

TRAVELERS 

Property Owners Policy
Specialist Insurance for
Property Owners



Important Notice

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

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

Claims Procedure

If you wish to make a claim, please contact the insurance broker who arranged the insurance or contact us on 01737 787787 or at the address below, quoting your policy number. Please also refer to our on-line guidance on how to make a claim which can be found at www.travelers.co.uk

Complaints Procedure

Our Promise To You

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

What To Do If You Have A Complaint

If you have a complaint, please contact us on 01737 787787 or write to us at the address below, quoting your policy number or claim reference if appropriate.

Travelers Insurance Company Limited
61 – 63 London Road
Redhill
Surrey RH1 1NA

If your complaint cannot be resolved to your satisfaction, you may write to our Chief Executive at the same address.

If you are seeking resolution as a private individual or as a small business, charity or trust with an annual turnover of less than £1 million, you may refer the matter to the following organisation:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

Tel 0845 080 1800

Email Enquiries@financial-ombudsman.org.uk

Website www.financial-ombudsman.org.uk

Data Protection Act

We have collected and may continue to collect certain information about individuals within or connected to your company and any subsidiaries (“data subjects”) in the course of conducting our relationship with you. This information will be processed for the purpose of underwriting your insurance coverage, managing the policy, providing risk management advice and administering claims. We may pass the information to our reinsurers, legal advisers, loss adjusters or agents for these and other purposes. This may involve its transfer to countries which do not have data protection laws.

If your policy includes motor cover, your policy details will be added to the Motor Insurance Database (MID), run by the Motor Insurers Information Centre (MIIC). MID data may be used by the DVLA and DVLNI for the purpose of Electronic Vehicle Licensing and by the police for the purposes of establishing whether a driver’s use of the vehicle is likely to be covered by a motor insurance policy and/or for preventing and detecting crime. If data subjects are involved in an accident (in the UK or abroad), other UK insurers, the Motor Insurers’ Bureau and MIIC may search the MID to ascertain relevant policy information.

Persons pursuing a claim in respect of a road traffic accident (including citizens of other countries) may also obtain relevant information which is held on the MID.

You can find out more about this from us or at www.miic.org.uk.

Some of the information we collect may be classified as ‘sensitive’ – that is, information about disciplinary proceedings, convictions, sentences or alleged criminal activities.

Data subjects have a right of access to, and correction of, information that we hold about them. If they would like to exercise either of these rights, they should contact our Data Protection Compliance Officer at:

Travelers Insurance Company Limited
Exchequer Court
33 St. Mary Axe
London EC3A 8AG

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The Contract of Insurance

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

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

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

General Definitions

1. Agent

The word 'Agent' shall mean any person company firm or contractor directly appointed by the Insured to act on their behalf

2. Ancillary Equipment

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

3. Bodily Injury

The words 'Bodily Injury' shall mean

- (a) death injury disease or illness of any person
- (b) mental injury or mental anguish and shock that results in a recognisable psychiatric injury

4. Business

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

- (a) the ownership and/or occupancy and repair and maintenance of the property by the Named Insured
- (b) the provision and management by the Named Insured of catering sports social welfare and educational organisations fire first aid medical dental ambulance and security services

5. Company

The word 'Company' shall mean Travelers Insurance Company Limited

6. Compensation

The word 'Compensation' shall mean compensatory damages imposed by law including interest which may be awarded on such damages

7. Computer and Telecommunication Equipment

The words 'Computer and Telecommunication Equipment' shall mean a network of machine components microprocessors computer chips or other computerised or electronic components or equipment capable of accepting information processing it according to a plan and

producing the desired results Computer and Telecommunication Equipment includes fixed disks and tape drives printers visual display unit screens modems personal computers remote terminals interconnection wiring and telecommunication equipment

8. Computer Fraud

The words 'Computer Fraud' shall mean the dishonest or fraudulent electronic transfer through use of any computer system of Money securities or property or any other pecuniary advantage or financial benefit to the deprivation of a Third Party and for the purposes of this definition

'securities' means negotiable and non-negotiable instruments or contracts representing either money or other property

'property' means tangible property other than Money or securities

Money shall include electronic cash equivalents

Computer Fraud shall not include Computer Misuse

9. Computer Misuse

The words 'Computer Misuse' shall mean deliberate or accidental misuse abuse or contamination or corruption of hardware equipment software programs data records or information in relation to any computer

Computer Misuse shall include but not be limited to the modification destruction or theft of data or information entrusted to the Insured by the Insured's customers or suppliers that is held on the Computer or Telecommunication System

Computer Misuse shall not include Denial of Access and Computer Fraud

10. Computer or Telecommunication System

The words 'Computer or Telecommunication System' shall mean

- (a) Computer and Telecommunication Equipment and tapes disks CD's or other magnetic or optical storage devices and Ancillary Equipment that form part of a computer network used for any purpose other than as stated in (b) hereunder owned leased or rented by the Named Insured or for which they are legally responsible

(b) Computer and Telecommunication Equipment and tapes disks CD's or other magnetic or optical storage devices and Ancillary Equipment that form part of a computer network owned leased or rented by the Named Insured or for which they are legally responsible used for the purpose of operating or controlling machinery or equipment

11. Computer Virus

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

12. Cybermedia

The word 'Cybermedia' shall mean the internet usenet any extranet the world wide web any web-site e-mail or any bulletin board chatroom or newsgroup

13. Deductible

The word 'Deductible' shall mean the amount for which the Named Insured is responsible the application of which is further defined in General Exclusion 5

14. Defined Peril

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

15. Denial of Access

The words 'Denial of Access' shall mean the inability of a Third Party who is authorised to do so by the Named Insured

(i) to gain access to the Computer or Telecommunication System

and/or

(ii) to be able to use the Computer or Telecommunication System to communicate with other computers or computer networks

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

16. Employee

The word 'Employee' shall mean any

- (a) person under a contract of service or apprenticeship with the Named Insured
- (b) labour only sub-contractor or labour master or any person supplied by them
- (c) self-employed person providing Business labour only
- (d) person hired to or borrowed by the Named Insured
- (e) person under work experience or similar schemes

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

17. Event

The word 'Event' shall mean an occurrence or series of occurrences consequent on or attributable to one source or original cause giving rise to indemnity under this Policy

18. Hacking Event

The words 'Hacking Event' shall mean an attack which allows unauthorised access to the Computer or Telecommunication System by electronically circumventing the security systems and procedures

19. Inception Date

The words 'Inception Date' shall mean the date on which the Policy becomes effective

20. Infringement of Intellectual Property Rights

The words 'Infringement of Intellectual Property Rights' shall mean

- (a) the infringement or violation of any
 - copyright patent
 - title slogan trade mark trade name trade dress service mark service name
 - registered design
 - trade secrets
 - moral rights
 - database rights
 - semiconductor topography rights
 - or other intellectual property rights or laws
- (b) plagiarism or any act of passing off or unauthorised use or appropriation of confidential information or domain name or metatag or Uniform Resource Location

21. Injury

The word 'Injury' shall mean

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

22. Insured

The word 'Insured' shall include

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

Provided that

- (a) each party covered hereunder shall observe fulfil and be subject to the terms and conditions of the Policy insofar as they can apply
- (b) the Company's aggregate liability to all persons firms bodies corporate or entities comprising the Named Insured and any other party or parties shall not exceed any of the specified amounts detailed in the Schedules as sums insured or limits of indemnity or the amount of any other limit stated in the Policy

23. Money

The word 'Money' shall mean current coin bank and currency notes postal and money orders bankers drafts cheques giro drafts and payment orders travellers cheques crossed warrants bills of exchange current postage revenue and national insurance stamps stamped national insurance cards national savings certificates war bonds premium savings bonds franking machine impressions debit/credit/charge card sales vouchers luncheon vouchers trading stamps VAT input documents travel tickets travel warrants authenticated travel certificates telephone paycards and consumer redemption vouchers

Money shall include electronic cash equivalents for the

purposes of the Network Security Section

Money shall include securities for money for the purposes of the Property Damage Section and any optional extension applicable thereto

24. Named Insured

The words 'Named Insured' shall mean persons firms bodies corporate or entities as specified in the Master Schedule or their legal personal representative

25. Period of Insurance

The words 'Period of Insurance' shall mean the period stated in the Master Schedule

26. Policy

The word 'Policy' shall mean this policy document comprising its general definitions conditions and exclusions and the Sections stated as operative in the Master Schedule and any Schedule and endorsement applicable thereto

27. Proposal

The word 'Proposal' shall mean all information provided and all statements or declarations made to the Company by or on behalf of the Named Insured

28. Professional Healthcare Services

The words 'Professional Healthcare Services' shall mean the medical treatment rendered by members of the health care professions including medical and dental practitioners nurses and midwives professions allied to medicine ambulance personnel laboratory staff and relevant technicians or by others consequent on decisions or judgements made by members of those professions acting in their professional capacity on relevant work

29. Renewal Date

The words 'Renewal Date' shall mean the first day immediately subsequent to the expiry of the Period of Insurance

30. Schedule

The word 'Schedule' shall mean the Schedule to the Policy

31. Territorial Limits

The words 'Territorial Limits' shall mean Great Britain Northern Ireland the Isle of Man or Channel Islands

32. Third Party

The words 'Third Party' shall mean a person firm or company other than the Insured

General Conditions

1. Condition Precedent

The due observance of the terms provisions and amendments of this Policy by the Insured insofar as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers and information supplied on or in connection with the Proposal shall be a condition precedent to any liability of the Company to make any payment under this Policy

2. Misrepresentation and Fraud

This insurance shall be voidable

(a) if the Insured has concealed or misrepresented and/or failed to declare any fact or circumstance material to the insurance or its subject matter

or

(b) if the Insured or anyone acting on the Insured's behalf has committed fraud attempted fraud or sworn falsely concerning this insurance or its subject matter

whether before or after loss

If the Insured notifies any claim knowing it to be false or fraudulent as regard amount or otherwise this Policy shall become void and all claims hereunder shall be forfeited

3. Alteration

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

4. Assignment

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

5. Reasonable Care

The Insured at its own expense shall

(a) take all reasonable precautions to prevent or diminish losses or liability arising in connection with the insured risks

(b) comply with all statutory obligations and regulations imposed by any authority insofar as the Named Insured is responsible for within the terms of any lease agreement to which the Named Insured is a party

6. Claims (Duties owed by the Insured)

Special Definition

The words 'Letter of Claim' where used in this condition shall mean any request in writing indicating an intention to claim against the Insured that specifies sufficient information about the incident to enable it to be investigated and includes at least preliminary information as to the nature of the injury or damage sustained and as defined in any protocols issued under the Civil Procedure Rules (or any amendments or supervening legislation)

(a) If circumstances should exist and/or on the happening of any Event which may give rise to a claim under this Policy the Insured shall as soon as possible give notice thereof to the Company in writing

