



R&Q Commercial Risk Services Limited

Package Combined Insurance Policy Wording

November 2018

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Important Helplines

Claims for all Sections (*other than* Section 11 – Legal Expenses)

Your claims will be dealt with by **Davies Managed Systems Limited (DMS)**.

Your claims should be notified to DMS by Telephone: 0344 856 2338 (*other than* Section 11), or
Fax: 0344 856 2005

For full details of how to make a claim please refer to **Section 19 – Claims Procedure**.

Claims for Section 11 - Legal Expenses

Your claims will be dealt with by ARAG plc

Your claims should be notified to ARAG by telephone: 0117 917 1698 between 9am and 5pm weekdays (except bank holidays) or go online www.arag.co.uk/newclaims

Telephone Helplines

24/7 legal advice on Business matters within EU law	0333 571 7978
UK tax advice 9am to 5pm weekdays	0333 571 7978
24/7 confidential counselling	0333 000 2082
Crisis Communication	0344 571 7964
Redundancy approval 9am to 5pm weekdays (unfunded)	0117 917 1698

For full details of how to make a claim or on telephone helplines please refer to **Section 11 – Legal Expenses** and **Section 19 – Claims Procedure**.

Welcome

Introduction to Your Package Combined Insurance

This document of insurance, the Schedule and any endorsements applying to this insurance form Your Package Combined insurance Policy.

This document sets out the conditions of the contract of insurance between You and the Insurers.

Please read the document carefully, it is laid out in Sections. It is important that:

- You understand what each Section covers and does not cover;
- You understand Your own duties under each Section and under the insurance as a whole.

If there is anything You do not understand or any aspect of the Policy does not meet Your requirements You should contact the Insurance Broker who arranged this Policy for You.

About R&Q and Your Insurers

This Insurance product has been arranged by R&Q Commercial Risk Services Limited on behalf of the under noted Insurers named herein:

R&Q Commercial Risk Services Limited is registered in England and Wales No: 07313009 (FRN: 530938),
Registered Office: 71 Fenchurch Street, London, EC3M 4BS.

R&Q Commercial Risk Services Limited is an Appointed Representative of R&Q MGA Limited which is authorised and regulated by the Financial Conduct Authority (FRN: 440543).

R&Q Commercial Risk Services Limited is wholly owned subsidiary of Randall & Quilter Investment Holdings Ltd. Randall & Quilter Investment Holdings Ltd. is a diverse insurance group, headquartered in Bermuda but with extensive operations in the UK, US, Canadian, Bermuda and Continental Europe Markets. The Group is a leading insurance service provider to the non-life insurance market. Its extensive service offering (ranging from full back office management to bespoke services) covers the live, run-off and captive market segments.

**Sections 1 - 9 and 12 - 14 are underwritten by:
Canopus Managing Agents Limited Syndicate 4444
Proportion 50%**

Canopus Managing Agents Limited Syndicate 4444 is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Canopus Managing Agents Limited Syndicate 4444 is registered in England No. 01514453. Registered office: Gallery 9, Lloyd's of London, One Lime Street, London EC3M 7HA

**Sections 1 - 9 and 12 - 14 are underwritten by:
Lloyd's Syndicate 2001 managed by MS Amlin Underwriting Limited
through its appointed representative Amlin UK Limited
Proportion 50%**

Amlin UK Limited is wholly owned by and an Appointed Representative of MS Amlin Underwriting Limited which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under reference number 204918. Amlin UK Limited is registered in England No. 2739220. Registered office: The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AG.

**Section 10 – Equipment Breakdown and Section 15 - Cyber are underwritten by:
HSB Engineering Insurance Limited**

These Sections are underwritten by HSB Engineering Insurance Limited, registered in England and Wales: 02396114, New London House, 6 London Street, London EC3R 7LP. Registered as a branch in Ireland: 906020. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (FRN:202738)

**Section 11 – Legal Expenses is underwritten by:
Brit Syndicate 2987 at Lloyd's**

This Section is provided by ARAG plc and underwritten by the Insurer. ARAG plc and Brit Syndicate 2987 at Lloyd's are authorised and regulated by the Financial Conduct Authority, registration number 452369 and 204930 respectively. Registered Office: ARAG plc, 9 Whiteladies Road, Clifton, Bristol BS8 1NN.

About Your Insurance Broker

Your Insurance Broker is the organisation that You arranged this insurance with and should be Your first point of contact for any queries You may have on the Policy, other than claims. Claims contact numbers can be found under the Important Helplines Section of this document.

See also Section 19 – **Claims Procedure** and Section 20 – **Enquiries and Complaints Procedure**.

Information You need to provide Us

In deciding to accept this Policy and in setting the terms and premium, The Insurer has relied on the information You have given The Insurer. You must take care when answering any questions asked by ensuring that all information provided is accurate and complete.

If The Insurer establishes that You deliberately or recklessly provided The Insurer with false or misleading information The Insurer will treat Your Policy as if it never existed and decline all claims. The Insurer may not return premium already paid by You in this situation.

If The Insurer establishes that You provided The Insurer with false, incomplete or misleading information, it can adversely affect Your Policy and any claim.

