*.

### Section 14 Conditions

#### 1 Occupation

If the *Insured Person* shall engage in any occupation in which greater risk may be incurred than in the occupation disclosed in this Insurance without first notifying the *Insurers* and obtaining their written agreement to the amendment of the Insurance (subject to the payment of such reasonable additional premiums as the *Insurers* may require as the consideration for such agreement), then no claim shall be payable in respect of any **Accident** arising out of or in the course of such occupation.

#### 2 Aggravation

If the consequences of an **Accident** shall be aggravated by any physical disability or condition of the *Insured Person* which existed before the **Accident** occurred, the amount of any compensation payable under this Insurance in respect of the consequences of the **Accident** shall be the amount which it is reasonably considered would have been payable if such consequences had not been so aggravated.

#### 3 Claims Procedure

Immediate notice must be given to the *Insurers* of any **Accident** of the *Insured Person* which causes or may cause disablement within the meaning of this Insurance, and the *Insured Person* must as early as possible place him/herself under the care of a duly qualified medical practitioner. Immediate notice must be given to the *Insurers* in the event of the death of the *Insured Person* resulting or alleged to result from an **Accident**. In no case will the *Insurers* be liable to pay compensation to the *Insured* or their representatives unless the medical adviser or advisers appointed by the *Insurers* for the purpose shall be allowed so often as may be deemed necessary to make an examination of the *Insured Person*.

#### 4 Fraud

Any fraud, mis-statement or concealment either in the **Proposal** on which this Insurance is based or in relation to any other matter affecting this Insurance or in connection with the making of any claim hereunder shall render this Insurance null and void and all claims hereunder shall be forfeited.

#### 5 Disappearance

In the event of disappearance of the *Insured Person*, if after a suitable period of time it is reasonable to believe that death has occurred as a result of accidental **Bodily Injury** the **Death Benefit** shall become payable subject to a signed undertaking by the *Insured* that if the belief is subsequently found to be wrong such **Death Benefit** shall be refunded to the *Insurers*.

## 6 Benefits

- a *Benefit* shall not be payable in respect of any one *Insured Person* under more than one of *Benefits* 1 to 4 in connection with the same *Accident*;
- b on the happening of an *Accident* giving rise to a claim under any of *Benefits* 1 to 4 this Insurance will not cover any further *Accidents* to that *Insured Person*;
- c *Loss of Limb* or *Loss of Eye* or speech or hearing or total disablement must be proved to the reasonable satisfaction of the *Insurers* to be permanent and without expectation of recovery before the *Insurers* will pay *Benefits* 2-4. If weekly *Benefit* is payable total disablement must have lasted 104 (one hundred and four) weeks before the *Insurers* will pay *Benefit* 4;
- d notwithstanding the requirement that total disablement shall have continued for 104 (one hundred and four) weeks before *Benefit* 4 becomes payable, provided:
  - i no weekly compensation is payable; and
  - ii it can be shown to the satisfaction of the *Insurers* that *Permanent Total Disablement* has occurred,consideration will be given in suitable cases to making payment under *Benefit* 4 before the expiry of 104 (one hundred and four) weeks;
- e
  - i if a *Death Benefit* is not included for an *Insured Person* the *Insurers* will not pay any *Benefit* for *Loss of Limb* or *Loss of Eye* or speech or hearing until at least 13 (thirteen) weeks after the date of the *Accident* and the *Insurers* will only then pay if the *Insured Person* has not in the meantime died as a result of the *Accident*;
  - ii if a *Death Benefit* is included but is less than the *Benefit* for *Loss of Limb* or *Loss of Eye* or speech or hearing the *Insurers* will not pay more than the *Death Benefit* until at least 13 (thirteen) weeks after the date of the *Accident* and the *Insurers* will only then pay the balance if the *Insured Person* has not died as a result of the *Accident*;
- f in respect of permanent total loss of hearing in one ear the *Insurers* will not pay more than 25% of *Benefit* 3;
- g interest will not be added to any amount paid;
- h no *Benefit* will be payable due solely to the *Insured Person* being disabled from taking part in sport or pastimes;
- i *Benefits* 5 and 6 are payable per week for a maximum of 104 (one hundred and four) weeks in all not necessarily consecutive.

## 7 Exposure

If an *Insured Person* suffers *Death* or *Disablement* as a result of exposure to the elements the *Insurers* will consider that as having been caused by accidental *Bodily Injury*.

## 8 Minors

If the *Insured Person* is under the age of 18 and is not one of the *Insured's* employees:

- a *Benefit* 1 will be limited to £2,500;
- b for the purposes of *Benefit* 4, *Permanent Total Disablement* means permanent disablement entirely preventing the *Insured Person* from engaging in or attending to gainful employment of any and every kind;
- c no amount will be payable under *Benefit* 5 or 6.

## 9 Spouses

Where the Policy is extended to cover the spouse of an *Insured Person* for the purposes of *Benefit* 4, *Permanent Total Disablement* means permanent disablement entirely preventing the *Insured Person* from engaging in or attending to gainful employment of any and every kind.

## 10 Special Provision

The *Insurers* shall not be bound to accept or be affected by any trust, charge, lien, assignment or other dealing with or relating to this insurance.

## 11 Cancellation of War Risks cover

The *Insurers* may cancel any insurance provided by this Section against war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power by sending 7 (seven) days' notice to the *Insured* at the *Insured's* last known address. The insurance in respect of any journey involving travel outside the *Insured Person's* country of residence which commences before the expiry of such notice shall not be affected.

## Section 15 | Directors and Officers

### The Cover

#### The Insurers agree:

- 1 to pay on behalf of the *Directors and Officers* for *Loss* sustained as a result of any *Claims* which are first made during the *Period of Insurance* arising from a *Wrongful Act* except for *Loss* which is recoverable under Cover 2 below;
- 2 to pay on behalf of the *Insured* for *Loss* sustained as a result of any *Claims* which are first made during the *Period of Insurance* arising from a *Wrongful Act* where an indemnity has been given or lawfully is required to be given by the *Insured* to the *Directors and Officers*;
- 3 to pay on behalf of the *Directors and Officers* for any *Investigation Costs* where the relevant investigation is first initiated during the *Period of Insurance*. The *Insurers'* liability for *Investigation Costs* shall be limited to £100,000 in the aggregate. For the avoidance of doubt cover afforded shall not operate to increase in any way the *Limit of Liability* stated in the *Schedule*;
- 4 to pay on behalf of the *Directors and Officers* any *Pollution Defence Costs* where the *Claim* or investigation is first initiated during the *Period of Insurance*,

subject always to the *Excess* and the *Limits of Liability*, terms, conditions and exclusions of this Section and the Policy.

### Limit of Liability

- 1 The *Limit of Liability* set out in the *Schedule* shall be the maximum aggregate amount payable hereunder inclusive of:
  - a *Costs, Charges and Expenses*; and
  - b any *Pollution Defence Costs*.
- 2 The *Pollution Defence Costs Limit of Liability* may be exhausted by any payments made by the *Insurers* in respect of any and all *Loss*.

### Settlements

- 1 No admittance of liability nor settlement of any *Claim* shall be made nor *Costs, Charges and Expenses* incurred without the *Insurers'* prior written consent, such consent not to be unreasonably withheld. The *Insurers* shall advance *Costs, Charges and Expenses*, provided that:
  - a if it is ultimately established that the *Insurers* have no liability under this Policy, the *Insured* shall reimburse the *Insurers* for all such sums advanced;
  - b any advance of *Costs, Charges and Expenses* shall reduce the *Limit of Liability* in accordance with the terms of the Policy;
  - c if a *Claim* is brought against the *Directors and Officers* and against the *Insured*, the *Insurers* shall advance all *Costs, Charges and Expenses* whilst any *Directors and Officers* are named in such action.

- 2 If a *Claim* is brought against the *Directors and Officers* and against the *Insured*, the *Insurers* shall only be liable for that portion of any damages, settlement or award that can be attributed to the legal exposure of the *Directors and Officers*.
- 3 It shall be the duty of the *Directors and Officers*, and not the duty of the *Insurers*, to defend any *Claim*. However the *Insurers* shall be entitled but not obliged to assume the conduct of the defence or settlement of any *Claim* notified under this Policy and for that purpose to appoint a solicitor and/or barrister and/or appropriate legal expert to defend a *Claim*.
- 4 *Directors and Officers* shall be entitled at their own risk to contest any *Claim* which in the opinion of the *Insurers* should be compromised or settled provided that the *Insurers* shall not be liable for any *Loss* incurred as a result of the *Director's and Officer's* refusal to compromise or settle such *Claim*.

### The Excess

- 1 No *Loss* shall be paid by the *Insurers* until the applicable *Excess* is exceeded, the only exception being when the *Insured* is unable to make actual indemnification to the *Directors and Officers* by reason of insolvency.
- 2 If more than one *Claim* arises from the same *Wrongful Act*, then it will be deemed a single *Claim* for the purpose of determining the application of the *Excess*.
- 3 If a *Claim* is covered in part under Cover 1 and in part under Cover 2, then the *Excess* shall be that applicable to Cover 2.