(b) In respect of third party liability claims any pre-action Letter of Claim should be acknowledged within twenty-one days of receipt providing details of this Policy and a copy of both the pre-action Letter of Claim and the response shall be forwarded to the Company at the same time

(c) Every writ summons or claim form process impending prosecution notice requiring arbitration notice of an inquest or fatal accident inquiry in connection with any such circumstance or event aforesaid shall be immediately forwarded to the Company unacknowledged

(d) Other than as prescribed in (b) within thirty days (seven days in the case of Damage caused by riot civil commotion strikers locked-out workers persons taking part in labour disturbances or malicious persons if insured by this Policy) of any circumstance or Event aforesaid or such further time as the Company may in writing allow the Insured shall give full particulars of the circumstance or event

(e) The Insured if required by the Company shall attend all proceedings and assist the Company in the giving of evidence and the attendance of witnesses and shall give the Company all information and assistance and do and concur in doing whatever the Company may require in connection with any circumstance event or claim

(f) Following receipt by the Insured of a pre-action Letter of Claim the Insured shall within forty five days provide to the Company copies of all documents records and minutes of meetings necessary to consider the claim fully The Insured shall also give to the Company all such proofs and information with respect to any claim as the Company may require together with (if demanded) a statutory declaration of the truth of such claim and of any matters relating thereto

- (g) The Insured shall bear their own costs and expenses under this Condition unless specific cover is provided within any Section of the Policy
- (h) No admission offer promise payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company

7. Claims (Company's rights)

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

8. Subrogation

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

Insured's Deductible in priority to any outstanding uninsured loss of the Insured in the absence of agreement to the contrary

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

9. Contribution

This condition does not apply to the Network Security Section or Cybermedia Liability Section

If at the time any claim arises under this Policy there be any other insurance effected by or on behalf of the Insured covering the same property and/or same liability and/or same protection the Company will not be liable to pay or contribute more than its rateable proportion of any such claim and costs and expenses in connection therewith

10. Arbitration

If any difference shall arise between the Company and the Insured as to the amount to be paid under this Policy (liability being otherwise admitted) such difference (provided it does not concern the interpretation of the terms of the Policy) shall be referred to an arbitrator to be appointed by the parties in accordance with the Statutory provisions for the time being in force. Where any difference is by this Condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the Company

11. Policy Interpretation

The parties to this contract are able to choose the law applicable to this Policy and they agree that the Policy and any dispute concerning its interpretation or application is to be subject to and to be construed in accordance with English law. Each party agrees to submit if required to the jurisdiction of any Court of competent jurisdiction within England and to comply with all requirements necessary to give such Court jurisdiction

12. Cross Liabilities

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

Provided that the Company shall not indemnify the Named Insured against liability for which an indemnity is or would be granted under any Employers Liability insurance but for the existence of this Policy

13. Contracts (Rights of Third Parties) Act 1999

A person firm body corporate or entity who is not the Named Insured has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act

14. Premium Adjustment

Where in the Master Schedule any Section of this Policy is shown to be subject to a premium adjustment the Named Insured shall within one month of the expiry of the Period of Insurance forward to the Company such information as the Company may require. The Company shall thereupon adjust the premium subject to any minimum premium specified by the Company

15. Cancellation

This insurance or any cover included herein may be cancelled at any time by the Company by giving at least thirty days notice by Recorded Delivery letter to the Named Insured at the last known address. The Named Insured shall be entitled to the return of a proportionate part of the premium corresponding to the unexpired Period of Insurance

Where the premium payable is subject to an instalment plan and the deposit premium has not been paid to the Company within a specified time from the commencement of the Period of Insurance the Policy shall be treated as cancelled from such commencement date

16. Risk Improvements

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

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

17. Jurisdiction

This condition does not apply to the Cybermedia Liability Section

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

payment or settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement award payment or settlement either in whole or in part) unless the Named Insured has requested that there shall be no such limitation and has accepted the terms of the North American Jurisdiction extension clause which may form part of any Section of this Policy and has agreed to pay any additional premium required by the Company

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

18. Housing Grants Construction and Regeneration Act

This Policy shall not indemnify the Named Insured in respect of any claim loss liability or cost and expense incurred in connection with any dispute or matter being referred to adjudication

Notwithstanding the above it is understood and agreed that any indemnity provided by this Policy in respect of legal liability to pay Compensation and claimants' and defence costs and expenses shall apply to indemnify for the liability of the Named Insured including any fees payable by the Named Insured as if they were defence costs and expenses as indemnified for under the Policy arising under a decision of an adjudicator relating to claims made against the Named Insured referred to adjudication in accordance with an adjudication clause contained in a contract (hereinafter termed 'the Contract') to comply with the Housing Grants Construction and Regeneration Act 1996 or any other similar adjudication clause

Provided always that as a condition precedent to coverage being afforded hereunder the Named Insured undertakes to comply with both A and B as follows

A Policy Conditions

- (i) to give written notice to the Company within 72 hours upon receipt of a 'notice of adjudication' and /or a 'referral notice' pursuant to the Scheme For Construction Contracts Regulations 1997 and/or any adjudication notice pursuant to contract
- (ii) to promptly supply the Company with all details relating to any reference to adjudication including copies of all documentation made available to the Named Insured or subsequently by the Named Insured to the adjudicator

- (iii) to meet any request direction or timetable of the adjudicator
- (iv) to permit the Company to pursue legal arbitration or other proceedings in the name and on behalf of the Named Insured in respect of any decision direction award or the exercise of any power of the adjudicator and the Named Insured shall give all such assistance as may be reasonably required from the Company in relation to such proceedings and the cost of any such proceedings shall be indemnified for as if they were defence costs and expenses as indemnified for under the Policy
- (v) not to agree to accept the decision of the adjudicator as finally determining the dispute without the prior written consent of the Company
- (vi) to satisfy the Company that any liability incurred by an adjudicator's decision for which indemnity is sought would otherwise be the subject of indemnity under this Policy
- (vii) to undertake that should indemnity be provided in relation to an adjudication such indemnity shall not be treated as a waiver of the rights of the Company under the Policy and where subsequent investigation of the circumstances reveal material facts that would have entitled the Company to decline an indemnity then in these circumstances the Company shall be entitled to a full recovery of all payments made in connection with such indemnity from the Named Insured

B Conditions relating to the Contract

- (i) the adjudication provisions in the Contract shall
 - (a) provide that the adjudicator must be independent of the parties to the dispute
 - (b) not allow for the adjudicator's decision to finally determine the dispute
 - (c) not allow the adjudicator to disregard the legal entitlements of the parties in order to reach a decision based on commercial considerations
- (ii) the Contract must not place any conditions upon the timing of commencement of legal or arbitration proceedings (which for the avoidance of doubt does not apply to adjudication proceedings)

Any dispute or difference arising between the Named Insured and the Company shall be referred to the arbitration of a Queen's Counsel to be agreed upon by both parties or in the absence of agreement by a Queen's Counsel nominated by the Chairman of the Bar Council. The Company agree to pay the costs of such referral except in instances where indemnity has been denied and the Queen's Counsel upholds such decision.

General Exclusions

The Company shall not be liable

1. War and Allied Risks; Dispossession of Property;

Radioactive Contamination

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

- (a) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power

This exclusion does not apply to the Employers' Liability Section

- (b) permanent or temporary dispossession of any property resulting from confiscation nationalisation commandeering or requisition by any lawfully constituted authority
- (c) (i) ionising radiations or contamination by radioactivity from any irradiated nuclear fuel or from any nuclear waste from the combustion of nuclear fuel nuclear fuel
- (ii) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

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

Note

General Exclusions 1(a) and 1(b) shall not apply to the extent required to satisfy the Road Traffic Acts

2. Property Coverages – Civil Commotion in Northern Ireland

under the

- (a) Property Damage Section
- (b) Rent Section

where operative or any Optional Extension Clauses or endorsements attaching thereto in respect of any loss destruction or damage in Northern Ireland directly or indirectly caused or occasioned by or happening through or in consequence of civil commotion

3. Property Coverages - Terrorism

under the

- (a) Property Damage Section
- (b) Rent Section
- (c) Network Security Section

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

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

For the purposes of this exclusion:

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

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

- (b) in respect of loss destruction or damage in England and Wales and Scotland other than loss destruction or damage as described in (a) (ii) above the words "Terrorist Act" shall mean acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto

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

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

4. Liability Coverages - Terrorism

under the

- (a) Employers' Liability Section
- (b) Public and Products Liability Section
- (c) Road Risks Section
- (d) Cybermedia Liability Section

where operative or any Optional Extension Clauses or endorsements attaching thereto or under any Difference in Conditions or Limits Provision of the Policy where operative for legal liability loss damage cost or expense of whatsoever nature directly or indirectly caused or occasioned by or arising from a Terrorist Act or any action taken in controlling preventing suppressing or in any way relating to a Terrorist Act except to the extent stated in the Special Provision – Employers' Liability Section and Road Risks Section below

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

For the purposes of this exclusion:

The words "Terrorist Act" shall mean an act or acts (whether threatened or actual) of any person or persons involving the causing or occasioning or threatening of

harm of whatever nature and by whatever means made or claimed to be made in whole or in part for political, religious, ideological or similar purposes

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

Special Provision – Employers' Liability Section and Road Risks Section

Subject otherwise to the terms conditions and exclusions of the Policy the terrorism exclusion stated above shall not apply and indemnity shall continue to operate to the extent provided for as follows

1. the insurance provided under the Employers' Liability Section where operative shall continue to satisfy the requirements of the relevant law applicable in Great Britain Northern Ireland the Isle of Man the Island of Guernsey the Island of Jersey or the Island of Alderney or where so extended to offshore installations in any waters outside the United Kingdom to which the Employers' Liability (Compulsory Insurance) Act 1969 or any amending primary legislation applies

Provided that the Limit of Indemnity in this respect shall be reduced to £5,000,000 any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause inclusive of all claimants' and defence costs and expenses and not for the amount stated in the Section Schedule

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

- (a) death of or bodily injury to any person
- (b) damage to property up to £250,000 in respect of any one claim or number of claims arising out of one Event

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

5. Deductible

in respect of the amounts stated in any Schedule as a Deductible for the first part of each and every claim hereunder under one or more Sections of this Policy in respect of an Event as ascertained after the application of the terms conditions and provisions of this Policy including any condition of average and which shall apply to costs and expenses incurred by the Company in investigating such claim irrespective of whether an indemnity is subsequently provided to the Insured

For the purpose of the application of the Deductible it is agreed that

- (a) in respect of the Public and Products Liability Section and Cybermedia Liability Section where insured

All claims attributable to

- (i) the same act or omission
- (ii) a series of acts or omissions consequent upon or attributable to the same original cause or source

will be regarded as one claim for which the Company's liability shall not exceed any of the specified amounts detailed in the Schedules as limits of indemnity or the amount of any other limit stated in the Policy

The amount of the Deductible shall form part of such limit of indemnity and for the avoidance of doubt the limit of indemnity shall not apply in excess of the amounts stated as a Deductible