For example:

- Where The Insurer could have accepted the risk and offered You a Policy but The Insurer would have charged a higher premium, The Insurer may only pay a percentage of any claim that You make under the Policy. The Insurer would do this by considering the premium The Insurer actually charged as a percentage of the higher premium The Insurer would have charged and then paying You the same percentage of any claim

So, as an example: if the premium The Insurer actually charged was £250 (two hundred and fifty pounds) and the higher premium The Insurer would have charged was £1,000 (one thousand pounds), then the premium The Insurer actually charged represents 25% (twenty-five percent) of the higher premium The Insurer would have charged and The Insurer shall only pay 25% (twenty-five percent) of any claim;

- The Insurer may treat this Policy as if it had never existed and refuse to pay all claims and return the premium, subject to a deduction for any commission paid to Your Broker. The Insurer will only do this if the false, incomplete or misleading information means that The Insurer provided You with insurance cover when The Insurer would not otherwise have offered it at all had the risk been fairly presented;
- if The Insurer would have written the risk on different terms had it been fairly presented, The Insurer may amend the Policy to include these terms. The Insurer may apply these amended terms as if they were already in place before a claim is made;
- The Insurer may cancel Your Policy in accordance with its cancellation provisions

The Insurer will write to You if The Insurer:

- intend to treat Your Policy as if it never existed; or
- amend the terms of Your Policy; or
- reduce Your claim in accordance with the above

If You become aware that information You have given The Insurer is inaccurate or incomplete, You must inform The Insurer as soon as practicable.

Data Privacy Notice

We may use personal information in order to write and administer this policy, including any claims arising from it.

This information may include basic contact details such as names, addresses, and policy number, but may also include more detailed personal information about individuals (for example, their age, health, details of assets, claims history) where this is relevant to the risk R&Q Commercial Risk Services Limited are underwriting on Our behalf or the services being provided or to a claim that is being reported.

We are part of a global group and information may be shared with their group companies in other countries as required to provide coverage under this policy or to store information. We also use a number of trusted service providers, who will also have access to personal information subject to Our instructions and control.

Individuals have a number of rights in relation to their personal information, including rights of access and, in certain circumstances, erasure.

This notice represents a condensed explanation of how the insurer uses personal information. For more information, please refer to Our Data Privacy Notice, which can be found on:

Sections 1—9 & 12-4

Canopus Managing Agents Limited Syndicate 4444

<http://www.canopus.com/privacy/privacy-notice/>

Lloyd's Syndicate 2001 managed by MS Amlin

Underwriting Limited through its appointed

representative Amlin UK Limited

www.msamlin.com/en/site-services/data-privacy-notice.html

Sections 10 & 15

<https://www.munichre.com/HSBEIL/service/privacy-statement/index.html>

Section 11

www.arag.co.uk

All Sections

<http://www.rqcrs.com/about-us/data-protection/>

A paper copy of the full Data Privacy Notice can be obtained by contacting:

Sections 1-5

Canopus Managing Agents Limited Syndicate 4444

By email from privacy@canopus.com or

by writing to:

Group Data Protection Officer,
Canopus Managing Agents Limited,
Gallery 9, One Lime Street,
London
EC3M 7HA

Lloyd's Syndicate 2001 managed by MS Amlin

Underwriting Limited through its appointed

representative Amlin UK Limited

by email from dataprotectionofficer@msamlin.com or

by writing to:

Data Protection Officer
MS Amlin plc
The Leadenhall Building
122 Leadenhall Street
London EC3V 4AG

Section 6

by email from dataprotection@hsbeil.com or by writing to:

Data Protection Manager
New London House
6 London Street
London
EC3R 7LP

Section 11

by writing to:

Customer Relations Department
ARAG plc,
9 Whiteladies Road,
Clifton,
Bristol, BS8 1NN

All Sections

by writing to:

The Commercial Manager
R&Q Commercial Risk Services Limited
1 Cornhill
London
EC3V 3ND

Your Policy

This Policy is a legally binding contract which You have made with the Insurer.

The Insurer has agreed to provide the insurance described in this Policy or in any endorsement applying to this Policy for the Period of Insurance specified in the Schedule. The insurance provided by this Policy covers any loss, damage, destruction, accident or liability that (with the exception of Section 11) happens during the Period of Insurance, in accordance with the Sections of the Policy shown in the Schedule for which You have paid or agreed to pay the premium. The Insurer will indemnify or compensate You by payment or, at their option, replace reinstate or repair lost, damaged or destroyed property.

The Policy contains many Sections and the Schedule identifies the Sections that are operative. A new Schedule will be issued to record any amendments to the cover. Please refer to the replacement documents and the Policy to see what cover is currently in force. Any expression to which a specific meaning has been attached shall bear that meaning wherever it appears.

A different Insurer may provide the cover under certain Sections of this insurance. The name of the Insurer providing cover under that Section will be shown in the Section and on the Schedule.

Unless the Insurer and You agree otherwise, this Policy shall be subject to and construed solely in accordance with the Law of England and Wales. The Insurer and You agree that all disputes arising out of or in connection with this Policy shall be subject to the exclusive jurisdiction of the Courts of England and Wales.

Signed for and on behalf of the Insurers

A handwritten signature in blue ink, appearing to read 'James Wheddon', with a long horizontal flourish extending to the right.

James Wheddon
Director
R&Q Commercial Risk Services Limited

Section 1 – Property Damage

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 16 also apply to this Section. The General Conditions in Sub-Section 17A and General Exclusions in Section 18 also apply to this Section.

Definitions for Section 1 – Property Damage

Buildings

Buildings described in the Schedule, and including:

- a) landlords' fixtures and fittings;
- b) outbuildings, extensions, annexes, canopies, fixed signs, gangways, conveniences, lamp posts and street furniture;
- c) walls, gates and fences;
- d) drains, sewers, piping, ducting, cables, wires and associated control gear and accessories on the Premises, and extending to the public mains, but only to the extent of Your responsibility; and
- e) yards, car parks, roads, pavements, forecourts, all constructed of solid materials.

Computer and Electronic Business Equipment

All computers, computer installations and systems, microchips, integrated circuits, microprocessors, embedded systems, hardware and any electronic equipment, data processing equipment, information repository, telecommunication equipment, computer controlled or programmed machinery, equipment capable of processing data and similar devices, whether physical or remotely connected, for which You are responsible, all inside the Premises.