### Section 15 Exclusions

The *Insurers* shall not be liable to make any payment for *Loss* in connection with any *Claim*:

- 1 for:
  - a bodily injury, mental anguish, emotional distress, sickness, disease or death;
  - b damage to, destruction of, or loss of use of any tangible property;
- 2 based upon or arising out of:
  - a any *Wrongful Act*, circumstance or situation which has been or should have been the subject of notice given under any prior insurance;
  - b any proven dishonest, fraudulent or criminal act or omission of any *Director and Officer*;
  - c the *Directors and Officers* gaining any personal profit or advantage to which they were not entitled either at law or in equity;
  - d the return by the *Directors and Officers* of remuneration to which they were not entitled either at law or in equity; provided that any *Wrongful Act* pertaining to any *Director and Officer* shall not be imputed to any other person for the purposes of determining the applicability of this Exclusion;

- 3 which is insured under any other insurance regardless of whether such *Claim* is collectable or recoverable. However this Exclusion shall not apply to *Loss* which exceeds the deductible and limit of indemnity of such other insurance;
- 4 by the *Insured* except where such *Claim* is:
  - a brought by or under the direction of an administrator, liquidator or receiver;
  - b brought by a shareholder or a group of shareholders of the *Insured* in the name of the *Insured* without the involvement of any *Directors and Officers*;
  - c for *Costs, Charges and Expenses* in respect of the *Claim* brought by the *Insured*;
- 5 of any *Subsidiary* for, or in consequence of, any *Wrongful Act* occurring prior to the date such entity became a *Subsidiary*;
- 6 based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving:
  - a any prior and/or pending litigation as at the date specified in the *Schedule*; or
  - b any fact, circumstance, situation, transaction or event underlying or alleged in such litigation, regardless of the legal theory upon which such *Claim* is predicated;
- 7 based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving or related to:
  - a actual or alleged seepage, pollution or contamination of any kind;
  - b the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to asbestos or materials or products containing asbestos whether or not there is another cause of *Loss*, which may have contributed concurrently or in any sequence to a *Claim*;
  - c *Fungal Pathogens* whether or not there is another cause of *Loss* which may have contributed concurrently or in any sequence to a *Claim*, except for *Costs, Charges and Expenses* incurred subject to the limit stated under the *Pollution Defence Costs Limit of Liability*;
- 8 brought outside the *Geographical Limits* or under the laws of countries outside the *Geographical Limits* or brought to enforce a judgement, remedy or settlement obtained under the laws or regulations of any country outside the *Geographical Limits*;
- 9 based upon or arising out of any *Director or Officer* acting in the capacity of trustee or fiduciary or administrator of any employer-sponsored pension or superannuation scheme or superannuation programme, including any actual or alleged violation of any responsibilities, obligations or duties imposed by the UK Pensions Act 1995 or any amendments or re-enactments thereof, or any similar legislation applicable in any other jurisdiction.

## Section 15 Conditions

### 1 Adjustment

- a If the *Insured* acquires or creates a *Subsidiary* subsequent to the inception of the Policy, the following provisions apply:
  - i coverage hereon in relation to such *Subsidiary* shall attach from the date of acquisition or creation for subsequent acts;
  - ii if the *Subsidiary* exceeds 25% of the consolidated assets of the *Insured* or if the *Subsidiary* is listed on any stock exchange anywhere in the world then full information must be supplied to the *Insurers* within 60 (sixty) days. In this event the *Insurers* reserve the right to review the terms and conditions of this Policy.
- b From the date that an entity ceases to be a *Subsidiary* during the *Period of Insurance* or ceases to be a *Subsidiary* during any insurance of which this is a renewal, the following provisions apply:
  - i there shall be no coverage for subsequent *Wrongful Acts* relating to that *Subsidiary*;
  - ii coverage shall continue for the remainder of the *Period of Insurance*, for *Claims* arising from *Wrongful Acts* relating to that *Subsidiary* committed prior to the date the entity ceased to be a *Subsidiary*.

### 2 Assignment

This Policy may not be assigned without the *Insurers'* written consent.

### 3 Assistance and Co-operation

In the event of the notification of any *Claim* or of any *Wrongful Act* which may lead to a *Claim*, the *Directors and Officers* and the *Insured* agree to provide the *Insurers* with any information or assistance as may reasonably be requested.

### 4 Authorisation

It is agreed that the *Insured* acts on behalf of the *Directors and Officers* in matters concerning this Policy including cancellation and notification under General Condition 21 and Condition 6.

### 5 Change of Circumstances

The *Insurers* shall be notified as soon as practicable, but in any event no more than 60 (sixty) days after the *Insured* or its *Directors and Officers* are first made aware of the consolidation or merger of the *Insured* with another. On receipt of such notice the *Insurers* shall have the right to amend the terms and conditions of the Policy.

### 6 Notification

- a In the event of a *Claim*, it is a condition precedent to the *Insurers'* liability under this Policy that notice be given to the *Insurers* as soon as practicable but in no event more than 30 (thirty) days after the expiry date of the *Period of Insurance* shown in the *Schedule*.

- b** If during the *Period of Insurance*, the *Insured* or the *Directors and Officers* become aware of a *Wrongful Act* which they believe may lead to a *Claim*, it is a condition precedent to the *Insurers'* liability under this Policy that notice be given to the *Insurers* during the *Period of Insurance*. Any *Claim* arising out of such *Wrongful Act* shall then be deemed to have been made during the *Period of Insurance*. Such notice must state why it is believed that a *Claim* will be made.

## 7 Optional Extension Period

If the *Insurers* cancel or refuse to renew this Policy for any reason other than non-payment of premium or non-compliance with terms and conditions of this Policy, or the *Insured* does not renew this Policy, the *Insured* has the right to purchase an *Optional Extension Period* of 365 days following the effective date of cancellation or non-renewal. However, coverage during the *Optional Extension Period* shall only apply to *Claims* made in respect of *Wrongful Acts* prior to such effective date and/or *Investigation Costs* for investigations initiated prior to such effective date.

In order to invoke the *Optional Extension Period*:

- a** the *Insured* must give written notice within 30 (thirty) days of the effective date of cancellation or non-renewal;
- b** the *Insured* must pay a further 100% of the total Section *Premium* (or annualised if the *Period of Insurance* is not 12 months). This premium is non-returnable in whole or in part. Upon request the *Insurers* will consider an *Optional Extension Period* for 36 months or 72 months. The purchase of the *Optional Extension Period* does not increase the *Limit of Liability*.

## 8 Retired Director and Officer Extension Period

It is agreed that this Policy will provide any *Retired Director and Officer* with a 6 (six) year extension period from the date at which time the *Director and Officer* becomes a *Retired Director and Officer*. However, cover during the *Retired Director and Officer* Extension Period shall only apply to *Claims* made in respect of *Wrongful Acts* committed and/or *Investigation Costs* incurred prior to the date the *Director and Officer* became a *Retired Director and Officer*.

## 9 Termination

In the event that:

- a** there is a takeover of the *Insured*; or
- b** the *Insured* is merged or consolidated with another entity so that the *Insured* is not the surviving entity; then, from the date that such event takes place, this Policy does not cover any *Wrongful Act* occurring subsequently, except in accordance with the provisions of Condition 7.

### The Cover

Whereas the *Insured Person* shall from time to time during the *Period of Insurance* be required to journey beyond the confines of the *United Kingdom* on the *Insured's* behalf, which journeys are hereinafter called the "Periods of Travel", the *Insurers* agree to pay in accordance with the terms, conditions, provisions, limitations, *Excess(es)* and exclusions of this Section and the Policy in respect of *Accident, illness, loss, damage or mishap sustained by or affecting the Insured Person* whilst committed to or engaged upon such Periods of Travel.

### Periods of Travel

- 1 Each Period of Travel shall be deemed a separate Insurance.
- 2 It is a condition precedent to the attachment of cover hereunder that the Period of Travel shall not have been booked or commenced wholly or partly for the purpose of obtaining medical treatment or convalescent care.
- 3 Cover hereunder in respect of each Period of Travel shall commence at the time the *Insured Person* leaves the *Insured Person's* home or place of business (whichever occurs the later) for the purpose of proceeding on the insured journey on the *Insured's* behalf, and terminate at the time the *Insured Person* returns to the *Insured Person's* home or place of business (whichever occurs the earlier), from door to door.
- 4 Except where the *Insurers'* specific prior agreement has been obtained, no Period of Travel shall be deemed to exceed 6 (six) calendar months in duration. If a Period of Travel is not completed within this time limit due to circumstances beyond the *Insured's* and the *Insured Person's* control, cover hereunder will continue until such completion without additional premium for up to a maximum of 12 (twelve) calendar months in all for hijack or kidnap, or 60 (sixty) days in all for any other circumstance.
- 5 Provided that the *Insurers'* specific prior agreement has been obtained to renewal or extension of this Insurance at its expiry date, cover hereunder in respect of any Period of Travel in progress at such expiry date shall continue until its termination in accordance with the paragraphs above. If the *Insurers'* prior agreement to such renewal or extension has not been thus obtained, cover hereunder shall continue for up to a maximum of 30 (thirty) days only.
- 6 Subject always to the terms, provisions, conditions, limitations and exclusions hereof, cover under this Insurance shall attach in respect of all Periods of Travel commencing during the *Period of Insurance*. Any travel and accommodation bookings made during the *Period of Insurance* but relating to a Period of Travel planned to commence after its expiry date shall be included for cover under the trip cancellation provisions of Subsection 2 paragraph 1 hereof during the *Period of Insurance* up to but not beyond the said expiry date. (The continuation of cover thereafter will be subject to the *Insurers'* prior agreement to renewal or extension of this Insurance).