- (b) in respect of the Property Damage Section and Rent Section where insured

- (i) loss or damage arising from one Event which affects one or more Premises of the Insured
- (ii) loss or damage to insured property arising during any one period of 72 consecutive hours and caused by storm tempest flooding or escape of water from tanks apparatus or pipes

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

6. Cyber Risk – Third Party

in so far as indemnity would otherwise be provided under the Public and Products Liability Section where operative or any Optional Extension Clauses or endorsements attaching thereto in respect of all sums which the Insured shall become legally liable to pay as Compensation and claimants' and defence costs and expenses for and arising out of

A. Defamation and Intellectual Property Rights

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

which is committed or occasioned through the use of Cybermedia

B. Personal Rights

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

which is committed or occasioned through the use of Cybermedia

C. Computer Virus

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

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

in relation to any computer

D. Data Protection

Contravention of the requirements of the Data Protection Act 1998 which is committed or occasioned through the use of Cybermedia

E. Computer Fraud and Computer Misuse

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

- (i) physical damage to hardware and ancillary equipment and
 - (ii) for the avoidance of doubt loss destruction of corruption of or damage to software programs data or information
- in relation to any computer

F. Denial of Access

- (i) Denial of Access

7. Punitive and other non compensatory Damages

in respect of

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

8. Liability Coverages - Asbestos

in so far as indemnity would otherwise be provided under the Public and Products Liability Section where operative or any Optional Extension Clauses or endorsements attaching thereto in respect of legal liability inclusive of claimants' and defence costs and expenses directly or indirectly resulting from caused by contributed to attributed to or in any way related to

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

or

- (b) the existence of asbestos in any form

Property Damage Section

Definitions

In this Section the following terms shall have the following meanings

1. Buildings

The word 'Buildings' shall mean the buildings at the Business Premises and includes

- (a) landlord's fixtures and fittings therein and thereon including former property of tenants relinquished to the Named Insured
- (b) outbuildings annexes extensions and sub stations
- (c) walls gates fences canopies and signs
- (d) car parks yards pavements forecourts driveways and service areas roads pedestrian malls associated lampposts and other street furniture
- (e) foundations or footings unless otherwise excluded
- (f) all Glass including framework alarm strips or fittings and lettering thereon
- (g) fixed fuel oil tanks fixed diesel fuel tanks and fixed liquefied petroleum gas tanks
- (h) building management systems security lighting security cameras and other security devices and fire protection devices
- (i) signs attached to Buildings communication aerials and similar devices
- (j) telephone gas water and electric instruments meters piping cabling ducting fibre optic or integrated services digital network lines wires and associated control gear and accessories including similar property in adjoining yards or roadways or underground including drains and sewers all within the perimeter of the Business Premises and extending to the public mains

2. Damage or Damaged

The words 'Damage' or 'Damaged' shall mean for the purposes of this Section accidental loss or destruction of or damage to the Property Insured

3. Glass and Sanitary Ware

The word 'Glass' shall mean flat annealed fixed glass toughened and laminated glass illuminated signs and electric light fittings at the Business Premises

The words 'Sanitary Ware' shall mean wash basins lavatory pans or other sanitary fittings at the Business Premises

4. Machinery Plant and All Other Contents

The words 'Machinery Plant and All Other Contents' shall mean

- (a) property comprising contents of common parts including fitted carpets (but not landlord's fixtures and fittings and property comprising fixtures and fittings formerly the property of tenants which has been relinquished to the Named Insured)
- (b) furniture furnishings potted plants and their containers
- (c) outdoor trees shrubs and plants statues and other garden ornaments to the extent provided for in cover clause 16
- (d) signs (excluding those attached to Buildings) to the extent provided for in cover clause 16
- (e) contents of fuel and oil tanks
- (f) refuse disposal bins and skips

whilst contained in or about the Buildings but not other Property Insured specified in the Schedule

5. Premises and Business Premises

The word 'Premises' shall mean buildings with their grounds at the addresses described in the List Of Premises And Other Locations Schedule attaching to the Master Schedule forming part of this Policy and identified by the 'Premises Code' shown against it

The words 'Business Premises' shall mean those Premises which the Named Insured own occupy or are responsible for

6. Property and Property Insured

The words 'Property' and 'Property Insured' shall mean as described in the Schedule and Specification forming part of this Section

7. Working Hours

The words 'Working Hours' shall mean the whole period during which the vehicle is being used by its driver in connection with the Business of the Named Insured including travel to and from the place of work and any break in such journey but shall not include when the vehicle is parked for any overnight rest period

Cover

1. General

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

option reinstate replace or repair such Property or any part thereof provided that the liability of the Company shall in no case exceed in respect of each insured item the Sum Insured for that item in the Schedule or in the whole the Total Sum Insured

2. Temporary Removal

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

This clause does not cover

- (a) Damage to explosives goods any other goods of a dangerous nature deeds plans designs documents manuscripts business books computer system records or Money
- (b) Damage to Property resulting from dishonesty fraudulent actions trick or device or other false pretence of any Employee of the Named Insured

3. Mortgagee/Freeholder/Lessor

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

4. Non-Invalidation

Notwithstanding General Conditions 1 and 2 the insurance by this Section shall not be invalidated by any act or omission or by any alterations in respect of any portion of the Premises hereby insured not occupied by the Named Insured whether constituting an increase in risk or not unknown to the Named Insured provided that immediately the Named Insured becomes aware thereof shall give notice to the Company and pay an additional premium if required

5. Workmen

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

6. Architects' Surveyors' Legal and Other Fees

The insurance in respect of Property Insured as specified in the Schedule unless insured by a separate item includes an amount in respect of architects' surveyors' legal and other professional fees (but excluding the cost of professional fees of managing Agents) necessarily incurred in the reinstatement of the Property Insured consequent upon Damage thereto but not for preparing any claim it being understood that the amount payable for such fees shall not exceed those authorised under the scale of charges of the respective professional bodies at the time of such reinstatement and provided that

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

7. Managing Agent's Fees

The insurance in respect of Property Insured as specified in the Schedule shall include an amount in respect of the cost of professional fees of managing Agents necessarily incurred in the repair or reinstatement of the Property Insured consequent upon Damage thereto but not for fees which are incurred as part of the managing Agent's general administrative duties or purely in connection with the preparation or administrative handling of a claim and provided that

- (a) the Company's liability for Damage and fees shall not exceed in total the Sum Insured in respect of each insured item of Property Insured
- (b) such fees are in respect of work of benefit to the Company and have been agreed with the Company in advance

8. Automatic Reinstatement

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

9. Capital Additions

The insurance on items specified in the Schedule in respect of Buildings and or Machinery Plant and All Other Contents extends to include

- (a) alterations additions and improvements to Property Insured (but not appreciation in value thereof)
- (b) newly acquired and/or occupied property insofar as the same are not otherwise insured anywhere within the Territorial Limits

Provided that

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

10. Removal of Debris

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

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

as a result of Damage insured by this Section

Provided that

- (i) The Company will not pay for any costs or expenses
 - (a) incurred in removing debris except from the site of such Property Damaged and the area immediately adjacent to such site
 - (b) arising from the pollution or contamination of property not insured by this Section
- (ii) unless (iii) below applies the Company's liability for Damage and removal of debris shall not exceed in total the Sum Insured in respect of each insured item of Property Insured
- (iii) where there is a specific item in the Schedule for removal of debris the Company will pay for costs or expenses incurred in removing debris only to the extent described in such item in the Schedule and the Company's liability shall not exceed the Sum Insured in respect of such item in respect of any one claim or claims arising from an Event

11. European Community and Public Authorities Clause (including Undamaged Property)

Subject to the following special conditions the insurance in respect of Property as specified in the Schedule extends to include such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the stipulations of

- (a) European Community Legislation or
- (b) Building or other regulations under or framed in pursuance of any Act of Parliament or Bye-Laws of any Public Authority or the Company's Requirements to replace in accordance with the current LPC Sprinkler Rules the automatic sprinkler installation which already conforms to 28th Edition rules or conformed to the 29th Edition of the LPC rules when installed but fails to conform to subsequent amendments to those rules

(hereinafter referred to as the Stipulations) in respect of

- the Damaged Property thereby insured
- undamaged portions thereof

excluding

- (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 loss destruction or damage not insured by the Section
 - (iii) under which notice has been served upon the Named 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
 - (v) in respect of Property entirely undamaged by any peril hereby insured against
- (b) the additional cost that would have been required to make good the Property Damaged to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen
- (c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the Property or by the owner thereof by reason of compliance with the Stipulations

Special Conditions

1. The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the Damage or within such further time as the Company may in writing allow (during the said twelve months) and may be carried out upon another site (if the Stipulations so necessitate) subject to the liability of

the Company under this extension not being thereby increased

2. If the liability of the Company under (any item of) this Section apart from this extension shall be reduced by the application of any of the terms and conditions of this Section then the liability of the Company under the extension (in respect of any such item) shall be reduced in like proportion
3. The total amount recoverable under any item of this Section in respect of this extension shall not exceed
 - (a) in respect of the Damaged Property
 - (i) 15% of its Sum Insured
 - (ii) where the Sum Insured by the item applies to Property at more than one Business Premises 15% of the total amount for which the Company would have been liable had the Property Insured by the item at the Business Premises where the Damage has occurred been wholly destroyed
 - (b) in respect of undamaged portions of Property (other than foundations) 15% of the total amount for which the Company would have been liable had the Property Insured by the item at the Business Premises where the Damage has occurred been wholly destroyed
4. The total amount recoverable under any item of this Section shall not exceed its Sum Insured
5. All the terms and conditions of this Section except in so far as they are varied hereby shall apply as if they had been incorporated herein

12. Glass

In respect of Glass forming part of the Buildings at the Business Premises the Company will pay to the Named Insured the costs incurred in

- (a) replacing all fixed Glass on the interior and exterior of the Buildings including stained glass and any Sanitary Ware
- (b) any necessary boarding up or temporary glazing pending replacement of broken Glass
- (c) removing and re-fixing window fittings or other obstacles to Glass replacement

caused by Damage which is not otherwise excluded by this Section and where the responsibility for such costs has not been passed by the Named Insured to a tenant occupying the Building

Provided that the liability of the Company shall in no case exceed in respect of each insured item on Buildings the Sum Insured for that item in the Schedule

13. Loss of Metered Water and Gas

The insurance by this Section extends to include loss of metered water or gas arising from Damage resulting in a water or gas charge which the Named Insured is unable to recover from any other party

Provided that

- (a) the Company shall not be liable for loss of metered water or gas due to leaking from or bursting of an underground pipe
- (b) the extent of such loss is determined by measurement from the Water or Gas Authority meter
- (c) the amount payable is in respect of the excess water or gas charges levied by the Water or Gas Authority but shall not exceed £10,000 in respect of any one Event