Contents

Contents belonging to You or held by You in trust for which You are legally responsible including:

- a) tenants' improvements, alterations and decorations, including closed circuit television and security systems;
- b) Employees, directors, partners, customers and visitors personal effects of every description (other than motor vehicles) not otherwise insured, for an amount not exceeding £1,000 in respect of any one person;
- c) Computer and Electronic Business Equipment;
- d) contents of outbuildings;
- e) contents in the open yards;
- f) patterns, models, moulds, plans and designs for an amount not exceeding the cost of the labour and materials expended in reinstatement;
- g) wines and spirits for an amount not exceeding £1,000; and
- h) contents temporarily at dwelling places of directors and senior staff.

but excluding:

- i) landlords' fixtures and fittings;
- ii) Stock and materials in trade;
- iii) Money and stamps (including National Insurance stamps) in excess of £500;
- iv) documents, manuscripts and Business books, except for the cost of the materials and of clerical labour expended in reproducing such records;
- v) computer systems records, except for an amount not exceeding £10,000 in respect of the cost of the materials and of clerical labour and computer time expended in reproducing such records but not for the value to You of the information contained therein;
- vi) any expense in connection with the production of the information to be recorded in documents, manuscripts, business books or computer systems records; and
- vii) vehicles (and accessories) licensed for road use.

Damage

Damage shall mean accidental loss or destruction of or damage to the Property Insured.

Declared Value

Your assessment of the cost of reinstatement of the Property Insured at a level of costs applying at the time that such values are required by the Insurers as the basis for the calculation of the Policy premium (ignoring inflationary factors which may operate subsequently) together with, insofar as the insurance by the item provides, due allowance for:

- a) debris removal costs;
- b) professional fees; and
- c) additional cost of reinstatement to comply with European Community and Public Authority requirements.

Section 1 – Property Damage

Defined Peril

Defined Peril shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped from aircraft or other aerial devices, 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.

Empty

Empty shall mean unoccupied or not in use for a period of 30 days or more.

Excess

The first amount of each and every claim (as shown in the Schedule) for which You are responsible at each separate Premises after the application of all other terms and conditions of the insurance including but not limited to any Condition of Average.

Money

Cash, bank and currency notes, cheques, postal orders, money orders, crossed bankers drafts, current postage stamps, unused units in franking machines, National Savings Stamps and Certificates, National Insurance Stamps, trading stamps, gift tokens, customer redemption vouchers, VAT purchase receipts, credit company sales vouchers, credit card counterfoils, travellers tickets and, insofar as such are not otherwise insured, holidays with pay stamps and luncheon vouchers.

Non-Standard Construction

Constructed of materials other than those detailed in the definition Standard Construction.

Standard Construction

Brick, stone or concrete built and roofed with slates, tiles, metal, concrete, asphalt or sheets or slabs composed entirely of incombustible mineral ingredients and plastic rooflights.

Stock

Stock and materials in trade, work in progress and finished goods belonging to You or held by You in trust for which You are legally responsible.

Territorial Limits

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

Cover

The Insurer agrees that if any of the Property Insured described in the Schedule suffers Damage at the Premises by any cause not excluded the Insurer will settle claims in accordance with the undernoted Basis of Claims Settlement.

Property Insured

Building(s) at the Premises as described on the Schedule.

Contents at the Premises as described on the Schedule.

Stock and materials in trade at the Premises as described on the Schedule.

Miscellaneous as described in the Schedule.

The values shown on the Schedule represent the maximum values at risk.

Limit of Liability

The liability of the Insurers under this Section shall not exceed in the whole the Total Sum Insured or the Sum Insured in respect of each item or any other Limit of Liability as stated herein or in the Schedule.

The Sum Insured under each Item other than items solely applying to fees, removal of debris, rent, private dwelling houses, churches or other buildings in course of erection is separately subject to Average.

Section 1 – Property Damage

Basis of Claims Settlement

Unless stated otherwise in the Schedule the basis of settlement under this Section shall be:

1 Reinstatement:

The amount payable in respect of Buildings or Contents shall be the cost of reinstatement of the Damage.

For this purpose “reinstatement” means:

- a) the rebuilding or replacement of Property Insured lost or destroyed which provided Our liability is not increased may be carried out;
 - i) in any manner suitable to Your requirements
 - ii) upon another site
 - b) the repair or restoration of Property Insured damaged
- in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new.

Provided that:

- (1) Our liability for the repair or restoration of Property Insured damaged in part only shall not exceed the amount which would have been payable had such Property been wholly lost or destroyed.
- (2) If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the Property covered by any item subject to this Basis of Claims Settlement exceeds its Sum Insured at the commencement of any Damage Our liability shall not exceed that proportion of the amount of the Damage which the Sum Insured shall bear to the sum representing the total cost of reinstating the whole of such Property at that time.
- (3) No payment beyond the amount which would have been payable in the absence of this Basis of Claims Settlement shall be made:
 - a) unless reinstatement commences and proceeds without unreasonable delay
 - b) until the cost of reinstatement shall have been actually incurred
 - c) if the Property Insured at the time of the Damage shall be insured by any other insurance effected by You or on Your behalf which is not upon the same basis of reinstatement.
- (4) All the terms and conditions of this Policy shall apply:
 - a) in respect of any claim payable under the provisions of this Basis of Claims Settlement except insofar as it is varied hereby
 - b) where claims are payable as if this Basis of Claims Settlement had not been incorporated.

The maximum amount We will pay in respect of any one item is the Sum Insured.

2 Indemnity

The amount payable in respect of Stock and/or all other Property Insured shall be the value at the time of the Damage or at Our option the cost of reinstatement or replacement of such Property Insured or any part of it

Provided that:

if at the time of the Damage the Sum Insured for the item is less than the value of the item insured then Our liability shall be limited to that proportion of the Damage which the Sum Insured bears to the value of the Property Insured.