**Holiday Travel:** Unless a Holiday Travel Inclusion Clause has been incorporated this Insurance does not cover 'pure' holiday trips, i.e. where the travel and accommodation expenses are paid for principally out of the *Insured Person's* personal or family finances and where any financial or other contribution made by the *Insured* is not conditional upon the performance of business duties during the trip. All trips involving the performance of specific business duties on behalf of the *Insured* and/or trips that are wholly arranged and/or financed by the *Insured* are included within the original intention of this Insurance.

### United Kingdom Travel Extension

Journeys undertaken wholly within the confines of the *United Kingdom* by the *Insured Person* on the *Insured's* behalf shall be included as "Periods of Travel" for cover under the above specified Sections of this Insurance, provided always that such journeys include air travel and/or overnight stay away from the *Insured Person's* usual place of residence. Cover in respect of such Periods of Travel shall attach in accordance with the General Conditions, Provisions and Exclusions hereof and shall apply from door to door as specified therein except where commitment to air travel or overnight stay is not made until after the journey has commenced, when cover shall only take effect from the time that such commitment is made.

### 24 Hour Emergency Telephone Service

In the event of serious illness or injury during a Period of Travel, advice and assistance in connection with medical repatriation arrangements should be obtained from:

International Medical Rescue

Telephone: UK +44 (0) 20 8669 9292

Please avoid use for other than medical emergencies.

### The Excess

The *Insurers* shall not indemnify the *Insured* for the amount of the *Excess(es)* specified in the *Schedule*.

## Subsection 1 Medical, Hospital, Repatriation and Other Expenses

To pay up to but not exceeding in all the Subsection 1 *Sum Insured* specified for the *Insured Person*:

### 1 Medical and Repatriation Expenses

The following expenses necessarily incurred as the result of the *Insured Person* sustaining *Bodily Injury* or becoming ill during the Period of Travel:

- a the *Insured Person's* medical, surgical, diagnostic or remedial treatment and hospital expenses (including the *Insured Person's* additional travel and accommodation expenses) necessarily incurred outside the *United Kingdom*, and the *Insured Person's* additional repatriation expenses; including compulsory quarantine and emergency dental treatment for the immediate relief of pain;
- b expenses incurred for the charter of an air ambulance or for the special use of air transport (including accompanying medical attendants) if agreed by prior consultation between the *Insured Person's* attending physicians and the *Insurers'* appointed advisers as being necessary for the transportation or repatriation of the *Insured Person*;
- c reasonable travel and accommodation expenses of a relative or friend (not necessarily an *Insured Person*) who is required to travel to, remain with or escort the *Insured Person* if the *Insured Person* becomes severely incapacitated.

### 2 Hospital Inconvenience Benefit

£25 for each completed 24 (twenty-four) hour period that the *Insured Person* spends as a hospital in-patient outside the *United Kingdom* as the result of the *Insured Person* sustaining *Bodily Injury* or becoming ill during the Period of Travel, up to a maximum of £1,500 in all, payable in addition to indemnity under paragraph 1a above.

### 3 Emergency Return to the United Kingdom

Additional repatriation expenses necessarily incurred by the *Insured Person* consequent upon any of the following occurrences during the Period of Travel:

- a the death or serious illness or injury of the *Insured Person's* relative, fiancé(e) or business colleague, necessitating the *Insured Person's* presence in the *United Kingdom*;
- b burglary or major damage at the *Insured Person's* home or place of business in the *United Kingdom*;
- c the death or serious illness or injury of an accompanying person insured under this Policy, or the repatriation of such person as provided for in paragraphs 3a and 3b above.

### 4 Personnel Replacement

Reasonable additional travel and accommodation expenses for a business associate of the *Insured Person* to attend to the unfinished essential professional duties to have been undertaken by the *Insured Person* during the Period of Travel if the *Insured Person* is repatriated under any of the circumstances provided for in paragraphs 1 and 3 above or if the *Insured Person* is temporarily prevented from attending to such duties through the *Insured Person* sustaining *Bodily Injury* or becoming ill during the Period of Travel.

### 5 Alteration of Itinerary

Reasonable additional travel and accommodation expenses necessarily incurred by the *Insured Person* in the alteration of arrangements of the Period of Travel consequent upon:

- a the *Insured Person* being the victim of hijack, kidnap or the like terrorist or criminal act; or
- b the cancellation of publicly licensed passenger transport services on which the *Insured Person* was travelling or booked to travel caused by strike, industrial action, hijack, terrorist act, criminal act, bomb scare, riot, civil commotion, fire, flood, earthquake, landslide, avalanche, adverse weather conditions, accident or mechanical breakdown,

provided that these occur or commence during the Period of Travel.

### 6 Funeral Expenses

The cost of transporting the remains or ashes of the *Insured Person* to the *Insured Person's* former place of residence in the *United Kingdom* if the *Insured Person* dies during the Period of Travel, and/or the cost of burial or cremation if this takes place in the country abroad where the *Insured Person's* death occurred.

### 7 Subsection Exclusions

The *Insurers* shall not be liable:

- a for the cost of any medication, consultation or treatment the need for which could reasonably have been foreseen by the *Insured Person* at the time that the Period of Travel commenced, nor for any travel, accommodation or other expense incurred in connection therewith;
- b for any expense incurred after the *Insured Person* has returned to the *United Kingdom* or incurred after a period of 12 (twelve) calendar months has elapsed following the date on which the insured *Bodily Injury*, illness or contingency first occurred or commenced during the Period of Travel, whichever shall occur the sooner;
- c for any claim arising out of pregnancy or any condition connected with pregnancy within two months of the estimated date of delivery;
- d under paragraph 3 above for claims attributable to any medical condition or set of circumstances known to the *Insured Person* at the time that this Insurance was effected or at the time that the Period of Travel was booked, whichever is the later, where such condition or circumstances could reasonably have been expected to give rise to cancellation or curtailment of the Period of Travel.

## Subsection 2 Trip Cancellation and Disruption

To pay up to but not exceeding in all the Subsection 2 *Sum Insured* specified for the *Insured Person*:

### 1 Cancellation, Curtailment and 'Get-you-there' Expenses

To pay the following expenses incurred by the *Insured Person* as the result of any of the occurrences specified in paragraphs a to e below:

irrecoverable loss of unused travel and accommodation expenses paid in advance or for which there is a contractual liability consequent upon the cancellation or curtailment of the pre-arranged Period of Travel or, if the Period of Travel is not cancelled;

up to £1,000 in all in respect of reasonable additional travel and accommodation expenses incurred in fulfilling the pre-booked travel and accommodation commitments, including the use of equivalent local accommodation if rendered necessary by an occurrence covered under paragraph e below.

Specified occurrences:

- a the *Insured Person* sustaining *Bodily Injury* or becoming ill;
- b the death, injury or illness of the *Insured Person's* relative, fiancé(e) or business colleague, or of any person with whom the *Insured Person* had arranged to travel, reside or conduct business, or the relative, fiancé(e) or business colleague of such person;
- c the *Insured Person* or any person with whom the *Insured Person* had arranged to travel, reside or conduct business being:
  - i quarantined or called for witness or jury service;
  - ii made redundant, provided that such redundancy qualifies for payment under the *United Kingdom's* Redundancy Payments Acts;
  - iii called for emergency duty as a member of the armed forces, the defence or civil administration, the police force, or the fire, rescue, public utility or medical services;
  - iv required to be present at his home or place of business in the *United Kingdom* following burglary or major damage;
- d the cancellation or delayed departure for 24 (twenty-four) hours or more of an aircraft, sea vessel or other publicly licensed form of passenger transport in which the *Insured Person* had previously booked to travel, resulting from any of the following contingencies:

Strike, industrial action, hijack, terrorist act, criminal act, bomb scare, riot, civil commotion, fire, flood, earthquake, landslide, avalanche, adverse weather conditions, accident or mechanical breakdown,

provided always that such contingency had not occurred, commenced or been announced before the booking was made in respect of the flight, voyage or journey thus affected;
- e major damage rendering uninhabitable the accommodation in which the *Insured Person* had previously booked to reside during the Period of Travel, excluding any waterborne vessel or craft.

### 2 Travel Delay Inconvenience Benefit

This cover only attaches where a Subsection 2 *Sum Insured* is specified for the *Insured Person*:

In the event that the *Insured Person* is delayed because of the late departure of an aircraft, sea vessel or other publicly licensed form of passenger transport in which the *Insured Person* had previously booked to travel occurring as the result of any of the following contingencies:

Strike, industrial action, hijack, terrorist act, criminal act, bomb scare, riot, civil commotion, fire, flood, earthquake, landslide, avalanche, adverse weather conditions, accident or mechanical breakdown,

provided always that such contingency had not occurred, commenced or been announced before the booking was made in respect of the flight, voyage or journey thus affected then the *Insurers* will pay as follows:

- a outward journey at commencement of the Period of Travel £30 for the first completed 12 (twelve) hour period that transport departure is delayed and £10 for each subsequent completed 12 (twelve) hour period, up to a maximum of £150 in all;
- b all subsequent journeys during the Period of Travel-Payment as in paragraph 2a above up to a maximum of £150 in all.