14. Fire Extinguishing Expenses and Alarm Re-setting Expenses

The insurance by this Section extends to include the costs incurred by the Named Insured in

- (a) recharging replenishing or replacing fire extinguishing appliances
- (b) recharging of gas extinguishing installations including but not limited to FM200 Argon Inergen and CO₂ gas extinguishing installations
- (c) refilling sprinkler tanks where costs are metered
- (d) replacing sprinkler heads in automatic sprinkler installations
- (e) resetting fire and intruder alarms and closed circuit television systems

rendered necessary as a result of Damage caused by fire at the Business Premises for which liability is admitted under this Section

15. Keys Clause

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

- (a) resulting from any accidental loss
- (b) where there is reasonable evidence that such keys have been copied by an unauthorised person

The Company's liability is limited to £1,500 any one claim or claims arising from an Event

16. Outdoor Property and Landscaping

In respect of Damage as insured by this Section to

- (a) outdoor trees shrubs and plants statues and other garden ornaments
- (b) signs other than those attached to Buildings

forming part of Machinery Plant and All Other Contents the Company will pay

- (i) in respect of property described in (a) up to £250 for any one tree shrub plant statue or garden ornament including the cost of removing from the Business Premises following Damage
- (ii) in respect of property described in (a) and (b) up to £25,000 in total any one claim or claims arising from an Event

and which shall also apply to the cost of restoring any Damage done to such property by the emergency services in entering the Business Premises as a result of Damage

Additionally and inclusive within the limit stated in (ii) above the insurance by this Section shall include the cost of restoring any Damage done to landscaping by the emergency services in entering the Business Premises as a result of Damage

17. Other Interested Parties

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

It is agreed that where work is carried out at any Business Premises insured by this Section under Clause 22(c) of the JCT Standard form of Building Contract or any similar contract then the contractor and others named in the contract are deemed to be joint insured under this section to the extent required by the contract provided that the Named Insured shall inform the Company as soon as practicable and accept additional terms as the Company may require

18. Trace and Access

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

- (a) the insurance under this cover clause shall not apply in respect of the cost of repairs to any fixed domestic water services or heating installation
- (b) the Company's limit of liability under this cover clause shall not exceed £50,000 any one claim or claims arising from an Event

19. Clearance of Drains

The insurance by this Section shall include costs and expenses necessarily incurred by the Named Insured in clearing drains sewers and gutters the property of the Named Insured or for which they are responsible at Business Premises following Damage

Provided that the Company's liability for Damage and such costs shall not exceed in total the Sum Insured in respect of each insured item of Property Insured at the Business Premises

20. Unauthorised use of Electricity Gas or Water

The insurance by this Section shall include the cost of metered electricity gas or water for which the Named Insured is legally responsible arising from its unauthorised use by persons taking possession of or occupying Business Premises without the Named Insured's authority provided that

- (a) the Named Insured shall take all practical steps to terminate such unauthorised use as soon as it is discovered
- (b) the Company's limit of liability under this cover clause shall not exceed £10,000 in respect of any one Event

21. VAT

The insurance by this Section in respect of Buildings shall include in addition to the Sum Insured any value added tax paid by the Named Insured (including self-supply value added tax) which is not subsequently recoverable

Provided that

- (a) (i) the Named Insured's liability for such tax arises solely as a result of reinstatement of Buildings following Damage and the Company shall have paid or shall have agreed to pay for such reinstatement
- (ii) if any payment made by the Company in respect of the reinstatement of Buildings following Damage should be less than the actual costs of reinstatement any payment under this cover clause shall be reduced in like proportion
- (b) the Named Insured's liability for such tax does not arise from the reinstated Building having a greater floor area

than or being better or more extensive than the Building Damaged

- (c) where an option to reinstate on another site is exercised the Company's liability under this cover clause shall not exceed the amount of tax that would have been payable had the Building been rebuilt on its original site
- (d) the Company's liability under this cover clause shall not include amounts payable by the Named Insured as penalties or interest for non-payment or late payment of tax
- (e) the Company's limit of liability under this cover clause shall not exceed £1,000,000 in respect of any one claim or claims arising from an Event

Conditions

1. **Fire Precautions** (applicable only if the devices described therein are installed at the Business Premises and are the direct responsibility of the Named Insured or their Agents)

The Named Insured or their Agents shall ensure that in respect of

1. **Fire Break Doors and Shutters**

all fire break doors and shutters will be kept closed (except during working hours) and will be maintained in efficient working order

2. **Fire Extinguishing Appliances**

all fire extinguishing appliances will be regularly inspected and maintained in efficient working order

3. **Fire Alarm Installations and Automatic Sprinkler Installations**

the Named Insured shall

- (a) take all reasonable steps to
 - (i) prevent frost and other damage to the installations
 - (ii) subscribe to an annual maintenance contract to ensure the automatic sprinkler and fire alarm installation (internal and external) are in operational condition
 - (iii) maintain ready access to the water supply control facilities
- (b) notify the Company in writing and obtain its prior agreement in writing before any repairs or alterations to the installations are implemented
- (c) allow the Company access to the Business Premises at all reasonable times to inspect the installations
- (d) make a test every week for the purpose of ascertaining that the Alarm Gong is in working

order and that the Stop Valves controlling the individual water supplies and the Installation(s) are fully open

- (e) make quarterly or half-yearly tests if required by the Company to do so for the purpose of ascertaining that each water supply is in order and record the particulars of each test
- (f) make a test at least once a week for the purpose of ascertaining the condition of (i) Brigade connection and (ii) the batteries in respect of each approved system for the transmission of alarm signals from sprinkler installations to a Fire Brigade

N.B. 1 - As regards (i) where the Fire Brigade has given a written undertaking to carry out this test the Insured's responsibility will be confined to requirement (ii)

N.B. 2 - Where the circuit concerned in (i) is not continuously monitored the aforesaid test is to be carried out every weekday (weekends and public holidays excepted)

- (g) make a test every weekday (weekends and public holidays excepted) for the purposes of ascertaining the condition of the circuit between the alarm switch and the control unit

N.B. 3 - Where the circuit between the alarm switch and the control unit is continuously monitored or the circuit is such that one break of wires will not prevent an alarm signal being transmitted (e.g. a ring circuit) this test need not be made

- (h) remedy promptly any defect revealed by the above tests
- (i) give notice to the Company in relation to any automatic sprinkler installation if
 - (a) its water supply be turned off
 - (b) it becomes inoperative from any cause except for the purpose of testing maintenance or repair
- (j) display at each sprinklered storage area a notice of the terms agreed with the Company which specifies
 - (i) the description of the goods which may be stored
 - (ii) the maximum height of storage
 - (iii) the minimum permitted clearance between goods stored and the sprinkler deflectors and comply with the terms of the notice

If alterations or repairs to the automatic sprinkler installation become necessary to ensure its full and effective operational capability the Company may at its

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

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

2. Security Precautions – Business Premises

The Named Insured or their Agents shall ensure that in respect of Business Premises for which the security is the direct responsibility of the Named Insured or their Agents and/or in respect of any empty or disused Building

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

The insurance provided under this Section does not cover Damage caused by theft or attempted theft from the Business Premises other than by robbery or

The words 'Intruder Alarm' include detection devices sensors detection circuit control and processing equipment power supplies audible and remote signalling including ancillary telecommunication systems

3. Underinsurance

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

4. Unoccupancy

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

5. Explosion

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

6. Claims Conditions

(a) Contracting Purchaser's Interest

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

(b) Subrogation Waiver

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

- (i) (a) any company standing in the relation of parent to subsidiary to the Named Insured
 - (b) any company standing in the relation of subsidiary to parent to the Named Insured
 - (c) any company which is a subsidiary of a parent company of which the Named Insured is a subsidiary
- in each case as defined by current legislation
- (ii) any tenant or lessee of the Business Premises insured unless
 - (a) Damage has been occasioned or contributed to by the fraudulent or criminal or malicious act of such a tenant or lessee
 - (b) Damage has occurred to parts of the Business Premises not leased or rented by such tenants other than common areas the use of which is available to all tenants

(c) Reinstatement

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

(d) Company's Rights following a Claim

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

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

7. Designation

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

8. Other Insurances

If any other insurance effected by or on behalf of the Named Insured is expressed to cover any of the Property hereby insured but is subject to any provision whereby it is

excluded from ranking concurrently with this Section either in whole or in part from contributing rateably to the loss destruction or damage the liability of the Company hereunder shall be limited to such proportion of the loss destruction or damage as the Sum Insured hereby bears to the value of such Property

If any other insurance shall be subject to any condition of average this Section if not already subject to an Underinsurance Condition shall be subject to average in like manner

Basis of Settlement

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

1. Indemnity – Code: INDTY

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

Special Provision

(a) Underinsurance Condition

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

2. Reinstatement – Code REINS

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

For this purpose Reinstatement means

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

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

Special Provisions

(a) Repairs and Restoration

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

(b) Underinsurance Condition

If at the time of Reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the Property Insured covered by any Item to which this Basis applies exceeds its Sum Insured at the commencement of Damage the amount payable by the Company will not exceed that proportion of the amount of such Damage which the said Sum Insured compares to the total cost of reinstating the whole of such Property Insured at that time

(c) Alternative Basis of Payment

Even where this Reinstatement Basis of Settlement applies the amount payable will be in accordance with the Indemnity Basis

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

3. Day One Reinstatement – Code: DAY 1

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

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

Special Provisions

- (a) The Premium has been calculated on the basis of the Declared Value stated in writing to the Company

- (b) Declared Value means the Insured's assessment of the cost of Reinstatement of the Property Insured arrived at in accordance with the Reinstatement Basis of Settlement paragraph 2(a) at the level of costs applying at the commencement of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with in so far as the insurance by the item provides due allowance for
 - (i) Removal of Debris
 - (ii) Professional Fees
 - (iii) complying with Public Authority Requirements
- (c) At the commencement of each Period of Insurance the Insured will notify the Company of the Declared Value of the Property Insured by each item. In the absence of such declaration the last amount declared by the Insured will be taken as the Declared Value for the ensuing Period of Insurance
- (d) The Declared Value for each item of Property insured in accordance with this Basis of Settlement is the amount shown in the brackets below the Sum Insured in respect of each item on the Property Damage Specification
- (e) In the event of loss the liability of the Company in respect of Property insured in accordance with this Basis of Settlement will not exceed
 - (i) the Declared Value applicable to each item multiplied by the Day One Adjustment figure specified in the Schedules
 - or
 - (ii) if special provision 2(c) of the Reinstatement Basis (the Alternative Basis of Payment) applies the Declared Value applicable to each item as specified in the Schedules

Exclusions

The insurance provided under this Section does not cover

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

(e) growing vegetation

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

2. (a) Damage caused by or consisting of
- (i) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin insects humidity contamination or action of light
 - (ii) change in temperature colour flavour texture or finish
 - (iii) the freezing solidification or inadvertent escape of molten material
- (b) Damage consisting of
- (i) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith
 - (ii) breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates

but this shall not exclude

- (a) such Damage not otherwise excluded which itself results from a Defined Peril or from any other Damage
- (b) subsequent Damage which itself results from a cause not otherwise excluded