In respect of Rent, the insurance only applies if any of the Buildings or part thereof are unfit for occupation in consequence of Damage thereto but the amount payable shall not exceed such proportion of the Sum Insured on Rent as the period necessary for reinstatement bears to the term of the Rent insured.

Section 1 – Property Damage

Exclusions

What is not covered (see also General Exclusions):

- 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 by steam pressure of a boiler, economiser, vessel, machine or apparatus in which internal pressure is due to steam only and belonging to You or under Your control other than in respect of a boiler used for domestic purposes only;
 - 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 by You or any of Your Employees; but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded.

- 2) Damage caused by or consisting of:
 - a) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects;
 - b) change in temperature, colour, flavour, texture or finish;
 - c) theft or attempted theft;
 - d) 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;
 - e) mechanical or electrical breakdown or derangement of the particular machine, apparatus or equipment in which such breakdown or derangement originates; 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.

- 3) 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) acts of fraud or dishonesty;
 - d) disappearance unexplained or inventory shortage misfiling or misplacing of information.

- 4) Damage to a building or structure caused by its own collapse or cracking unless resulting from a Defined Peril insofar as it is not otherwise excluded.

- 5) Damage in respect of movable property in the open, fences and gates, caused by wind, rain, hail, sleet, snow, flood or dust.

- 6) Damage:
 - a) caused by fire resulting from its undergoing any heating process or any process involving the application of heat;
 - b) (other than by fire or explosion) resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair.

- 7) Damage:
 - a) caused by freezing;
 - b) caused by escape of water from any tank, apparatus or pipe;
 - c) caused (other than by fire or explosion) by malicious persons not acting on behalf of or in connection with any political organisation;
 - d) caused by theft or any attempted theft; or
 - e) to fixed glass;in respect of any Building which is Empty.

- 8) Damage in respect of:
 - a) glass (other than fixed glass), china, earthenware, marble or other fragile or brittle objects;
 - b) jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art or rare books;
 - c) property in transit;
 - d) Money, cheques, stamps, bonds credit cards or securities of any description; other than such Damage caused by a Defined Peril insofar as it is not otherwise excluded.

Section 1 – Property Damage

- 9) Damage to:
- a) vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
 - b) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection;
 - c) land, piers, jetties, bridges, culverts or excavations;
 - d) livestock, growing crops or trees;
- unless specifically mentioned as insured by this Policy.
- 10) Damage to 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.
- 11) Any property more specifically insured by You or on Your behalf.
- 12) Damage to any computer or other equipment or component or system or item which processes, stores, transmits or retrieves data, or any part of any computer, other equipment, component or system, whether tangible or intangible (including but without limitation any information or programs or software) and whether Your property or not where such Damage is caused by programming or operator error, Virus or Similar Mechanism or Hacking;

For the purpose of this exclusion the following definitions apply:

- a) Virus or Similar Mechanism shall mean 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. This definition of Virus or Similar Mechanism includes but is not limited to trojan horses, worms and logic bombs;
- b) Hacking shall mean unauthorised access to any computer or other equipment or component or system or item which processes stores transmits or retrieves data.

Section 1 – Property Damage

Clauses & Conditions that apply to Section 1 – Property Damage

1.1 Acquisitions

The insurance for Buildings and Contents extends to include:

- a) additions and extensions to the Property Insured (but not appreciation in value) made after the commencement of each annual Period of Insurance;
- b) any newly built or newly acquired Buildings or Contents;

at any Premises covered by this insurance or elsewhere in the Territorial Limits.

Provided that:

- a) such additional property is not otherwise insured;
- b) the Sum Insured by each item shall be increased for that period only by the value of the additional property insured for an amount not exceeding 10% of the Buildings or Contents Sum Insured or £250,000 whichever is the less;
- c) You provide the Insurers with details of these acquisitions as soon as practicable and pay the appropriate additional premium.

1.2 Architects, Surveyors, Legal and Consulting Engineers Fees

The insurance for Buildings and Contents items includes an amount in respect of architects, surveyors, legal and consulting engineers fees necessarily incurred in the reinstatement or repair of the Property Insured consequent upon its Damage but not for preparing any claim it being understood that the amount payable under the item shall not exceed in total the limits stated in the Basis of Claims Settlement.

1.3 Automatic Reinstatement after a Loss

In the event of loss the limits stated in the Basis of Claims Settlement will be automatically reinstated from the date of the loss unless written notice to the contrary is given either by the Insurers or You and You shall pay any required premiums for reinstatement from that date.

1.4 Change of Tenancy

You must advise the Insurers of all changes in tenancy or occupation within the Premises, as specified in Section 17 Policy Conditions, General Condition 17.1 – Alteration in Risk.

1.5 Construction of Buildings

Except as otherwise stated the Buildings described in the Schedule are of Standard Construction.

1.6 Contract Price

In respect only of goods sold, but not delivered, for which You are responsible subject to a sale contract, which following Damage is cancelled by reason of its conditions wholly or to the extent of the Damage the liability of the Insurers shall be based on the contract price.

For the purpose of this insurance the value of all goods to which this clause could apply in the event of Damage shall also be ascertained on this basis.

1.7 Damage to Landscaped Gardens

The Insurers will pay the cost of restoring any Damage done to landscaped gardens, for which You are responsible, by the Emergency Services in attending the Premises as a result of a Defined Peril. The Insurer's liability under this clause shall not exceed £10,000 any one loss.

1.8 Day One Basis

Applicable only to those items showing a Declared Value as stated in the Schedule.

- 1) You having stated in writing the Declared Value (shown in brackets below the Sum Insured) incorporated in each item to which this clause applies the premium has been calculated accordingly.