### 3 Missed Departure and Transport Diversion

This cover only attaches where a Subsection 2 *Sum Insured* is specified for the *Insured Person*:

To pay up to £1,000 in all in respect of reasonable additional travel and accommodation expenses incurred by the *Insured Person* in fulfilling the *Insured Person's* pre-booked travel and accommodation commitments:

- a if at the commencement of the Period of Travel the *Insured Person* misses the *Insured Person's* pre-booked international travel connection from the *United Kingdom* through disruption of the *Insured Person's* journey to the *United Kingdom* departure point occurring as the direct result of:
  - i a fellow passenger or a crew member of the conveyance in which the *Insured Person* is travelling sustaining *Bodily Injury* or becoming ill after such journey had commenced; or
  - ii any of the following contingencies:

Strike, industrial action, hijack, terrorist act, criminal act, bomb scare, riot, civil commotion, fire, flood, earthquake, landslide, avalanche, adverse weather conditions, accident or mechanical breakdown,

provided always that such contingency had not occurred, commenced or been announced before the international travel booking was made if the *United Kingdom* journey is by scheduled public transport services, or before the *United Kingdom* journey commenced if such journey is by non-scheduled transport;
- b if at any time during the Period of Travel an aircraft, sea vessel or other publicly licensed passenger conveyance in which the *Insured Person* is travelling has to be diverted from its pre-arranged destination as the result of:
  - i a fellow passenger or a crew member sustaining *Bodily Injury* or becoming ill; or

ii any of the following contingencies:

Strike, industrial action, hijack, terrorist act, criminal act, bomb scare, riot, civil commotion, fire, flood, earthquake, landslide, avalanche, adverse weather conditions, accident or mechanical breakdown,

provided always that such contingency had not occurred, commenced or been announced before the booking was made in respect of the flight, voyage or journey thus affected.

#### 4 Subsection Limitations

The *Insurers* shall only be liable:

- a under the cancellation and curtailment provisions of paragraph 1 above to the extent of the contractual liability;
- b for claims arising from delayed departure under paragraphs 1d and 2 above if the *Insured Person* has obtained written confirmation from the Carriers or their Agents stating the actual date and time of departure and the reason for the delay. For the purposes of claims payment under these Subsections the period of delay shall be taken as commencing at the departure time of the conveyance as specified in the booking confirmation supplied to the *Insured Person*;
- c under paragraph 3a above if in the selection of the route, means of travel and time of departure the *Insured Person* has done all things reasonable and practicable to minimise the possibility of late arrival at the *United Kingdom* departure point;
- d for claims under paragraph 3a above attributable to mechanical breakdown of non-scheduled transport if the *Insured Person* has obtained a garage or motoring organisation report confirming the date, cause and time of such breakdown.

#### 5 Subsection Exclusions

The *Insurers* shall not be liable:

- a for any claim arising out of pregnancy or any condition connected with pregnancy within 2 (two) months of the estimated date of delivery;
- b under paragraph 1 above for claims attributable to any medical condition or set of circumstances known to the *Insured Person* at the time that this Insurance was effected or at the time that the Period of Travel was booked, whichever is the later, where such condition or circumstances could reasonably have been expected to give rise to cancellation or curtailment of the Period of Travel.
- c under paragraphs 1d, 2 and 3 above for claims arising out of any contingency that had occurred, commenced or been announced before this Insurance was effected.

### Subsection 3 Baggage and Personal Effects

To indemnify the *Insured Person* up to but not exceeding in all the Subsection 3 *Sum Insured* specified for the *Insured Person* in respect of loss of or damage to baggage and personal effects which are the *Insured Person's* property or responsibility occurring during the Period of Travel. With the exception of articles that are separately specified herein, the *Insurers'* liability for any single item or pair or set of items is limited to 30% (thirty percent) of the *Sum Insured* in respect of such property or to £1,000, whichever amount is the lesser.

#### 1 Basis of Settlement

In the event of the loss or total destruction of any item of the insured property the basis of settlement shall be as follows:

- a if the article was less than 3 (three) years old at the date of its loss or destruction and a replacement is purchased by the *Insured Person*:  
the full cost of the replacement article provided always that the replacement article is substantially the same as, but not better than, the article lost or destroyed;
- b if the article was over 3 (three) years old at the date of its loss or destruction or was under 3 (three) years old but not replaced by the *Insured Person*:  
the cost of a comparable replacement article less an appropriate allowance for the age and condition of the article lost or destroyed.

#### 2 Delayed Baggage

To pay up to £250 in all in respect of the cost of immediate necessities purchased or hired by the *Insured Person* if on arrival at the *Insured Person's* outward destination the *Insured Person* is deprived of the *Insured Person's* travel baggage for more than 10 (ten) hours because of temporary loss or mis-direction by the Carriers, provided always that any amounts thus paid, other than hire charges, shall be deducted from the total of any claim becoming payable under this Section if the said baggage proves to be permanently lost.

#### 3 Subsection Exclusions

The *Insurers* shall not be liable for:

- a damage due to wear and tear or gradual deterioration;
- b loss of or damage to household effects;
- c electrical or mechanical breakdown or derangement;
- d loss of or damage to 'valuables' contained in baggage whilst such baggage is in the custody of Carriers and outside the control of the *Insured Person*;

For the purposes of this exclusion 'valuables' shall mean:

- jewellery, items composed of precious metals or stones, furs, watches, binoculars, telescopes, photographic, audio, computer, telecommunications and video equipment;
- e loss of cash, currency, bank notes, travellers' cheques, passports, driving licences, green card, petrol coupons, tickets, securities and documents;
- f confiscation or detention by Customs or other Authority.

#### 4 It is a condition of cover under this Subsection that:

The *Insured Person* shall at all times exercise reasonable care in the supervision of the insured property.

#### 5 Average

If at the time of any loss or damage the total value of the *Insured Person's* baggage and personal effects covered by this Insurance but not separately specified herein shall be greater than the *Sum Insured* in respect of such property, the entitlement to recovery hereunder shall be limited to such proportion of the loss or damage as the said *Sum Insured* bears to the total value of the property. For the purposes of this condition the total value of the insured property shall be deemed to be the cost of comparable replacement less an appropriate allowance for age and condition.

### Subsection 4 Money, Travellers' Cheques, Passports, Travel Documents and Credit Cards

To pay up to but not exceeding in all the Subsection 4 *Sum Insured* specified for the *Insured Person*:

#### 1 Money, Travellers' Cheques and Travel Documents

In respect of loss of money, travellers' cheques, driving licences, green card, petrol coupons and travel tickets occurring during the Period of Travel, including reasonable expenses directly consequent upon such loss.

#### 2 Passport Replacement

To indemnify the *Insured Person* up to 25% (twenty-five percent) of the *Sum Insured* in respect of loss of passport occurring during the Period of Travel, including reasonable additional travel and accommodation expenses incurred during the Period of Travel to obtain a replacement.

Cover under paragraphs 1 and 2 above shall commence at the time of their collection or receipt by the *Insured Person* or 72 (seventy-two) hours prior to the planned commencement of the Period of Travel, whichever is the later. Cover in respect of money and travellers' cheques remaining after termination of the Period of Travel shall continue whilst in the *Insured Person's* custody for up to 72 (seventy-two) hours following such termination.

#### 3 Business Documents and Records

To indemnify the *Insured Person* up to 25% (twenty-five percent) of the *Sum Insured* in respect of the cost of replacing or restoring business documents and records, the property or responsibility of the *Insured Person* or of the *Insured*, following loss or damage during the Period of Travel.

#### 4 Fraudulent Use of Lost Credit Card

To indemnify the *Insured Person* up to 25% (twenty-five percent) of the *Sum Insured* in respect of loss resulting from the fraudulent use of any credit card, charge card or bankers' card held by the *Insured Person*, following loss of such card during the Period of Travel.

The *Insurers* shall only be liable if the *Insured Person* and/or the *Insured* has (have) complied with the terms and conditions under which the card was issued, including those relating to the safe-keeping and use of the card and the reporting to the Issuing Company or Bank of any misplacement or loss.

#### 5 It is a condition of cover under this Subsection that:

The *Insured Person* shall at all times exercise reasonable care in the supervision of the insured property.

#### 6 Subsection Exclusions

The *Insurers* shall not be liable for:

- a any loss not reported to the Police within 48 (forty-eight) hours of discovery;
- b money lost in exchange or through errors or omissions in transactions or purchases;
- c loss of money contained in baggage whilst such baggage is in the custody of Carriers and outside of the *Insured Person's* control;
- d confiscation or detention by Customs or other Authority.