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

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

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

4. Damage to Property Insured

- (a) away from the Premises (where the insurance on any

Property Insured item as stated in the Specification to the Schedule so provides or as provided for under cover clause 2 Temporary Removal) caused by theft or attempted theft of the Property Insured

- (i) from or on an unattended vehicle or trailer during Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property to be placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked
 - (ii) from or on an unattended vehicle or trailer out of Working Hours unless all doors windows and other means of access have been secured and locked and alarm (if any) activated and in respect of an unattended vehicle the Property to be placed in the boot or similar luggage compartment of the vehicle (and in so doing to be effectively concealed from sight) and which is securely closed and locked and such vehicle or trailer is garaged in a securely closed and locked building or compound
 - (iii) from or on an unattended soft topped open topped or open sided vehicle or trailer unless also involving theft of the vehicle or trailer
 - (iv) where Property is otherwise left unattended (which term shall mean that the Insured is unable to exercise control over or otherwise unable to influence events affecting the Property) unless contained in a locked building of substantial construction or in a secure locked room
- (b) in or on soft topped open topped or open sided vehicles or trailers if caused by
- (i) storm tempest water hail frost or snow
 - (ii) malicious persons when the vehicle or trailer is left unattended out of Working Hours

5. Damage caused by pollution or contamination but this shall not exclude Damage to the Property Insured not otherwise excluded caused by

- (a) pollution or contamination which itself results from a Defined Peril
- (b) a Defined Peril which itself results from pollution or contamination

6. Damage caused by or consisting of

- (a) subsidence ground heave or landslip unless resulting from fire explosion earthquake or the escape of water from any tank apparatus or pipe
- (b) normal settlement or bedding down of new structures
- (c) dishonesty fraudulent action trick device or other false

pretence by any Employee partners or directors of the Named Insured whether acting alone or in collusion with others

(d) disappearance unexplained or inventory shortage misfiling or misplacing of information

7. Damage to Buildings or structures thereat caused by their own collapse or cracking unless resulting from a Defined Peril insofar as it is not otherwise excluded

8. Damage by wind rain hail sleet snow flood or dust to moveable Property in the open or fences or gates

9. Damage to that part of the Property

(a) caused by fire resulting from its undergoing any heating process or any process involving the application of heat

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

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

Special Condition

It is a condition precedent to liability under the Policy (notwithstanding General Condition 1) that

(a) the Business Premises are secured against illegal entry
All accessible windows and doors shall be fitted with good quality locks

(b) all services to be disconnected other than limited services required for security guards fire and intruder alarms unless otherwise agreed by the Company in writing

(c) all letter boxes shall be sealed to prevent insertion of material

(d) perimeter fences walls and gates shall be kept complete and maintained

(e) the Business Premises shall be kept clear both internally and externally of combustible materials and not be used for storage

(f) vegetation surrounding the building shall be kept down

(g) the Business Premises shall be inspected thoroughly internally and externally at least weekly (or at a frequency agreed by the Company in writing) by the Named Insured or a responsible person appointed by

the Named Insured and a record maintained of such inspections and any defects rectified without delay

11. Damage in respect of

(a) vehicles requiring a licence for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft

(b) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection

(c) land piers jetties bridges culverts or excavations

(d) livestock growing crops or trees

unless specifically mentioned as insured by this Section

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

13. Damage in respect of Money

14. any property more specifically insured by or on behalf of the Named Insured

15. consequential loss or damage of any kind or description

16. Damage directly or indirectly caused by or consisting of the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Insured or not and whether occurring before during or after the year 2000

(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 process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture to save retain or correctly to process such data on or after such date

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

or attempted theft where such failure is not the result of wilful misconduct by the Insured and that the Insured has undertaken all reasonable efforts to prevent such failure and to mitigate the consequences of any such failure

17. Damage caused by or resulting from an attack which allows unauthorised access or use of a computer or telecommunications system by electronically circumventing a security system and procedure and or a Computer Virus but this shall not exclude Damage not otherwise excluded which itself results from fire explosion escape of water from any tank apparatus or pipe

18. Damage to Property outside the Territorial Limits (where the insurance on any Property Insured item so applies) where such Property is situate in any territory which is subject to sanctions imposed by the United Nations or by the Governments of the United Kingdom or the United States of America

19. Damage in respect of

- (a) jewellery precious stones precious metals bullions furs curiosities or rare books
- (b) works of art unless specifically mentioned as insured by this Section

Endorsements

The following endorsements are only operative shown on the Property Damage Section Schedule and subject otherwise to the terms conditions and exclusions of the Section and the Policy

PD01. Subsidence

Notwithstanding Section Exclusion 6(a) the insurance is extended to include Damage caused by or consisting of subsidence or ground heave of any part of the site on which the Property stands or landslip excluding

- (a) Damage to yards car-parks pavements walls gates and fences unless also affecting a Building insured hereby
- (b) Damage caused by or consisting of
 - (i) the normal settlement or bedding down of new structures
 - (ii) the settlement or movement of made-up ground
 - (iii) coastal or river erosion
 - (iv) defective design or workmanship or the use of defective materials

(v) fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe

- (c) Damage which originated prior to the inception of this cover
- (d) Damage resulting from
 - (i) demolition construction structural alteration or repair of any Property or
 - (ii) groundworks or excavation at the same Premises
- (e) the Deductible stated in the Schedule and which shall apply to each separate Premises as ascertained after the application of any Underinsurance Condition

Special Condition

In so far as this insurance relates to Damage caused by or consisting of subsidence ground heave or landslip this Section shall be avoided if the risk of such Damage is increased by reason of demolition groundworks excavation or construction being carried out on any adjoining site unless admitted by the Company in writing

PD38. Residential Property

Notwithstanding anything contained in this Section and where the Business Premises are not insured in respect of loss of rent receivable under the Rent Section insofar as it is the responsibility of the Named Insured this Section extends to include the reasonable additional cost of comparable alternative accommodation including kennelling costs for pets incurred by the lessee of a residential building or residential portion of any Business Premises insured in the event the residential building or residential portion of the Business Premises being uninhabitable due to

- (a) Damage as insured by this Section but only in respect of the period necessary for Reinstatement as defined in the Reinstatement Basis of Settlement
- (b) Damage as insured by this Section to the surrounding areas and/or to property in the vicinity of the Business Premises which shall prevent or hinder the use thereof or access thereto whether the Business Premises or property of the Named Insured shall be damaged or not
- (c) Damage as insured by this Section at the premises of the Named Insured's managing Agents within the Territorial Limits
- (d) Damage at
 - (i) any generating station or sub-station of the public electricity supply undertaking

- (ii) any land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith
- (iii) any water works or pumping station of the public water supply undertaking from which the Business Premises obtains electric gas or water services
- (e) (i) Infectious Disease manifested by any person whilst at the Business Premises which results in closure of the whole or part of the Premises
- (ii) an outbreak of a Infectious Disease within 10 miles of the Business Premises
- (iii) an outbreak of legionella species at the Business Premises which results in closure of the whole or part of the Business Premises by the order of a competent local authority
- (iv) closing of the whole or part of the Business Premises by the order of a competent local authority as a result of
 - (a) defects in the drains or other sanitary arrangements at the Business Premises
 - (b) the Business Premises becoming infested with vermin or pests

For the purposes of paragraph (e) of this cover clause the following terms shall have the following definitions

Infectious Disease

The term 'Infectious Disease' shall mean

- (i) Food or Drink poisoning
- (ii) Cholera
 - Plague
 - Relapsing fever
 - Smallpox
 - Typhus
- (iii)

| | |
|------------------------|--------------------|
| Acute encephalitis | Ophthalmia |
| Acute poliomyelitis | neonatorum |
| Anthrax | Paratyphoid |
| Diphtheria | fever |
| Dysentery | Rabies |
| (amoebic or bacillary) | Rubella |
| Leprosy | Scarlet fever |
| Leptospirosis | Tetanus |
| Malaria | Tuberculosis |
| Measles | Typhoid fever |
| Meningitis | Viral haemorrhagic |
| Meningococcal | fever |
| septicaemia | Viral hepatitis |
| (without meningitis) | Whooping cough |
| Mumps | Yellow fever |

Indemnity Period

The term 'Indemnity Period' means the period during which the results of the Business shall be affected in consequence of the matters set out at (e)(i) to (e)(iii) above beginning

- (A) in the case of (e)(i) and (e)(ii) above with the occurrence or discovery of the incident
- (B) in the case of (e)(iii) and (e)(iv) above with the date from which the restrictions on the Business Premises are applied

and ending not later than three months thereafter

Provided that the Company's liability under (a) to (e) of this endorsement in the aggregate in respects of all claims during the Period of Insurance at any one situation shall not exceed 20% of the Sum Insured under the relevant item of Buildings shown as Property Insured in the Specification to the Schedule

Rent Section

Definitions

1. Business Premises

The words 'Business Premises' shall mean buildings with their grounds at the addresses described in the List Of Premises And Other Locations Schedule attaching to the Master Schedule forming part of this Policy and identified by the 'Premises Code' shown against it which the Named Insured own occupy or are responsible for

2. Damage

The word 'Damage' shall mean for the purposes of this Section accidental loss or destruction of or damage

3. Indemnity Period

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

Cover

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

Provided that

1. at the time of the happening of the Damage there shall be in force an insurance covering the interest of the Named Insured in the property at the Business Premises (or elsewhere where loss as insured hereunder is so extended to apply) against such Damage and that
 - (a) payment shall have been made or liability admitted therefor
 - (b) payment would have been made or liability admitted therefor but for the operation of a proviso in such insurance excluding liability for losses below a specified amount
2. the liability of the Company under this Section shall not exceed

- (a) in the whole the Total Sum Insured or in respect of any item its Sum Insured or any other Limit of Liability stated in the Schedule at the time of the Damage
- (b) the Sum Insured (or Limit) remaining after deduction for any other loss destruction or interference consequent upon Damage occurring during the same Period of Insurance unless the Company shall have agreed to reinstate any such Sum Insured (or Limit)

Memoranda

1. Accountants

Any particulars or details in the Named Insured's books of account or other business books or documents which may be required by the Company under General Condition 6 of the Policy for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Named Insured and their report shall be prima facie evidence of the particulars and details to which such report relates

The Company will pay to the Named Insured the reasonable charges payable by the Named Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the Company under the terms of General Condition 6 of the Policy and reporting that such particulars or details are in accordance with the Named Insured's books of account or other business books or documents

Provided that the liability of the Company payable under this Clause when aggregated with any amount otherwise payable under the Section shall in no case exceed the Total Sum Insured by this Section