For the purposes of this clause Declared Value shall mean:

Your assessment of the cost of reinstatement of Buildings and Contents arrived at in accordance with paragraph 1 of the Basis of Claims Settlement Condition of this Section at the level of costs applying at the start of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with an allowance for:

- a) the additional cost of reinstatement to comply with:
 - i) European Union Legislation
 - ii) Act of Parliament
 - iii) Bye-Laws of any public authority
- b) professional fees
- c) debris removal costs

Section 1 – Property Damage

- 2) You must notify Us of the Declared Value at the start of each Period of Insurance. If You fail to notify Us of the Declared Value at the start of any Period of Insurance We will use the last Declared Value notified to Us for the following Period of Insurance.
- 3) Provisions (2) and (4) of the Basis of Claims Settlement Condition are restated as follows:
 - (2) If at the time of the Damage the Declared Value is less than the cost of reinstatement of the Property Insured arrived at in accordance with paragraph 1 of this Condition at the start of the Period of Insurance Our liability for any Damage will be limited to that proportion which the Declared Value bears to the cost of reinstatement of the Property Insured arrived at in accordance with paragraph 1 of this Condition.
 - (4) All the terms and conditions of this Policy shall apply:
 - a) in respect of any claim payable under the provisions of this Basis of Claims Settlement except insofar as it is varied hereby;
 - b) where claims are payable as if this Basis of Claims Settlement had not been incorporated except that the Sums Insured shall be limited to 115% of the Declared Value.

1.9 Designation

For the purposes of determining where necessary the heading under which any property is insured the Insurers agree to accept the designation under which such property has been entered in Your books.

1.10 Empty Buildings

- a) Whenever the Premises stated in the Schedule are unoccupied or not in use the Empty Buildings Condition below applies;
- b) You must notify the Insurers in writing as soon as practicable any Empty building or Empty portion of a building insured by this Policy becomes occupied or any occupied building becomes Empty and pay an additional premium if required.

1.11 Empty Buildings Condition

It is a condition precedent to the liability of the Insurers that whenever the Premises are Empty:

- a) You notify the Insurers immediately You become aware:
 - i) that the Building(s) are Empty; and
 - ii) of any Damage to the Empty Building(s) whether or not such loss, destruction or damage is insured;
- b) the Buildings are inspected internally and externally at least once during each week by You or on Your behalf;
- c) all trade refuse and waste materials are removed from the interior of the Premises and no accumulation of refuse and waste be allowed in the adjoining yards or spaces You own;
- d) You shall secure the Buildings and rectify any defects which render the Buildings insecure; and
- e) the gas, water and electricity supplies are turned off at the mains (except electricity needed to maintain any fire or intruder alarm system in operation).

1.12 European Community and Public Authorities (Including Undamaged Property)

Subject to the following Special Conditions the insurance for Buildings and Contents in this Section 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;

(hereafter referred to as 'Stipulations') in respect of:

- i) the lost, destroyed or damaged property thereby insured; and
- ii) undamaged portions of that property.

Excluding:

- a) the cost incurred in complying with the Stipulations:
 - i) in respect of Damage occurring prior to the inception of this Policy;
 - ii) in respect of Damage not insured by the Policy;
 - iii) under which notice has been served on You prior to the happening of the Damage;
 - iv) for which there is an existing requirement which has to be implemented within a given period; and
 - v) in respect of property entirely undamaged by any peril insured against by this Policy;
- b) the additional cost that would have been required to make good the property lost destroyed or damaged to a condition equal to its condition when new had the necessity to comply with 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 of that property 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 Insurers may agree

Section 1 – Property Damage

(during the said twelve months) and may be carried out upon another site (if the Stipulations so necessitate) subject to the liability of the Insurers under this clause not being increased.

- 2) If the liability of the Insurers under (any item of) this Section apart from this clause shall be reduced by the application of any of the terms and conditions of the Policy then the liability of the Insurers under this clause (in respect of any such item) shall be reduced in like proportion.
- 3) The total amount payable under (any item of) this Section in respect of this clause shall not exceed:
 - a) £250,000 in respect of the lost, destroyed or damaged property;
 - b) £250,000 in respect of undamaged portions of property (other than foundations).
- 4) All the terms and conditions of the Policy except insofar as they are varied by this condition shall apply as if they had been incorporated herein.

1.13 Exhibitions

The insurance for Contents extends to cover the property described for a period not exceeding 15 days whilst at any exhibition within the Territorial Limits.

The liability of the Insurers under this clause shall not exceed £50,000.

1.14 Fire Break Doors and Shutters

It is a condition precedent to liability of the Insurers that all fire break doors and shutters are kept closed except during working hours and are maintained in efficient working order.

1.15 Fire Extinguishing Appliances

It is a condition precedent to liability of the Insurers that all fire extinguishing appliances will be maintained in efficient working order during the currency of the insurance.

1.16 Fire Extinguishment – Automatic Sprinkler Installations

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

- a) a reduced premium rate is allowed on account of such an installation;
- b) such an installation is required by the Insurers as a condition of cover; or
- c) the insurance covers Damage by the accidental escape of water from a sprinkler installation;

You will:

- a) take all reasonable steps to:
 - i) prevent frost and other damage to the installations;and in so far as it is Your responsibility:
 - ii) maintain the installations (including the automatic external alarm signal) in efficient condition;
 - iii) maintain ready access to the water supply control facilities;
- b) in the event that changes repairs or alterations to the installations are proposed notify the Insurers in writing and obtain Our prior agreement in writing;
- c) allow the Insurers access to the Premises at all reasonable times for the purpose of inspecting the installations; and
- d) undertake to:
 - i) make a test every week for the purposes of ascertaining that the alarm gong is in working order and that the stop valves controlling the individual water supplies and the installations are fully open;
 - ii) make a test every working day for the purposes of ascertaining the condition of the circuit between the alarm switch and the control unit;
 - iii) make a test at least once a week for the purposes of ascertaining the condition of:
 - (i) the Brigade connection; and
 - (ii) the batteries in respect of each approved system for the transmission of alarm signals from sprinkler installations to a Fire Brigade;
 - iv) make quarterly or half-yearly tests if required by the Insurers to do so for the purposes of ascertaining that each water supply is in order and record the particulars of each test;
 - v) make tests every week for the purposes of ascertaining that the pump(s) can be started both automatically and manually and that in respect of any diesel engine driven pump the battery electrolyte level and density are correct and record the completion of these tests;
 - vi) have a contract with approved installing engineers providing for the maintenance of and half-yearly inspection of the installations and to obtain from them following each inspection certification that they are in satisfactory working order; and
 - vii) remedy promptly any defect revealed by such tests or otherwise.