### Subsection 5 Personal Accident

To pay according to the Schedule of Benefits if at any time during the Period of Travel the *Insured Person* sustains *Bodily Injury* as herein defined:

Schedule of Benefits:	Capital Benefit
1 Death:	To pay the <i>Sum Insured</i>
2 Loss of one limb:	To pay the <i>Sum Insured</i>
3 Total and irrecoverable loss of sight of one eye:	To pay the <i>Sum Insured</i>
4 Loss of two limbs:	To pay the <i>Sum Insured</i>
5 Total and irrecoverable loss of sight of both eyes:	To pay the <i>Sum Insured</i>
6 Loss of one limb and total and irrecoverable loss of sight of one eye:	To pay the <i>Sum Insured</i>
7 <i>Permanent Total Disablement</i> :	To pay the <i>Sum Insured</i>
Weekly Benefit	
8 <i>Temporary Total Disablement</i> :	To pay the <i>Sum Insured</i> per week.
9 <i>Temporary Partial Disablement</i> :	To pay 50% (fifty percent) of the <i>Temporary Total Disablement Sum Insured</i> per week.

Compensation in respect of Items 8 or 9 shall be payable for such period or periods during which the *Insured Person* shall be disabled, up to but not beyond 104 (one hundred and four) weeks from the date on which the *Insured Person* first became disabled.

- a *Medical Expenses* incurred in respect of *Temporary Total Disablement* and/or *Temporary Partial Disablement* within the above time limit specified for such disablement shall in addition be paid.
- b For children under 16 (sixteen) years of age at the date of the *Accident* the *Sum Insured* for Death is limited to £2,500 and the Weekly Benefits are deleted.

## Subsection 5 Conditions

The *Insurers* shall only be liable:

- a** under Item 1 of the Schedule of Benefits if Death occurs within 24 (twenty-four) calendar months of the date of the *Accident*;
- b** under Items 2 to 6 of the Schedule of Benefits if the *Loss of Limb(s)* and/or *Loss of Eye(s)* occurs within 24 (twenty-four) calendar months of the date of the *Accident*;
- c** under Item 7 of the Schedule of Benefits if the period of *Permanent Total Disablement* giving rise to the claim for this Item commences within 24 (twenty-four) calendar months of the date of the *Accident* and lasts for 12 (twelve) consecutive calendar months or more.

In respect of the consequences of the same *Accident* no claim shall be payable under more than one Item in the Schedule of Benefits, except for payment in respect of *Temporary Partial Disablement* preceding or following *Temporary Total Disablement*.

In the event that an *Accident* covered under this Insurance should result in the *Insured Person's* Death within 24 (twenty-four) calendar months of the date of such *Accident* and prior to the definite settlement of a claim for disablement as provided for under Items 2 to 7 of the Schedule of Benefits, the *Insurers* shall pay instead of such claim for disablement the *Sum Insured* payable for Item 1 Death.

No Weekly Benefit shall become payable until the total amount thereof has been ascertained and agreed. If, nevertheless, interim payments are made for Weekly Benefits the total of the amounts so paid shall be deducted from any lump sum becoming payable hereunder in respect of the consequences of the same *Accident*.

Any claim for medical expenses hereunder shall be payable only to the extent of the difference between the total amount of such claim as calculated in accordance with the provisions stated in the Schedule of Benefits and the total of any amounts due from other insurances and medical schemes covering the same expenses.

In the event of a claim hereunder, the *Insured Person* shall allow the medical adviser or advisers appointed by the *Insurers* to examine the *Insured Person* as often as may be deemed necessary by the *Insurers*.

### Disappearance Clause

If the *Insured Person* disappears during a Period of Travel and the *Insured Person* is not found within 12 (twelve) months of disappearing, and sufficient evidence is produced that leads the *Insurers* inevitably to the conclusion that the *Insured Person* has sustained *Bodily Injury* and that such injury has caused the *Insured Person's* Death, the *Sum Insured* for Item 1 Death shall become payable hereunder. If at any time after such payment the *Insured Person* shall be found to be living, the sum thus paid shall be refunded to the *Insurers*.

## Subsection 6 Legal Expenses and Personal Liability

### 1 Legal Expenses

To pay up to £25,000 in all in respect of legal expenses incurred by or on behalf of the *Insured Person* in the pursuit of claims for damages against third parties who have caused the *Insured Person* *Bodily Injury* or illness or death through incidents occurring during the Period of Travel.

Paragraph 1 only attaches where a Subsection 6 *Sum Insured* is specified for the *Insured Person*.

The *Insurers* shall only be liable for expenses incurred with the *Insurers'* prior written consent which will not be unreasonably withheld, but the *Insurers* reserve the right to withdraw from the proceedings at any stage and to limit the *Insurers'* liability to those expenses incurred during the period up to but not beyond the date of such withdrawal.

### 2 Personal Liability

To indemnify the *Insured Person* in respect of the *Insured Person's* legal liability for *Bodily Injury* to third parties and/or for damage to their property arising from an accident occurring during the Period of Travel up to but not exceeding the Subsection 6 *Sum Insured* specified in the *Schedule* in respect of any one accident or series of accidents and in all inclusive of associated legal expenses incurred with the *Insurers'* prior written consent.

It is a condition of cover under Subsection 6 that neither the *Insured Person* nor the *Insured* shall admit any liability nor offer agreement to settle any claim without the *Insurers'* prior consent and shall provide all information, evidence, documents and assistance as may be required. In the conduct of any claim the *Insured* and the *Insured Person* shall comply with all rules of Court and Orders made by the Court, shall attend any hearings, meetings or conferences and sign any documents, as may be reasonably required.

### 3 Subsection Exclusions

The *Insurers* shall not provide indemnity for:

- a** *Bodily Injury* to the *Insured Person* or the *Insured's* employees or to any member of the *Insured Person's* family or household;
- b** damage to property owned by, or in the care, custody or control of, the *Insured Person* or any member of the *Insured Person's* family or household, except for damage to the structure or contents of any building or permanently or seasonally sited cabin, caravan or tent temporarily hired or let to the *Insured Person* for the sole purpose of the *Insured Person's* personal occupancy during the Period of Travel;
- c** claims arising out of the ownership, possession, custody or use of:
  - i** any aircraft;
  - ii** any mechanically propelled or horse drawn vehicle, other than golf buggies;
  - iii** any caravan or vehicular trailer;
  - iv** any waterborne craft other than sailboards, surfboards, canoes, rowing dinghies, foot or hand-propelled paddle boats and inflatable sailing dinghies;
  - v** any firearm;
  - vi** any animal, other than horses hired for hacking only;
  - vii** any land or building or permanently or seasonally sited property of any kind;
- d** employer's liability;
- e** contractual liability;

- f claims arising out of or incidental to the practice of a profession or occupation or to the supply of goods or services;
- g liability or expense that is covered under any other insurance, except for any excess beyond the amount which would have been covered under such other insurance had this Insurance not been in force.

### Subsection 7 Hijack and Kidnap Daily Benefit

To pay the *Sum Insured* for each complete day that the *Insured Person* is detained as the result of hijack, kidnap or the like terrorist or criminal act occurring during the Period of Travel, up to but not beyond 28 (twenty-eight) days from the date of such act.

## Section 16 Conditions, Provisions and Exclusions

### 1 Exclusions

Except where the *Insurers'* specific prior agreement has been obtained, no cover shall attach hereunder in respect of:

- a any Period of Travel expected at the date of its booking or commencement to exceed 6 (six) calendar months in duration.  
  
(The *Insurers* may require special terms in respect of such Periods of Travel and separate documents of insurance may be issued).
- b any Period of Travel to be undertaken by the *Insured Person* if the *Insured Person* will be aged 76 (seventy-six) years or more at the date of its commencement.

The *Insurers* shall not be liable for death, disablement, expense, loss, damage or indemnity directly or indirectly resulting from:

- c the *Insured Person* engaging in aerial activities other than air travel as a passenger;
- d the *Insured Person* engaging in riding or driving in any kind of race, or in any form of operational duties as a member of the armed forces (except for the cover specifically provided under Subsection 2 1 c iii), or in mountaineering or rock climbing normally requiring the use of ropes and/or guides;
- e the *Insured Person's* suicide, attempted suicide, intentional self injury or deliberate exposure to exceptional danger (except in an attempt to save human life), or the *Insured Person's* own criminal act;
- f Human Immunodeficiency Virus (HIV) and/or Acquired Immune Deficiency Syndrome (AIDS) and/or any HIV or AIDS related illness.

### 2 Visits to Areas of War or Unrest

Where the *Insured* submits details of the proposed itinerary prior to the commencement of the Period of Travel, the *Insurers* will indicate the premium that the *Insurers* will require to include *Bodily Injury* as a result of war, invasion, civil war, armed hostility, rebellion, revolution, overthrow of a legally constituted government, insurrection or military or usurped power. It being understood and agreed that the subsequent attachment of cover hereunder in respect of that Period of Travel shall be subject to the *Insured's* prior acceptance of the terms thus indicated.

### 3 Claims

Written notice shall be given to the *Insurers* as soon as practicable of any circumstances which cause or may cause a claim to be made under this Insurance. All correspondence and supporting documentation in connection with claims should be sent to the *Insurers* in accordance with the details contained in General Condition 11.