2. Automatic Reinstatement

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

3. Current Cost Accounting

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

4. Value Added Tax

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

5. Payments on Account

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

Basis of Settlement - Declaration Linked Rent Receivable: Code DLRR

The insurance under this item is limited to

(a) **Loss of Rent Receivable**

and

(b) **Increase in Cost of Working**

and the amount payable as indemnity hereunder shall be

- (a) in respect of **Loss of Rent Receivable** the amount by which the Rent Receivable during the Indemnity Period shall in consequence of the Damage 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 Named Insured for the sole purpose of avoiding or diminishing the reduction in Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Rent Receivable thereby avoided

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

Limit of Liability

Notwithstanding anything herein contained to the contrary the liability of the Company shall not exceed in respect of Rent Receivable 200% of the Estimated Rent Receivable stated herein nor in the whole the sum of 200% of the Estimated Rent Receivable and 100% of the Sums Insured by other items or such other amounts as may be substituted therefor by memorandum signed by or on behalf of the Company

Special Definitions

Rent Receivable

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

Estimated Rent Receivable

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

Annual Rent Receivable

The Rent Receivable during the twelve months immediately before the date of the Damage

Standard Rent Receivable

The Rent Receivable during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period appropriately adjusted where the Indemnity Period exceeds twelve months

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

Additional Memoranda

Renewal

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

Buildings Awaiting Sale

If at the time of Damage to property at the Business Premises the Named Insured shall have contracted to sell their interest in the Business Premises and the sale is cancelled or delayed solely in consequence of such Damage the amount payable at the Named Insured's option shall be

- (a) during the period prior to the date upon which but for the Damage the Business Premises would have been sold the actual amount of the reduction in Rent Receivable incurred during the Indemnity Period in consequence of the Damage
- (b) in respect of interest during the period commencing with the date upon which but for the Damage the Business Premises would have been sold and ending with the actual date of sale or with the expiry of the maximum Indemnity Period if earlier
 - (i) the actual amount of additional interest payable by the Named Insured (after deduction of any interest

received by the Named Insured) on loans necessarily and reasonably effected or extended in consequence of the Damage for the sole purpose of maintaining the Business during the Indemnity Period

or

- (ii) if the Named Insured shall elect to use their own capital to continue to finance in part or in total the Business at the Business Premises the investment interest which that capital would otherwise have earned during the Indemnity Period but not exceeding the amount which would have been payable under clause b) i) above had the Named Insured not employed their own capital less any Rent Receivable received
- (c) in respect of additional expenditure necessarily and reasonably incurred by the Named Insured during the Indemnity Period in consequence of the Damage for the sole purpose of avoiding or diminishing the loss under paragraphs a) and b) but not exceeding the amount of loss avoided by such expenditure

Provided that the amount payable shall not exceed the amount of Rent Receivable that would have been earned had the Business Premises been leased or rented

New Business

Where Rent Receivable is insured in respect of any Business Premises and the Named Insured have not completed one years trading of the Business at the Business Premises prior to the occurrence of Damage the term Standard Rent Receivable shall bear the following meaning and not as within stated

Standard Rent Receivable

The proportional equivalent for a period equal to the Indemnity Period of the Rent Receivable realised during the period between the commencement of the Business and the date of the Damage Rent Receivable during the twelve months immediately before the date of the Damage

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

Rent Section

Additional Cover Clauses

1. Loss of Management Fees

In the event of Damage to property at the Business Premises the Company will pay the additional costs incurred by the Named Insured with the consent of the Company in respect of management and supervision of Reinstatement provided that

- (a) the Company's liability shall not exceed £25,000 any one claim or claims arising from an Event
- (b) this cover clause does not apply where the Reinstatement amount is less than £250,000

For the purposes of this cover clause the term 'Reinstatement' shall mean as defined in the applicable Basis of Settlement under the Property Damage Section

2. Cost of Reletting Business Premises

Notwithstanding anything contained in the Basis of Settlement Declaration Linked Rent Receivable the insurance provided thereunder shall include costs incurred with the consent of the Company during the Indemnity Period in reletting the Business Premises including legal fees in connection with said reletting solely in consequence of the Damage

Provided that the sum of the amount payable under this cover clause and the amount otherwise payable under the Basis of Settlement Declaration Linked Rent Receivable shall in no case exceed the liability of the Company in respect of Rent Receivable thereunder

3. Managing Agents and Named Insured's Own Premises

It is agreed that Rent Receivable as insured by this Section extends to include loss resulting from interruption to or interference with the Business in consequence of Damage to buildings or other property at any location in the Territorial Limits

- (a) owned or occupied by the Named Insured for the purposes of their Business
- (b) any managing Agents employed or engaged by the Named Insured to collect Rent Receivable

in consequence of which Rent Receivable by the Named Insured is reduced

Provided that

- (i) the Company's liability shall not exceed 20% of the Sum Insured in respect of each insured item of Rent Receivable at the Business Premises or £10,000 whichever is the lesser amount in respect of any one claim or claims arising from an Event
- (ii) in respect of (b) above
 - (a) the Rent Receivable has not been outstanding for 120 days in excess of its due date
 - (b) such Rent Receivable is not recoverable under any other insurance

4. Loss of Investment Income on Late Payment of Rent Receivable

If as a result of Damage the Company is indemnifying the Named Insured in respect of loss of Rent Receivable and the payment by the Company to the Named Insured is made later than the date upon which the Named Insured would normally have expected to receive such rent from the lessee the Company will pay a further sum representing the investment interest which the Named Insured would have earned by placing the money in their normal deposit account during the delay period

Provided that the Company's liability under this cover clause shall not exceed £10,000 in respect of any one claim or claims arising from an Event

Exclusions

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

1. if after the commencement of this insurance
 - (a) the Business be wound up or permanently discontinued or the Named Insured becomes bankrupt or the Business is carried on by the liquidator(s)
 - (b) the interest of the Named Insured ceases other than by death
2. in consequence of Damage to vehicles requiring a licence for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
3. in consequence of Damage caused by the deliberate act of a supply undertaking in withholding the supply of water gas electricity fuel or telecommunication services but this shall not exclude

- (a) such Damage which itself results from other Damage and is not otherwise excluded
- (b) subsequent Damage which itself results from a cause not otherwise excluded

4. in consequence of Damage directly or indirectly caused by or consisting of the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Insured or not and whether occurring before during or after the year 2000

- (a) correctly to recognise any date as its true calendar date
- (b) to capture save 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 and /or correctly to process any data as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of data or the inability to capture save retain or correctly to process such data on or after any date

but this shall not exclude subsequent Damage not otherwise excluded which itself results from a Defined Peril or theft or attempted theft where such failure is not the result of wilful misconduct by the Named Insured and the Named Insured has undertaken all reasonable efforts to prevent such failure and to mitigate the consequences of any such failure

5. in consequence of Damage caused by or resulting from an attack which allows unauthorised access or use of a computer or telecommunications system by electronically circumventing a security system and procedure and or a Computer Virus but this shall not exclude Damage not otherwise excluded which itself results from fire explosion escape of water from any tank apparatus or pipe

6. in consequence of Damage in respect of Money

7. in consequence of Damage caused by or consisting of

- (a) inherent vice latent defect gradual deterioration wear and tear frost change in water table level its own faulty or defective design or materials
- (b) the bursting by steam pressure of any vessel machine or apparatus (not being a boiler or economiser on the Business Premises or a boiler used for domestic purposes only) in which internal pressure is due to steam only and belonging to or under the control of the Named Insured

- (c) faulty or defective workmanship operational error or omission on the part of the Named Insured or any of his Employees
- (d) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

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

8. (a) in consequence of Damage caused by or consisting of
- (i) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin insects humidity contamination or action of light
 - (ii) change in temperature colour flavour texture or finish
 - (iii) erasure or distortion of information on computer systems or other records due to the presence of a magnetic flux
 - (iv) the freezing solidification or inadvertent escape of molten material

(b) in consequence of Damage consisting of

- (i) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith
- (ii) breakdown or derangement in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates

but this shall not exclude

- (a) such Damage not otherwise excluded which itself results from a Defined Peril or from any other Damage
- (b) subsequent Damage which itself results from a cause not otherwise excluded

9. in consequence of Damage caused by theft or attempted theft of property from the Business Premises as stated in the Schedule unless caused by theft or attempted theft of the property

- (a) from the buildings (but not outbuildings or grounds) at the Business Premises
- (b) from outbuildings at the Business Premises where accompanied by forcible and violent entry to or exit from the outbuildings or by violence to persons or threat of violence to persons
- (c) from within the grounds at the Business Premises where accompanied by forcible and violent entry to or exit from grounds at the Business Premises or by violence to persons or threat of violence to persons and provided that the Business Premises have not been unoccupied for a period of more than thirty consecutive days

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

Special Condition

It is a condition precedent to liability under the Policy (notwithstanding General Condition 1) that

- (a) the Business Premises are secured against illegal entry
All accessible windows and doors shall be fitted with good quality locks
 - (b) all services to be disconnected other than limited services required for security guards fire and intruder alarms unless otherwise agreed by the Company in writing
 - (c) all letter boxes shall be sealed to prevent insertion of material
 - (d) perimeter fences walls and gates shall be kept complete and maintained
 - (e) the Business Premises shall be kept clear both internally and externally of combustible materials and not be used for storage
 - (f) vegetation surrounding the building shall be kept down
 - (g) the Business Premises shall be inspected thoroughly internally and externally at least weekly (or at a frequency agreed by the Company in writing) by the Named Insured or a responsible person appointed by the Named Insured and a record maintained of such inspections and any defects rectified without delay
17. in consequence of Damage in respect of
- (a) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
 - (b) land piers jetties bridges culverts or excavations
 - (c) livestock growing crops or trees
- unless specifically mentioned as insured by this Section
18. in consequence of Damage in respect of jewellery precious stones precious metals bullions furs curiosities works of art or rare books
19. in consequence of Damage to any Computer and Telecommunication Equipment (including all associated media programs and data) and Ancillary Equipment but for the avoidance of doubt this exclusion shall not apply to property comprising building management systems

Endorsements

The following endorsements are only operative if shown on the Rent Section Schedule and subject otherwise to the terms conditions and exclusions of the Section and the Policy

BI02. Subsidence

Notwithstanding Section Exclusion 12(a) the insurance is extended to include loss resulting from interruption to or interference with the Business in consequence of Damage caused by or consisting of subsidence or ground heave of any part of the site on which the property stands or landslip excluding

- (a) Damage to yards car-parks pavements walls gates and fences unless also affecting a Building insured hereby
- (b) Damage caused by or consisting of
 - (i) the normal settlement or bedding down of new structures
 - (ii) the settlement or movement of made-up ground
 - (iii) coastal or river erosion
 - (iv) defective design or workmanship or the use of defective materials
 - (v) fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe
- (c) Damage which originated prior to the inception of this cover
- (d) Damage resulting from
 - (i) demolition construction structural alteration or repair of any property or
 - (ii) groundworks or excavation at the same Business Premises
- (e) the Deductible if stated in the Schedule and which shall apply to each separate Business Premises as ascertained after the application of any Underinsurance Condition