1.17 Glass Breakage

The Insurers will, at their option, pay for or make good to You any breakage or malicious scratching of internal or external fixed glass being Your property for which You are responsible at the Premises occurring during the Period of Insurance and being in sound condition at the inception of this Policy.

The Insurers will in addition pay for the cost of:

Section 1 – Property Damage

- a) breakage of fixed sanitary ware;
- b) boarding up and repair to associated framework reasonably incurred as a result of an insured breakage. You may without the Insurers prior consent instruct builders or glaziers to board up where necessary;
- c) repair or replacement of lettering alarm foil or other ornamentation work on glass provided that the Insurers maximum liability for any one loss shall not exceed £500;
- d) repair or replacement of fixed mirrors provided that the Insurers maximum liability for any one loss shall not exceed £500; and
- e) removal or replacement of fixtures and fittings which may be necessary in connection with the replacement of the glass provided that the Insurers maximum liability for any one loss shall not exceed £500.

Excluding any breakage whilst buildings are Empty and or more specifically insured by You or on Your behalf.

1.18 Loss of Metered Water

The Insurers will indemnify You in respect of loss of metered water incurred as a direct result of Damage, except those in respect of any loss that has not been discovered and remedial action taken within 30 days of the occurrence of the Damage. The amount payable in respect of any one Premises shall be ascertained by comparing the charge made by the water suppliers on their account for the period during which the loss occurred with the normal charge adjusted for any relevant factors affecting Your liability for metered water during such period.

The Insurer's liability under this clause shall not exceed £10,000 any one loss. The Insurer will not pay charges incurred in respect of any building which is Empty.

1.19 Mortgagees

The act or neglect of any mortgagor or occupier of any Building insured by this Policy whereby the risk of Damage is increased without the authority or knowledge of any mortgagees shall not prejudice the interest of the mortgagees in this insurance provided they shall notify the Insurers immediately on becoming aware of such increased risk and pay an additional premium if required.

1.20 Non Invalidation

Any act, omission or alteration, unknown to You or beyond Your control, which increases the risk of Damage, will not invalidate this insurance if, immediately You become aware, You give notice to the Insurers and pay an additional premium if required.

1.21 Reinstatement by the Insurer

If any Property Insured is to be reinstated or replaced by the Insurer You shall at Your own expense provide all such plans, documents, books and information as may be reasonably required. The Insurer shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and the maximum amount payable in respect of any one of the items insured is its Sum Insured.

1.22 Removal of Debris

The insurance by each item of this Section extends to include costs and expenses necessarily incurred by You with the Insurers consent in:

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

of the portions of the Property Insured as a result of Damage insured against by this Policy.

Excluding any costs or expenses:

- a) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site; and
- b) arising from pollution or contamination of property not insured by this Section.

The liability of the Insurers in respect of any item shall in no case exceed the limits stated in the Basis of Claims Settlement.

1.23 Repairs and Alterations

Tradesmen may be employed to effect repairs or minor structural alterations in all or any of the Buildings insured without prejudice to this insurance.

1.24 Sale of Property Insured

If at the time of Damage You have contracted to sell Your interest in any Building insured by this Policy and the purchase has not been, but is later, 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 the benefit under this Section so far as it relates to such Damage without prejudice to the rights and liabilities of You or the Insurers until completion.

Section 1 – Property Damage

1.25 Seasonal Increase

The Sum Insured in respect of Stock is increased by 30% during the months of November, December and January or for any other period selected by You and stated in the Schedule.

1.26 Subrogation Waiver

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

- a) any Company standing in relation of parent to subsidiary (or subsidiary to parent) to You; and
- b) any Company which is a subsidiary of a parent company of which You are a subsidiary;

in each case within the meaning of the Companies Act or the Companies (NI) Order, as appropriate, current at the time of Damage.

1.27 Temporary Removal

The Property Insured by this Section (other than Stock if insured) is covered whilst temporarily removed for cleaning, renovation, repair or similar purposes elsewhere and in transit to and from the cleaners, renovators or repairers, all in the Territorial Limits. The liability of the Insurer under this clause in respect of each item of this Section for any Damage occurring elsewhere than at the Premises shall not exceed £50,000.

Excluding:

- a) property insofar as it is otherwise insured; or
- b) property temporarily removed to motor vehicles and motor chassis licensed for normal road use.

All the terms and conditions of the Policy except insofar as they are varied by this condition shall apply as if they had been incorporated herein.

1.28 Temporary Removal of Documents

The insurance of deeds and other documents (including stamps thereon) manuscripts, plans and writings of every description, computer systems records and books (written and printed) extends to cover such property for an amount not exceeding £5,000 whilst temporarily removed to any premises not in Your occupation and in transit to and from these premises all in the Territorial Limits but excluding property insofar as it is otherwise insured.

1.29 Theft Cover Extension

Any cover provided under this Section in respect of theft is extended to include:

a) Theft Damage to Buildings

Where there is no building insurance under this Section the Insurers will pay for loss or damage (except for fire) to that part of the Premises referred to in the Schedule containing the property insured under this Section directly resulting from theft or attempted theft. Provided always that You are the owner of such Premises or are legally liable for such damage and subject always to the Insurers maximum liability not exceeding £50,000.

b) Theft of Keys

The Insurers will pay the reasonable costs necessarily incurred in replacing external door locks at the Property Insured following the loss of keys by:

- i) theft from the Premises or registered office or from the home of; or
- ii) theft following hold-up whilst such keys are in the personal custody of;

You or any principal director, partner or Employee authorised to hold such keys.