# General Conditions

The following General Conditions shall apply to all Sections of this Policy unless stated otherwise:

## Continuing Obligations:

### 1 Alteration

This Policy shall be voided if after the inception of the *Period of Insurance* there is any alteration:

- a by removal; or
- b whereby the risk of *Damage, Injury* or legal liability is increased; or
- c whereby the *Insured's* interest ceases except by will or operation of law; or
- d whereby the *Business* of the *Insured* is wound up or carried on by a liquidator or receiver, or put into administration or otherwise permanently discontinued; or
- e any change is made in the description of the *Business*;

unless such alteration has been accepted by the *Insurers* in writing.

### 2 Average (Underinsurance) (applicable to Sections 1, 3 and 6 only)

Unless more specifically stated each *Sum Insured* shall be subject to Average other than any Item marked NA on the *Schedule* and any amounts separately stated in the *Schedule* for *Professional Fees* and *Debris Removal*. Whenever a *Sum Insured* is declared to be subject to Average, if at the time of any *Damage* such *Sum Insured* is less than the total value of such property, then the *Insured* shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Sections 2 and 16 have their own Condition of Average which is stated in the wordings of those Sections.

### 3 Computer Records (not applicable to Sections 4, 5, 7, 8, 9 and 11)

It is a condition that the *Insured* shall maintain a minimum of 2 (two) generations of back-up *Computer Records* and *Software* taken at intervals no less frequently than every 48 (forty-eight) hours, one copy as a minimum being held off site.

### 4 Fire Protections (applicable to Sections 1 to 6 only)

#### Fire Alarms

It is a condition precedent to liability that where the *Insurers* require that the *Premises* are protected by an automatic fire alarm installation the *Insured* will:

- a carry out the testing and checking requirements referred to on the completion certificate and remedy promptly any defect disclosed;
- b carry out the maintenance procedures specified by the manufacturers of the equipment;

- c notify the *Insurers* immediately of any disconnection or failure of the automatic fire alarm installation likely to leave any area unprotected for 12 (twelve) hours or more;
- d record details of all events such as alarm faults, tests, maintenance and disconnections and keep such details available for examination by the *Insurers'* representatives.

#### Fire Break Doors and Shutters

It is a condition precedent to liability that all fire break doors and shutters shall be kept closed except during working hours and shall be maintained in efficient working order.

#### Sprinkler Maintenance

It is a condition precedent to liability that where the *Insurers* require that the *Premises* are protected by an automatic sprinkler system the system is:

- a maintained in good working order;
- b in full and effective operation unless otherwise agreed by the *Insurers*;
- c under a contract for maintenance and half yearly inspections with engineers approved by the *Insurers* and any defects, faults or shortcomings revealed by such tests are immediately rectified unless otherwise agreed by the *Insurers*;
- d tested by the *Insured* in accordance with the *Insurers'* requirements and the Sprinkler Test card provided by them;

throughout the currency of this Policy.

### 5 Interpretation

In this Policy:

- a reference to any statute or statutory provision and orders or regulations thereunder shall include a reference to that provision, order or regulation as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this Policy;
- b reference to any statutory or other body shall include the successor to that body;
- c words importing the singular include the plural and vice versa and references to persons include bodies corporate or unincorporated. Words importing any gender shall include all genders;
- d if any term, condition, exclusion or Endorsement or part thereof is found to be invalid or unenforceable the remainder shall remain in full force and effect;
- e the headings are for reference only and shall not be considered when determining the meaning of this Policy.

### 6 Policy Voidable

This Policy shall be voidable in the event of misrepresentation, mis-description or non-disclosure of any material particular.

## 7 Precautions and Reasonable Care

It is a condition that the *Insured* shall take all reasonable precautions:

- a** for the safety of and to avoid, prevent or minimise any *Damage* to the *Property Insured*;
- b** to avoid, prevent or minimise any injury to others or damage to their property;
- c** to prevent the sale of or supply of *Products* which are defective in any way;

which might give rise to a claim under this Policy.

It is a condition that the *Insured* shall also:

- a** comply with all statutory and other obligations and regulations imposed by any authority;
- b** maintain the *Premises*, machinery, plant and equipment and other services (including fire, security and safety equipment) in a satisfactory state of repair;
- c** exercise reasonable care in the selection and supervision of *Employees* and in the employment of competent staff;
- d** in the event of discovery of any defect or danger immediately cause such defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require.

## 8 Security (applicable to Sections 1 to 6 only)

### Intruder Alarm System

It is a condition precedent to liability in respect of loss or damage following entry or attempted entry into or exit from the *Premises* by forcible and violent means that where the *Insurers* require that the *Premises* are protected by an *Intruder Alarm System* whilst the *Premises* are unattended that:

- a** the *Premises* are protected by an *Intruder Alarm System* and means of communication used to transmit signals from such an *Intruder Alarm System* designed, installed and maintained as agreed with the *Insurers*;
- b** the *Protected Premises* shall not be left without at least one *Responsible Person* in attendance without the agreement of the *Insurers*:
  - i** unless the *Intruder Alarm System* is set in its entirety with all means of communication used to transmit signals in full operation;
  - ii** if the Police have withdrawn their response to alarm calls;
- c** in the event of notification of any activation of the *Intruder Alarm System* or interruption of any means of communication during any period that the *Intruder Alarm System* is set, a *Keyholder* shall attend the *Premises* as soon as reasonably possible, in order to confirm the security of the *Premises* and reset the *Intruder Alarm System* in its entirety. If the *Intruder Alarm System* cannot be reset in its entirety or all the means of communication used to transmit signals are not in full operation, a *Keyholder* must remain at the *Premises* unless agreed in writing with the *Insurers*;

- d** the *Insured* shall advise the *Insurers* as soon as possible, and in any event not later than 10.00am on the *Insurers*' next working day:

- i** that Police attendance in response to alarm signals/calls from the *Intruder Alarm System* may be withdrawn or the level of response reduced or delayed;
- ii** of notice from a Local Authority or Magistrate imposing any requirement for abatement of nuisance;
- iii** that the *Intruder Alarm System* and the means of communication used to transmit signals from such installation cannot be returned to or maintained in full working order;

and the *Insured* shall comply with any subsequent requirements stipulated by the *Insurers*;

- e** no alteration or substitution of:
  - i** any part of the *Intruder Alarm System*;
  - ii** the structure of the *Premises* or changes to the layout of the *Premises* which would affect the effectiveness of the *Intruder Alarm System*;
  - iii** the means of communication used to transmit signals from the *Intruder Alarm System*;
  - iv** the procedures agreed with the *Insurers* for Police or any other response to any activation of the *Intruder Alarm System*;
  - v** the maintenance contract;

shall be made without the written agreement of the *Insurers*;

- f** the *Insured* shall maintain a secrecy of codes and security of keys and setting/unsetting devices for the operation of the *Intruder Alarm System*. All keys and other setting/unsetting devices for the *Intruder Alarm System* must be removed from the *Premises* when they are left unattended;
- g** the *Intruder Alarm System* shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance with the installing company or such other company, as agreed with the *Insurers*;
- h** the *Insured* shall appoint at least 2 (two) *Keyholders* and lodge written details (which must be kept up to date) with the alarm company, and with the Police if they so require.

### Protections

It is a condition precedent to liability that:

- a** all protections in force at the *Premises* at the inception of this Insurance or subsequently as stipulated by or agreed by the *Insurers* shall be in full operation securing the *Premises* outside *Business Hours*;
- b** any keys for the *Premises* and/or *Intruder Alarm Systems* and/or safes and/or strongrooms and/or any other secured area or device in which the *Property Insured* is kept are removed from the *Premises* outside *Business Hours*;
- c** the *Insured* maintains the secrecy of codes for the operation of the *Intruder Alarm System* to authorised persons and no details of the same are left on the *Premises*.

## 9 Unoccupied Building(s) (not applicable to Sections 7, 9, 10, 11, 12, 14 and 16)

It is a condition precedent to liability that immediate notice shall be given to the *Insurers* when any *Building(s)* become(s) *Unoccupied* or any *Unoccupied Building(s)* or portion thereof become(s) occupied and the *Insurers* shall have the right to impose additional terms, conditions and exclusions and charge a suitable additional premium which shall be paid by the *Insured* if required.

It is hereby understood and agreed that when any *Building(s)* become(s) *Unoccupied* the *Insurers* shall be liable for *Damage* solely caused by or consequent upon fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom.

It is a condition precedent to the liability of the *Insurers* that when any *Building(s)* become(s) *Unoccupied*:

- a the *Premises* are secured against illegal entry, with all windows at ground level boarded or bricked up and with all windows at all other floor levels firmly secured so as to prevent unauthorised entry;
- b all mains services are disconnected and all water pipes and tanks are drained down;
- c all letterboxes are sealed to prevent insertion of any materials or liquids;
- d the *Premises* are kept clear of all moveable combustible material;
- e the *Insured* or an authorised employee or the *Insured's* appointed agent inspect the *Premises* at least once each week and:
  - i all defects in maintenance or security are rectified immediately;
  - ii records of these inspections are kept and are available for inspection by the *Insurers*;
- f there is no refurbishment or renovation work unless previously agreed by the *Insurers*.