Special Condition

In so far as this insurance relates to Damage caused by or consisting of subsidence ground heave or landslip this Section shall be avoided if the risk of such Damage is increased by reason of demolition groundworks excavation or construction being carried out on any adjoining site unless admitted by the Company in writing

BI09. Unoccupied Buildings

Where Rent Receivable is insured in respect of any Business Premises which are unoccupied in the event of Damage the Named Insured must show that but for the Damage Rent Receivable would have been earned and will be required to support a claim for loss of Rent Receivable by submitting reasonable evidence of the amount of such Rent Receivable and the date from which it would have been earned

The Company will have regard

- (a) to actual negotiations with prospective tenants both before and after such Damage
- (b) for demand for similar accommodation in the locality and
- (c) of the general level of rents applying

If required the advice of a professional valuer acceptable to both the Named Insured and the Company will be sought and such fees will be included in the indemnity provided under this Basis of Settlement

Terrorism Insurance Section

Definitions

In this Section the following terms shall have the following meanings

1. Damage

The word 'Damage' shall mean for the purposes of this Section loss or destruction of or damage

2. Act Of Terrorism

The words 'Act Of Terrorism' shall mean acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto

3. Property

The words 'Property' shall mean any building or other property or part thereof insured by the Property Damage Section but not any property which is insured in the name of a private individual and is occupied by that individual for residential purposes

4. Virus or Similar Mechanism

The words 'Virus or Similar Mechanism' shall mean for the purposes of this Section program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self-replication or not The definition of Virus or Similar Mechanism includes but is not limited to Trojan horses worms and logic bombs

5. Hacking

The words 'Hacking' shall mean for the purposes of this Section unauthorised access to any computer or other equipment or component or system or item which processes stores or retrieves data whether the property of the Insured or not

6. Denial of Service Attack

The words 'Denial of Service Attack' shall mean for the purposes of this Section 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 Attacks include but are 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

Cover

1. General

(a) If Property to the extent insured by the Property Damage Section be subject to Damage occasioned by or happening through or in consequence of an Act Of Terrorism during the Period of Insurance within Great Britain (meaning England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man nor the Channel Islands nor Northern Ireland)

and/or

(b) if in consequence of such Damage occasioned by or happening through or in consequence of an Act Of Terrorism (and which shall include Damage occasioned by or happening through or in consequence of an Act Of Terrorism within the territories stated in paragraph (a) to any other building or other property or part thereof to the extent insured by the Rent Section) the Business carried on by the Named Insured be interrupted or interfered with to the extent insured by the Rent Section

then in respect of

- (1) paragraph (a) above the Company will pay to the Named Insured the value of the Property at the time of the happening of its Damage or the amount of such Damage or at the Company's option reinstate replace or repair such Property or any part thereof in accordance with the provisions of the Property Damage and provided that the liability of the Company shall in no case exceed in respect of each insured item shown in the applicable Schedule to the Property Damage Section the Sum Insured for that item in the Schedule or in the whole the Total Sum Insured in respect of all losses arising out of any one occurrence and in the aggregate in any one Period of Insurance
- (2) paragraph (b) above the Company will pay to the Named Insured the amount of loss resulting from such interruption or interference in accordance with the provisions of the Rent Section and provided that the liability of the Company shall in no case exceed in respect of each item shown in the applicable Business Interruption Schedule the Sum Insured or limit for that item in the Schedule or in the whole the Total Sum Insured in respect of all losses arising out of any one occurrence and in the aggregate in any one Period of Insurance

Conditions

1. In any action suit or other proceedings where the Company alleges that any Damage or loss resulting from Damage is not covered by this Section the burden of proving that such Damage or loss is covered shall be upon the Insured
 2. The insurance by this Section is not subject to any exclusions of the Property Damage Section and/or Rent Section and of the Policy relating to causes of Damage other than as stated in the exclusions to this Section
 3. The insurance by this Section is subject to all the terms and conditions of the Property Damage Section and/or Rent Section and of the Policy (and which shall include but not limited to the application of any applicable Deductible stated therein) except as expressly varied hereby
 4. If this Policy is subject to any long term agreement or undertaking it does not apply to the insurance by this Section
3. any Damage whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused or occasioned by or happening through or in consequence of
 - (a) ionising radiations or contamination by radioactivity from any irradiated 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) chemical and/or biological and/or radiological irritants contaminants or pollutantsin respect only of residential property houses and blocks of flats and other dwellings insured in the name of a private individual

Exclusions

The insurance provided under this Section does not cover

1. Damage directly or indirectly caused or occasioned by or happening through or in consequence of war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
2. any loss whatsoever directly or indirectly caused by 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 programs 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 Attackor
 - (b) loss resulting from interruption to or interference with the Business directly or indirectly caused by or arising from Virus or Similar Mechanism or Hacking or Denial of Service Attack

Public and Products Liability Section

Definitions

In this Section the following terms shall have the following meanings

1. Damage

The word 'Damage' shall mean

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

2. Financial Loss

The words 'Financial Loss' shall mean financial loss unaccompanied by either

- (a) Injury
or
- (b) Damage

3. Premises

The word 'Premises' shall mean buildings with their grounds at the addresses described in the List Of Premises And Other Locations Schedule attaching to the Master Schedule forming part of this Policy

4. Products

The word 'Products' shall mean anything tangible (including containers packaging or labels) manufactured sold supplied hired out repaired serviced altered upgraded installed erected processed tested treated stored or transported by or on behalf of the Insured in connection with the Business after they have ceased to be in the custody or control of the Insured

Cover

1. Legal Liability

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

2. Claimants' Costs and Expenses

The Company will in addition indemnify the Insured against legal liability for claimants' costs and expenses in connection with the indemnity provided under clause 1 of the Cover

3. Defence Costs and Expenses

The Company will in addition indemnify the Insured in respect of all

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

which may be the subject of indemnity under clause 1 of the Cover

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

The Company will indemnify the Insured in respect of legal costs and other expenses reasonably incurred with the Company's written consent 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) the Consumer Protection Act 1987 or any amending legislation or
- (b) the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 or any similar United Kingdom health and safety legislation and regulations or
- (c) the Food Safety Act 1990 or any amending legislation

committed or alleged to have been committed during the Period of Insurance in the course of the Business

Provided that

- (a) in relation to any appeal counsel has advised there are strong prospects of such appeal succeeding
- (b) the proceedings do not relate to the health safety or welfare of any Employee
- (c) the indemnity will not apply to
 - (i) proceedings consequent upon any deliberate act or omission
 - (ii) fines or penalties of any kind
 - (iii) any circumstances where indemnity is provided by any other insurance or where but for the existence of this clause 4 of the Cover indemnity would have been provided by such other insurance

5. Defective Premises Act

The Company will indemnify the Insured against legal liability incurred by virtue of the Defective Premises Act 1972 or the Defective Premises (Northern Ireland) Order 1975 in connection with any premises previously owned for purposes pertaining to the Business which were disposed of by the Insured prior to the occurrence of the Injury or Damage giving rise to liability

Provided that

- (a) the Injury or Damage giving rise to such legal liability occurs during the Period of Insurance
- (b) the Company will not provide indemnity
 - (i) where indemnity is provided by any other insurance or where but for the existence of this Policy indemnity would have been provided by such other insurance
 - (ii) in respect of the costs incurred in removing rebuilding repairing rectifying or replacing any such premises or part of such premises

6. Data Protection Act 1998

The Company will indemnify the Named Insured and if the Named Insured so requests any Employee or director or partner of the Named Insured in respect of their liability to pay Compensation for damage or distress under section 13 of the Data Protection Act 1998 including reasonable defence costs and expenses incurred with the written consent of the Company and in addition the reasonable defence costs incurred with the written consent of the Company relating to a prosecution brought under the Data Protection Act 1998 in relation to a claim made by any person

Provided that

- (a) any claim for Compensation is first made or prosecution first brought against the Named Insured during the Period of Insurance
- (b) the Named Insured is registered in accordance with the terms of the Act or has applied for such registration which has not been refused or withdrawn and has taken all reasonable care to comply with the requirements of the Data Protection Act 1998
- (c) no indemnity is granted in respect of
 - (i) the payment of fines or penalties
 - (ii) the cost of replacing reinstating rectifying erasing blocking or destroying any data
 - (iii) liability caused by or arising from a deliberate or intentional act by or omission of the Named Insured or any person eligible for indemnity by this extension the effect of which will knowingly result in liability under the Data Protection Act 1998

(iv) claims which arise out of circumstances notified to previous insurers or are known to the Insured and likely to give rise to indemnity under this extension at the start of the Period of Insurance

- (v) liability for which indemnity is provided under any other insurance
- (d) in respect of each and every claim under this extension the Named Insured shall be liable for 10% of the cost of the claim or £500 which ever is the greater
- (e) the Company's liability under this extension is limited to £500,000 in respect of any one claim and in the aggregate during any one Period of Insurance

7. Motor Contingent Liability

Notwithstanding Section Exclusion 5 the Company will indemnify the Named Insured and no other for the purposes of this clause against legal liability arising from or caused by any motor vehicle not the property of nor provided by the Named Insured and being used in connection with the Business

Provided that the Company will not provide indemnity in respect of liability

- (a) for loss of or damage to such vehicle or property carried
- (b) more specifically insured under any other insurance or which would be so insured but for the existence of this clause
- (c) arising or caused whilst such vehicle is being
 - (i) driven by the Named Insured
 - (ii) driven with the general consent of the Named Insured or his representative by any person who to the knowledge of the Named Insured or such representative does not hold a licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence
 - (iii) used elsewhere than in Great Britain Northern Ireland the Isle of Man or the Channel Islands

8. Compensation for Court Attendance

Where at the request of the Company or their representatives any of the undermentioned persons attend a court or tribunal or other forum as a witness in connection with a claim in respect of which the Insured is entitled to indemnity under this Section the Company will provide compensation to the Insured at the following rates per day for each day or part thereof on which attendance is required

- (a) any principal partner or director of the Insured £500.00
- (b) any other Employee £200.00

9. Indemnity to Principal

If the Named Insured so requests the Company will indemnify any principal for whom the Insured is carrying out work under contract or agreement against liability arising out of the performance of such work by the Insured and in respect of which the Insured would have been entitled to indemnity under this Section if the claim had been made against the Insured but only to the extent required by the terms and conditions of such contract or agreement

Provided that

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

10. Private Duties

The definition of 'Business' extends to include the execution of private duties undertaken with the consent of the Insured by any Employee for any director partner or senior official of the Insured

11. Overseas Personal Liability

The Company will indemnify the Named Insured and if the Named Insured so requests any director or partner of the Named Insured or Employee (including their families whilst accompanying them) against legal liability incurred in a personal capacity whilst engaged in non manual visits in connection with the Business outside the Territorial Limits