Provided that the maximum amount payable in any one Period of Insurance shall not exceed:

- i) £1,000 in respect of any one Premises; and
- ii) £25,000 in aggregate.

1.30 Trace and Access

The Insurers will pay the reasonable costs necessarily incurred by You in locating the source and subsequent making good of Damage resulting from:

- a) the escape of water from any tank apparatus or pipe; and
- b) accidental damage to cables underground pipes and drains serving the Premises.

Provided that the maximum amount payable in any one Period of Insurance shall not exceed £25,000.

1.31 Tree Felling and Lopping

The Insurers will pay the costs and expenses necessarily and reasonably incurred by You in:

- a) felling, lopping and removing trees belonging to You or for which You are responsible at the Premises and which are an immediate threat to the safety of life or of Damage to the Property Insured;
- b) removing fallen trees belonging to You or for which You are responsible but only where there has been Damage to Property Insured.

Provided that the Insurers will not be liable for:

Section 1 – Property Damage

- a) legal or local authority costs involved in removing trees;
- b) costs incurred solely to comply with a Preservation Order;
- c) costs incurred in respect of routine maintenance.

The liability of the Insurers shall not exceed £2,500 any one claim.

1.32 Unauthorised Use of Utilities

The Insurers will pay the cost of metered electricity gas or water for which You are legally responsible arising from its unauthorised use by persons taking possession, or occupying the Premises without Your authority provided that the Premises have been inspected weekly by a responsible person and You shall take all practical steps to terminate such unauthorised use as soon as it is discovered and that the Insurer's maximum liability for any one loss shall not exceed £25,000.

Section 2 – Business Interruption

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 16 also apply to this Section. The General Conditions in Sub-Section 17A and General Exclusions in Section 18 also apply to this Section.

Definitions for Section 2 – Business Interruption

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

Business Interruption

Business Interruption shall mean loss resulting from interruption of or interference with the Business carried on by You at the Premises in consequence of loss or destruction of or damage insured under Section 1 to property used by You at the Premises for the purpose of the Business.

Defined Peril

Defined Peril shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped from aircraft or other aerial devices, 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.

Territorial Limits

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

Incident

- a) Loss or destruction of or damage to property used by You at the Premises for the purpose of the Business; or
- b) Loss, destruction of or damage to Your books of account or other business books or records at the Premises in respect of Book Debts.

Indemnity Period

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

Maximum Indemnity Period

The Period as stated in the Schedule.

Turnover

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

Gross Profit

The amount by which:

- a) the sum of the amount of the Turnover and the amounts of the closing stock and work in progress shall exceed
- b) the sum of the amount of the opening stock and work in progress and the amount of the Uninsured Working Expenses.

Note: The amounts of the opening and closing stocks (including work in progress) shall be arrived at in accordance with Your usual accounting methods due provision being made for depreciation.

Uninsured Working Expenses

Bad debts purchases (less discounts received) carriage packing and freight and discounts allowed, unless otherwise stated in the Schedule.

Note: The words and expressions used in this definition shall have the meaning usually attached to them in Your books and accounts.

Rent Receivable

The money paid or payable to You for accommodation and services provided in the course of the Business at the Premises.

Gross Revenue

The money paid or payable to You for services rendered in the course of the Business at the Premises.

Section 2 – Business Interruption

Estimated Gross Profit or Estimated Gross Revenue

The amount declared by You to Us as representing not less than the Gross Profit or Gross Revenue which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months).

Actual Gross Profit or Actual Gross Revenue

The Gross Profit or Gross Revenue earned during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months).

Rate of Gross Profit

The rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Incident.

Annual Turnover

The Turnover during the twelve months immediately before the date of the Incident.

Standard Turnover

The Turnover during the period in the twelve months immediately before the date of the Incident which corresponds with the Indemnity Period.

Annual Rent Receivable

The Rent Receivable during the twelve months immediately before the date of the Incident.

Standard Rent Receivable

The Rent Receivable during the period in the twelve months immediately before the date of the Incident which corresponds with the Indemnity Period.

Annual Gross Revenue

The Gross Revenue during the twelve months immediately before the date of the Incident.

Standard Gross Revenue

The Gross Revenue during the period in the twelve months immediately before the date of the Incident which corresponds with the Indemnity Period.

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

Outstanding Debit Balances

The total recorded debits adjusted for:

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

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

Cover

In the event of Business Interruption the Insurer will pay to You in respect of each item in the Schedule the amount of loss resulting from such interruption or interference provided that at the time of the happening of the loss, destruction or damage there is an insurance in force covering Your interest in the property at the Premises against such loss, destruction or damage and that:

- a) payment shall have been made or liability admitted therefore; or
- b) payment would have been made or liability admitted therefore but for the operation of a proviso in such insurance excluding liability for losses below a specified amount.

Section 2 – Business Interruption

Limit of Liability

The Liability of the Insurers under this Section shall not exceed:

- 1) 133.33% of the Estimated Gross Profit or Estimated Gross Revenue shown in the Schedule and
- 2) 100% of the Total Sum Insured shown in the Schedule for each other item stated in the Schedule.