## 10 Warranties

Every warranty shall from the time that the warranty attaches apply and continue to be in force during the whole *Period of Insurance* and non-compliance with any such warranty in so far as it increases the risk of loss, *Injury* or *Damage* shall be a bar to any claim. Provided that if this Policy is renewed, a claim occurring during the renewal period shall not be barred by reason of a warranty not having been complied with at any time before the commencement of such *Period*.

## In the Event of a Claim:

### 11 Notification of any incident which may give rise to a claim:

#### Action by the Insured in respect of Sections 1 to 6 inclusive and 11 and 12

It is a condition precedent to liability that if any incident occurs which may give rise to a claim under this Policy the *Insured* shall:

- a give immediate notice to:
  - i the Police Authority in respect of any theft, attempted theft, riot, malicious damage, accidental loss or Act of *Terrorism* (if and to the extent that *Terrorism* is insured by this Policy);
  - ii the *Insurers* via the broker or intermediary as stated in the *Schedule*; and
- b within:
  - i 7 (seven) days in the case of *Damage* caused by riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons;
  - ii 30 (thirty) days of the expiry of the *Indemnity Period* in respect of a claim under Section 2 of this Policy;
  - iii 30 (thirty) days of the occurrence of any other event;

supply at its own expense full details of the claim in writing together with any supporting information, receipts and proofs which the *Insurers* may reasonably require and no claim shall be paid until the *Insured* has complied with this paragraph.

#### Action by the Insured in respect of Sections 7, 8 and 9

It is a condition precedent to liability that the *Insured* shall give written notice to the *Insurers* as soon as reasonably practicable of any incident that may give rise to a claim under this Policy and shall give all such additional information as the *Insurers* may require. Every letter of claim, writ, summons or process and all documents relating thereto and any other written notification of claim shall be forwarded unanswered to the *Insurers* immediately they are received.

The *Insured* shall at all times in addition to its obligations set out above afford such information to and co-operation with the *Insurers* or their appointed agents to allow the *Insurers* to be able to comply with such relevant Practice Directions and Pre-Action Protocols as may be issued and approved from time to time by the Lord Chief Justice.

The *Insurers* shall be entitled (either before or after any payment under this Policy) to take over at their own expense the absolute control and conduct of any negotiation, proceeding or settlement of any claim in the name of and on behalf of the *Insured*. The *Insured* shall not admit liability or make any offer or promise of payment without the prior written consent of the *Insurers*.

The *Insured* shall keep adequate business records and shall give such information and assistance as the *Insurers* may reasonably require to substantiate a claim or deal with a third party claim.

#### Action by the Insured in respect of Section 10

Please see Condition 1 Notification on page 52.

### Action by the Insured in respect of Section 13

Please see Condition 2 Claims on page 60.

### Action by the Insured in respect of Section 14

Please see Condition 3 Claims Procedure on page 61.

### Action by the Insured in respect of Section 15

Please see Condition 6 Notification on page 64.

### Action by the Insured in respect of Section 16

Please see Condition 3 Claims on page 72.

Claims correspondence notification address:

#### **Brit Insurance Limited**

Oakleigh House  
14-16 Park Place  
Cardiff CF10 3DQ

Telephone: **0800 587 6713**

Fax: **029 2066 6382**

Email: **britinsurance@cl-claims.com**

### 12 Claims Co-operation

The *Insured* will provide all help and assistance and co-operation required by the *Insurers* in connection with any claim.

### 13 Action to Minimise Loss

It is a condition that if any incident occurs which may give rise to a claim under this Policy the *Insured* shall take action to minimise the loss or damage, to avoid interruption or interference with the *Business* and to prevent further damage or injury.

### 14 Arbitration (applicable to Sections 1 to 6 inclusive and 11 only)

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

### 15 Contribution (applicable to Sections 1 to 6 inclusive and 11 only)

If at the time of any claim(s) covered by this Policy there shall be any other insurance covering the same risk or part thereof the *Insurers* shall not be liable for more than their rateable proportion thereof.

If any such other insurance be subject to any condition of Average, this Policy, if not already subject to any such condition of Average, shall be subject to Average in like manner.

If any such other insurance 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, the liability of the *Insurers* shall be limited to that proportion of the *Damage* which the *Sum Insured* under this Policy bears to the value of the property.

### 16 Fraud

If any claim made under this Policy by the *Insured* or anyone acting on behalf of the *Insured* is fraudulent or intentionally exaggerated or if any false declaration or statement shall be made in support thereof, all benefit under this Policy shall be forfeited.

### 17 Insurers' Rights following a Claim

On the happening of any event in respect of which a claim is or may be made under this Policy, the *Insurers* (and every person authorised by them) shall have the right, without thereby incurring any liability or diminishing their right to rely on any condition of this Insurance, to enter the *Premises* where the event has occurred, and to take and keep possession of any of the *Property Insured* (or require it to be delivered to them), and to deal with any salvage in a reasonable manner. No claim under this Policy shall be payable unless the terms of this Condition have been complied with. No property may be abandoned to the *Insurers*, whether taken possession of by them or not. This Condition shall be evidence of permission from the *Insured* to the *Insurers* so to do. If the *Insured* or anyone acting on behalf of the *Insured* shall not comply with the requirements of the *Insurers* or shall hinder or shall obstruct the *Insurers* in doing any of the above mentioned acts then all benefit under this Policy shall be forfeited. The *Insured* shall not in any case be entitled to abandon any property to the *Insurers* whether taken possession of by the *Insurers* or not.

Applicable to Sections 1 to 6 inclusive and 11 and 13 only:

The *Insurers* may at any time pay the amount of the Limit of Liability to which the claim applies and shall be under no further liability in respect thereof.

### 18 Reinstatement of Damage

If the *Insurers* elect or become bound to reinstate or replace any property, the *Insured* shall at its own expense provide all such plans, documents, books and information as the *Insurers* may reasonably require. The *Insurers* shall not be bound to reinstate exactly or completely, 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*.

### 19 Subrogation

Any claimant under this Policy shall, at the request and expense of the *Insurers*, take and permit to be taken all necessary steps for enforcing rights and remedies against any other party in the name of the *Insured*, whether such steps are or become necessary before or after any payment is made by the *Insurers*.

### 20 Subrogation Waiver

Notwithstanding General Condition 19, in the event of a claim arising under this Policy the *Insurers* agree to waive any rights, remedies or relief to which they might become entitled by subrogation against:

- a any Company standing in the relation of parent to subsidiary (or subsidiary to parent) of the *Insured*; or
- b any Company which is a subsidiary of a parent Company of which the *Insured* themselves are a subsidiary;

in each case within the meaning of the Companies Act(s).

## Specific Obligations:

### 21 Cancellation

- a If the *Premium* for this Insurance is paid by periodic instalments, whether by direct debit or otherwise, in the event of default in the payment of any instalment, for whatever reason, this Insurance shall cease 7 (seven) days after the date of non-payment, subject to the Consumer Credit Act 1974, if applicable and any amending and/or subsequent legislation.
- b Otherwise, this Insurance may be cancelled by the *Insurers* sending 14 (fourteen) days' notice by recorded delivery letter to the last known address of the *Insured* stating the reason for cancellation. Where this Condition is exercised, the *Insured* shall become entitled to a return of premium in respect of the unexpired portion of the *Period of Insurance*, after any adjustment of the *Premium* paid as provided for by any conditions of this Policy, and subject to no claim having been paid or being outstanding (in whole or in part) in respect of the expired portion of the *Period of Insurance*.

### 22 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this contract has no right under the Contracts (Rights of Third Parties) Act 1999 and any amending and/or subsequent legislation to enforce any term of this contract but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

### 23 Declarations/Adjustments of Premium

If any part of the *Premium* is based on estimates provided by the *Insured*, the *Insured* shall keep an accurate record containing all relevant information and shall at any time allow the *Insurers* to inspect such record. The *Insured* shall within 60 (sixty) days after the expiry of each *Period of Insurance* furnish the relevant information, including but not limited to wage roll and turnover, as the *Insurers* may require. The *Premium* shall then be adjusted and the difference paid by or allowed to the *Insured*, subject to any Minimum *Premium* required within 30 (thirty) days of receipt of the *Insurers'* adjusted premium calculations. The *Insurers* reserve the right to request the *Insured* to supply an auditor's certificate attesting to the accuracy of any information furnished to the *Insurers*.

### 24 Choice of Law

Unless otherwise agreed by the *Insurers* and the *Insured*, this Policy shall be subject to and construed solely in accordance with the Law of England and Wales.

### 25 Insurable Interest

The insurable interest in the insurance by this Policy shall not be transferred without the written consent of the *Insurers*.

### 26 Jurisdiction

The *Insurers* and the *Insured* agree that all disputes arising out of or in connection with this Policy, including but not limited to any disputes relating to the formation, validity and interpretation and application of the terms, conditions, limits and exclusions of this Policy, shall be subject to the exclusive jurisdiction of the Courts of England and Wales. The premium for this Insurance has been calculated accordingly, and no consideration has been paid in respect of any sums payable as a consequence of the jurisdiction of any other court.