Provided that the Company will not provide indemnity

- (a) in respect of legal liability caused by or arising out of the ownership or occupation of land or buildings
- (b) where indemnity is provided by any other insurance or where but for the existence of this Policy indemnity would have been provided by such other insurance

12. Movement of Obstructing Vehicles

Exclusion 5 shall not apply to liability caused by or arising from any vehicle (not owned or hired by or lent to the Named Insured or any Employee of the Named Insured) being driven by the Named Insured or by any Employee with the Named Insured's permission whilst such vehicle is being moved for the purpose of allowing free movement of any vehicle owned hired by or lent to the Named Insured or any Employee of the Named Insured

Provided that

- (a) movements are limited to vehicles parked on or obstructing the Premises
- (b) the vehicle causing obstruction will not be driven by any person unless such person is competent to drive the vehicle
- (c) the vehicle causing obstruction is driven by use of the owner's ignition key
- (d) the Company shall not provide indemnity against liability
 - (i) in respect of Damage to such vehicle
 - (ii) in respect of which compulsory insurance or security is required under any legislation governing the use of the vehicle

13. Indemnity to Managing Agents

If the Named Insured so requests the Company will indemnify any managing Agent acting for and on behalf of the Named Insured in connection with the Business in respect of liability for which the Named Insured would be entitled to indemnity under this Section if the claim for which indemnity is being sought had been made against the Named Insured and the Company hereby agrees to waive all rights of subrogation against any such managing Agent

Provided that

- (a) any such managing Agent shall observe fulfil and be subject to the terms and conditions of this Section in so far as they can apply
- (b) the Company's aggregate liability to all parties comprising the Insured and any such managing Agent shall not exceed the Limit of Indemnity

Limit of Indemnity

The Limit of Indemnity is stated in the Schedule and applies to Compensation payable in respect of any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause. In respect of liability arising from Products the Limit of Indemnity shall be the total amount payable during any one Period of Insurance in respect of all claims

Provided that

- (a) where the Limit of Indemnity is less than the total amount of the Insured's liability (the total liability excluding any costs and expenses) then the costs and expenses payable under Cover Clauses 2 and 3 shall be limited to the proportion that the Limit of Indemnity bears to the total amount of such liability
- (b) the Deductible in respect of damages and claimants' costs and expenses will be payable before the Company shall be liable to make a payment

Exclusions

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

1. the cost of making good Damage to property
 - (a) belonging to the Insured or
 - (b) being that part of any property worked upon by the Insured and arising out of such work or
 - (c) being that part of any Product giving rise to a claim or
 - (d) in the Insured's care custody or control other than
 - (i) the personal effects (including vehicles and their contents) of any visitor or director partner or Employee of the Named Insured
 - (ii) premises (including their fixtures fittings and contents) not owned by or leased rented or hired to the Named Insured which are temporarily occupied by the Insured for the purposes of carrying out work therein or thereon
 - (iii) premises (including their fixtures and fittings) leased rented or hired to the Named Insured provided that the Company will not provide indemnity in respect of
 - (a) liability assumed by the Named Insured under a tenancy or other agreement unless liability would have attached in the absence of such agreement
 - (b) the first £500 of each and every occurrence of loss or damage caused to any such premises fixtures or fittings other than by fire or explosion
 2. liability assumed by the Insured under contract or agreement to any person firm or company who is a third party within the meaning of the Contracts (Rights of Third Parties) Act 1999 unless the Company has signified its approval to the form of such contract or agreement or such liability would have attached notwithstanding such contract or agreement
 3. (a) liability arising from Products attaching by virtue of an agreement but which would not have attached in the absence of such agreement unless the Company shall have signified its general approval to the form of such contract or agreement by endorsement hereon
 - (b) other liability which attaches by virtue of a contract or agreement and would not have attached in the absence of such contract or agreement unless the sole conduct and control of claims is vested in the Company (but this shall not apply in respect of nor override exclusion 1(d)(iii)(a) above)
 4. liability arising from the ownership possession or use by or on behalf of the Insured of any vessel or craft (other than non powered water craft) made or intended to float on or in or travel through water or air or space but this Exclusion shall not apply to any waterborne vessel or craft not exceeding 30 feet in length other than power boats used for racing
 5. liability arising from or caused by the ownership possession or use by or on behalf of the Insured of any mechanically propelled vehicle or plant except
 - (a) any vehicle or plant
 - (i) not requiring a licence for road use or a certificate of motor insurance or other security
 - (ii) being used as a tool of trade at any at any premises of the Insured or on the site of any contract where the Insured is working
 - (b) the loading or unloading or the bringing to or taking away of a load from any mechanically propelled vehicle or plant
- Provided that the Company will not grant indemnity**
- (i) in respect of liability which is compulsorily insurable under any road traffic legislation
 - (ii) if indemnity is provided by any other insurance
6. liability arising out of or for the cost of removing nullifying or clearing up any actual or alleged Pollution or Contamination unless caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance anywhere in the world except the United States of America its territories and possessions Puerto Rico and Canada
- Provided that**
- (a) notwithstanding General Condition 17 or any amendment thereto the Company shall not grant indemnity in respect of any claim brought in the courts of the United States of America its territories and possessions Puerto Rico and Canada or in respect of the enforcement of a judgement obtained in any such courts
 - (b) all Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place

(c) the liability of the Company for all Compensation payable in respect of all Pollution or Contamination which has occurred or is deemed to have occurred during the Period of Insurance shall not exceed the Limit of Indemnity in the aggregate

For the purpose of this Exclusion 'Pollution or Contamination' shall mean

(a) all pollution or contamination of buildings or other structures or water or land or the atmosphere

and

(b) all Damage or Injury directly or indirectly caused by such pollution or contamination

7. liability for costs and expenses for

(a) the repair inspection alteration correction or replacement of defective materials service or workmanship or

(b) the withdrawal recall repair replacement alteration or making of any refund in respect of Products

8. liability in respect of loss of information or the provision of wrong information in or from computer programmes tapes or data recording equipment unless as a direct consequence of physical loss of or damage to tangible property

9. liability in respect of Bodily Injury sustained by an Employee and arising out of and in the course of his employment by the Insured

10. liability for Financial Loss

11. legal liability of any nature directly or indirectly caused by or contributed to by or arising from the failure of any computer or other equipment or system for processing storing or retrieving data whether the property of the Insured or not and whether occurring before during or after the year 2000

(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 process any data as a result of the operation of any command which has

been programmed into any computer software being a command which causes the loss of data or the inability to capture to save retain or correctly to process such data on or after such date

12. liability for Bodily Injury arising from an act or omission in the provision of or failure to provide Professional Healthcare Services

13. liability arising out of advice design plan formula specification or omission to perform a professional duty provided for a fee or in circumstances where a fee would normally be charged

14. liability arising from or caused by any site clearance excavation construction or structural alteration extension or demolition works or any operation incidental thereto unless otherwise agreed by the Company in writing

15. liability for the costs of remedying any defect or alleged defect in any premises disposed of by the Insured

Endorsements

The following endorsements are only operative if shown on the Public and Products Liability Section Schedule and are subject otherwise to the terms conditions and exclusions of the Section and the Policy

PL01. Heat Work Away

The indemnity provided by this Section shall not apply to any work away from premises owned or leased or rented by the Named Insured involving the use of grinding wheels cutting discs angle grinders electric oxy-acetylene or other welding or cutting equipment blow torches blow lamps or flame guns or hot air guns heated tar bitumen or asphalt or any other process involving the application of heat

PL02. Hot Work at the Premises

Definitions applicable to this endorsement:

The word 'Equipment' shall mean grinding wheels cutting discs angle grinders electric oxy-acetylene or other welding or cutting equipment blow torches blow lamps or flame guns or hot air guns in each case howsoever powered or driven including all gas or fuel containers and hose connections

The words 'Bitumen Heaters' shall mean vessels for the heating of tar bitumen or bituminous compounds

The Company shall not be liable to indemnify the Insured in respect of liability arising from or caused by the use of Equipment or Bitumen Heaters at the Premises where such Equipment or Bitumen Heaters the direct responsibility of the Named Insured or their Agents at the Premises unless the following precautions are taken at all times

- (a) a responsible worker is appointed to facilitate compliance with all requirements of these conditions
- (b) prior permission from the occupier of the site has been granted to use the Equipment or Bitumen Heaters and suitable and adequate fire extinguishing appliances are provided at the point of use
Suitable and adequate fire extinguishing appliances shall as a minimum mean a nine litre water or a two kilogram multi purpose fire extinguisher
- (c) all workers are aware of the location of fire alarms and fire fighting equipment provided on site which shall be ready for operation at the time the Equipment or Bitumen Heaters are in use
- (d) the item being worked on and the area where the Equipment is to be used including on the other side of any ceiling floor wall or partition and within and on the other side of any tank pipe drum or apparatus are checked to ensure that no combustible material or inflammable liquid or gas is in danger of ignition directly or through conducted heat
- (e) all combustible materials or inflammable liquid or gases in the vicinity of the work other than gas or fuel connected to the Equipment shall be removed to a point at least eight metres from the area where the Equipment is being used

Any combustible material or inflammable liquid or gases which can not be reasonably moved shall be covered and fully protected by overlapping sheets/screens of non combustible material

Where the nature of materials or liquids or gases can not be properly verified by a suitably qualified person as non combustible or non inflammable they must be assumed as combustible or inflammable and all stated precautions be carried out in full

- (f) Equipment and Bitumen Heaters are examined prior to use and any defects found are repaired or replaced prior to use

- (g) Equipment and Bitumen Heaters are attended at all times whilst in operation and only used in accordance with the manufacturers instructions and by a worker who is trained and experienced in its use
- (h) whilst heating is taking place Bitumen Heaters are kept in the open or if within a building or on a roof then placed on a surface of non combustible material
- (i) the area where the Equipment has been used including on the other side of any floor wall ceiling or partition and within and on the other side of any tank pipe drum or apparatus is to be examined immediately following use of the Equipment and then at regular intervals for at least one hour to ensure that there is no risk of fire

PL37. Property Owners Liability - Premises Only

The indemnity provided by this Section shall not apply in respect of liability arising from any activity carried on by the Insured away from the Premises and additionally for the avoidance of doubt the following amendments are hereby made in respect of the indemnity provided by this Section

- (a) cover clause 4 - Consumer Protection Act or Health and Safety at Work Act or Food Safety Act Prosecution Defence Costs shall not indemnify in respect of legal costs and other expenses incurred in the defence or appeal of any criminal proceedings arising under the Consumer Protection Act or Food Safety Act
- (b) cover clause 6 Data Protection Act 1998 and cover clause 10 Private Duties and cover clause 11 Overseas Personal Liability are deleted
- (c) the Company shall not be liable to indemnify the Insured in respect of liability arising from Products

However this endorsement shall not apply in respect of liability arising whilst any Employee normally employed permanently at the Premises is temporarily working away from the Premises within the Territorial Limits in connection with the Business