### 27 Long Term Undertaking

The discount as stated in the *Schedule* is allowed off the premiums for this Policy as a whole or specific Sections of this Policy as noted in the *Schedule*, in consideration of the *Insured* having given an undertaking expiring on the date as stated in the *Schedule*, to offer annually to the *Insurers* the insurance under this Policy on the limits, terms, conditions and exclusions in force at the expiry of each *Period of Insurance* and to pay the premium annually in advance, it being understood that:

- a the *Insurers* shall be under no obligation to accept an offer made in accordance with the above-mentioned undertaking;
- b where appropriate the *Sum Insured* may be reduced at any time to correspond with any reduction in value or in the *Business*.

The above-mentioned undertaking applies to any Policy (or Policies) which may be issued by the *Insurers* in substitution for this Policy and the same discount shall be allowed off the premiums for any substituted Policy (or Policies) issued by the *Insurers* as aforesaid.

Payment of the premium due at the expiry date as stated in the *Schedule* shall be deemed to be acceptance by the *Insured* of the terms of this Condition.

### 28 Several Liability

The subscribing *Insurers'* obligations hereunder are several and not joint, and are limited solely to the extent of their individual subscriptions. The subscribing *Insurers* are not responsible for the subscription of any co-subscribing Insurer(s) or underwriter(s) who for any reason does not satisfy all or any part of their obligations.

# General Exclusions

The following General Exclusions shall apply to all Sections of this Policy unless stated otherwise.

The *Insurers* shall not be liable for:

## 1 Consequential Loss (not applicable to Sections 7, 8, 9 and 10)

Consequential loss of any kind or description except:

- a as may be insured by Sections 2 or 6 of this Policy; or
- b loss of *Rent* when such loss is included in the cover under Sections 1, 2 or 6 of this Policy.

## 2 Electronic Date Recognition (not applicable to Section 7)

Damage or consequential loss or legal liability directly or indirectly caused by or consisting of or arising from the failure of any computer, data processing equipment or media, microchip, integrated circuit or similar device or any computer software, whether the property of the *Insured* or not:

- a correctly to recognise any date as its true calendar date;
- b 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;
- 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 or retain or correctly to process such data on or after any date;

but this shall not exclude subsequent *Damage* to the *Insured's* property including hired in plant and hired temporary buildings or consequential loss resulting therefrom not otherwise excluded under this Policy, which itself results from a *Defined Peril*.

For the purposes of this General Exclusion the words *Defined Peril* shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any apparatus or pipe, impact by any road vehicle or animal and theft.

## 3 Electronic Data (not applicable to Sections 7, 8, 9 and 10)

Any loss, damage, destruction, distortion, erasure, corruption or alteration of *Electronic Data* from any cause whatsoever (including but not limited to *Virus or Similar Mechanism* or *Hacking or Denial of Service Attack*) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, unless any such loss or damage results from a *Defined Peril* and is not otherwise excluded.

## 4 Law and Jurisdiction

Judgements, awards, settlements or orders of courts outside the *Territorial Limits* as defined, or to orders seeking to enforce such judgements, awards, settlements or orders, or to any liability arising under the law of any place outside the *Territorial Limits*.

## 5 Marine (applicable to Sections 1 to 6 inclusive and 11 only)

Loss or destruction of or damage to property which at the time of the happening of the loss, destruction or 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.

## 6 More Specific Insurance (applicable to Sections 1 to 6 inclusive and 11 only)

Loss or destruction of or damage to any property more specifically insured by or on behalf of the *Insured*.

## 7 Mould and Fungus (not applicable to Sections 7, 8, 9 and 10)

Loss or destruction of or damage to any property or any loss, cost or expense or legal liability directly or indirectly arising out of or resulting therefrom or any consequential loss in any manner related to *Fungal Pathogens*, whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

## 8 Northern Ireland (applicable to Sections 1 to 6 inclusive and 11 only)

Loss or destruction of or damage to any property in Northern Ireland or loss resulting therefrom caused by or happening through or in consequence of:

- a civil commotion;
- b any unlawful, wanton or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any *Unlawful Association*.

In any action, suit or other proceedings where the *Insurers* allege that by reason of this Exclusion any loss, destruction or damage or loss resulting from such loss, destruction or damage is not covered by this Insurance (or is covered only up to a Limit of Liability as stated in the *Schedule*) the burden of proving such loss, destruction or damage or loss resulting from such loss, destruction or damage is covered (or is covered beyond that Limit of Liability) shall be upon the *Insured*.

## 9 Radioactive Contamination, War, Sonic Boom and Confiscation (not applicable to Sections 7, 8, 9 and 10)

Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to, by or arising from:

- a ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- b the radioactive, toxic, explosive or other hazardous or contaminating properties of any explosive nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- c any weapon of war or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- d war, invasion, acts of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection or military or usurped power whether war be declared or not;

- e pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds;
- f confiscation, nationalisation, requisition, seizure or destruction by or under the order of any government or any public or local authority.

#### 10 Pollution or Contamination (applicable to Sections 1 to 6 inclusive and 11 only)

Loss or destruction or damage or any consequential loss resulting from *Pollution or Contamination* but this shall not exclude *Damage* or any *Consequential Loss* insured under Section 2 caused by:

- a *Pollution or Contamination* which itself results from a *Defined Peril*;
- b a *Defined Peril* which itself results from *Pollution or Contamination*;

unless resulting from an Excepted Cause or otherwise excluded.

#### 11 Terrorism

- a Loss, damage, injury, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any Act of *Terrorism* regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
- b Loss, damage, injury, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any Act of *Terrorism*;
- c Any loss whatsoever or any expenditure resulting from or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from:
  - i the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
  - ii ionising radiation or contamination by radioactivity or from the combustion of any radioactive material;
  - iii chemical and/or biological and/or radiological irritants, contaminants or pollutants;
- d Loss, damage, injury, cost or expense directly or indirectly arising out of:
  - i any business interruption losses resulting from customers or suppliers extensions or denial of access due to any Act of *Terrorism*;
  - ii loss, damage, cost or expenses directly or indirectly arising out of any service interruption due to any Act of *Terrorism*.

If the *Insurers* allege that by reason of this Exclusion any loss, damage, injury, cost or expense is not covered by this Insurance, the burden of proving the contrary shall be upon the *Insured*.

In the event any portion of this Exclusion is found to be invalid or unenforceable the remainder shall remain in full force and effect.

# Further Information

## Brit Advisory Service

Your Policy provides You with automatic free access to the Brit Advisory Service. This Service is a legal and taxation telephone advisory service available to Your business 24 hours a day, 365 days a year.

To contact the Brit Advisory Service, please phone the number stated on Your Policy Schedule quoting the reference "Brit UK". You should also have Your Policy number available on request.

## Data Protection

It is understood by the Insured that any personal data provided by the Insured to the Insurers regarding the Insured, its Employees or its Agents shall be processed by the Insurers, in compliance with the provisions of the Data Protection Act 1998 and any subsequent or amending legislation, for the purpose of providing insurance and handling claims, if any, which may necessitate providing such information to third parties.

The Insurers shall keep such information secure at all times. In certain circumstances, for example for systems administration purposes, the Insurers may have to transfer information to another country, which may be a country outside the European Economic Area (EEA). By proceeding with this Insurance the Insurers assume that the Insured is agreeable to the Insurers transferring its information to a country outside the EEA.

Should You wish to obtain details of the information that We hold on You please contact:

### The Compliance Officer

Brit Insurance Limited  
55 Bishopsgate  
London EC2N 3AS

A small fee may be charged to cover the cost of administration.

## Complaints Procedure

We are dedicated to providing You with a high quality service and We want to ensure that We maintain this at all times. If You feel We have not offered You a first class service please write and tell Us and We will do Our best to resolve the problem.

All complaints shall be handled promptly and a policy of open communication will be adopted.

Any enquiry or complaint should in the first instance be directed through Your insurance broker or other intermediary who arranged this Insurance for You to the Manager of Our local office. If this does not resolve the matter please write to:

### Customer Relations Officer

Brit Insurance Limited  
55 Bishopsgate  
London EC2N 3AS

E-mail: [customer.relations@britinsurance.com](mailto:customer.relations@britinsurance.com)

In the event You remain dissatisfied and wish to pursue matters further You may be able to refer the matter to The Financial Ombudsman Service. The Financial Ombudsman Service can normally deal with complaints from private individuals and from small businesses with an annual turnover of less than £1 million (for a group of companies, this means a group annual turnover of less than £1 million). The Financial Ombudsman Service can also help with complaints from charities with an annual income of less than £1 million and from trusts with a net asset value of less than £1 million.

The address is:

### The Financial Ombudsman Service

South Quay Plaza  
183 Marsh Wall  
London E14 9SR

Helpline: **0845 080 1800**

Switchboard: **020 7964 1000**

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

## Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if We cannot meet Our financial obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS.

### Financial Services Compensation Scheme

7th Floor Lloyds Chambers  
Portsoken Street  
London E1 8BN

Telephone: **020 7892 7300**

Fax: **020 7892 7301**

E-mail: [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk)



**Brit Insurance Limited**

55 Bishopsgate, London EC2N 3AS

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**[www.britinsurance.com](http://www.britinsurance.com)**

Registered in England and Wales number 2763688 at 55 Bishopsgate, London EC2N 3AS

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Member of the Association of British Insurers

A subsidiary of Brit Insurance Holdings PLC

BIL/PRO/CCV4/UK/PD/NOV07/1/408