Basis of Claims Settlement

Gross Profit/Estimated Gross Profit (if shown as operative in the Schedule)

The insurance is limited to loss of Gross Profit due to:

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

and the amount payable as indemnity shall be:

- a) in respect of a reduction in Turnover:
the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall fall short of the Standard Turnover in consequence of the Incident; and
- b) in respect of increase in cost of working:
the additional expenditure (subject to the provisions of the Uninsured Working Expenses Clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Incident but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction in Turnover avoided

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

Provided that:

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

Gross Revenue/Estimated Gross Revenue (if shown as operative in the Schedule)

The insurance is limited to:

- a) loss of Gross Revenue; and
- b) increase in cost of working;

and the amount payable as indemnity shall be:

- a) in respect of loss of Gross Revenue:
the amount by which the Gross Revenue during the Indemnity Period shall fall short of the Standard Gross Revenue in consequence of the Incident; and
- b) in respect of increase in cost of working:
the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Incident but not exceeding the amount of the reduction in Gross Revenue thereby avoided

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

Provided that:

if the Sum Insured by the item on Gross Revenue be less than the Annual Gross Revenue (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

Section 2 – Business Interruption

Rent Receivable **(if shown as operative in the Schedule)**

The insurance is limited to:

- a) loss of Rent Receivable; and
- b) increase in cost of working;

and the amount payable as indemnity shall be:

- a) in respect of loss of Rent Receivable:
the amount by which the Rent Receivable during the Indemnity Period shall fall short of the Standard Rent Receivable in consequence of the Incident; and
- b) in respect of increase in cost of working:
the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss in Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the Incident but not exceeding the amount of the reduction in Rent Receivable thereby avoided

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

Provided that:

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

Additional Increase in Cost of Working **(if shown as operative in the Schedule)**

The insurance is limited to the additional expenditure beyond that recoverable under clause b) of any item on Gross Profit or Gross Revenue of this insurance necessarily and reasonably incurred in consequence of the Incident for the sole purpose of avoiding or diminishing the reduction in Gross Profit or Gross Revenue which would have occurred during the Indemnity Period but for that expenditure.

Additional Cost of Working only **(if shown as operative in the Schedule)**

The insurance is limited to Additional Cost of Working only and the amount payable as indemnity shall be the additional expenditure necessarily and reasonably incurred in order to minimise any interruption or interference with the Business during the Indemnity Period in consequence of the Incident.

Provided that:

the liability of the Insurers shall be no more than 50% of the Sum Insured for such additional expenditure arising in the first 3 months following the date of the Damage or 10% of the Sum Insured for the additional expenditure in any one month thereafter but the Insurers liability shall not exceed the Sum Insured as stated in the Schedule.

Book Debts **(if shown as operative in the Schedule)**

If any of Your books of account or other business books or records at the Premises suffer loss destruction or damage preventing You from tracing or establishing the Outstanding Debit Balances, the Insurers will indemnify You for:

- a) the difference between the Outstanding Debit Balances and the total of the amounts received or traced in connection with such balances;
- b) the additional expenditure incurred with the consent of the Insurers in tracing and establishing customer's debit balances after the Incident.

Provided that:

- a) if the Sum Insured is less than the Outstanding Debit Balances the amount payable shall be proportionately reduced;
- b) You shall:
 - i) maintain a record elsewhere than in the building in which the original records are kept showing the total amount outstanding in the credit accounts of the Business at the end of each month and in the event of an Incident giving rise to a claim shall supply that record to the Insurers;
 - ii) keep all business records in which credit accounts of the Business are shown stored in fire resisting safes strongrooms or cabinets when not in use.

Section 2 – Business Interruption

Exclusions

What is not covered (see also General Exclusions):

- 1) Business Interruption 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 a vessel, machine or apparatus in which internal pressure is due to steam only and belonging to You or under Your control other than in respect of any boiler or economiser on the Premises or a boiler used for domestic purposes only;
 - 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 by You or any of Your Employees; but this shall not exclude subsequent Business Interruption which itself results from a cause not otherwise excluded.

- 2) Business Interruption caused by or consisting of:
 - a) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects;
 - b) change in temperature, colour, flavour, texture or finish;
 - c) theft or attempted theft;
 - d) 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;
 - e) mechanical or electrical breakdown or derangement of the particular machine, apparatus or equipment in which such breakdown or derangement originates;
 - f) 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 Business Interruption not otherwise excluded which itself results from a Defined Peril or from any other accidental loss destruction or damage;
 - b) subsequent Business Interruption which results from a cause not otherwise excluded.

- 3) Business Interruption 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) acts of fraud or dishonesty.

- 4) Business Interruption arising directly or indirectly from:
 - a) disappearance unexplained or inventory shortage, misfiling or misplacing of information;
 - b)
 - i) erasure, loss, distortion or corruption of information on computer systems or other records, programs or software caused deliberately by rioters, strikers, locked-out workers, persons taking part in labour disturbances or civil commotions or malicious persons;
 - ii) other erasure, loss, distortion or corruption of information on computer systems or other records, programs or software unless resulting from a Defined Peril insofar as it is not otherwise excluded.

- 5) Business Interruption resulting from destruction of or damage to a building or structure used by You at the Premises caused by its own collapse or cracking unless resulting from a Defined Peril insofar as it is not otherwise excluded.

- 6) Business Interruption in respect of movable property in the open, fences and gates, caused by wind, rain, hail, sleet, snow, flood or dust.

- 7) Business Interruption:
 - a) caused by fire resulting from its undergoing any heating process or any process involving the application of heat;
 - b) (other than by fire or explosion) resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair.

Section 2 – Business Interruption

- 8) Business Interruption:
- a) caused by freezing;
 - b) caused by escape of water from any tank, apparatus or pipe;
 - c) caused (other than by fire or explosion) by malicious persons not acting on behalf of or in connection with any political organisation;
 - d) caused by theft or any attempted theft; or
 - e) to fixed glass;
- in respect of any Building which is Empty.
- 9) Business Interruption in respect of:
- a) glass (other than fixed glass), china, earthenware, marble or other fragile or brittle objects;
 - b) property in transit;
 - c) vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
 - d) 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;
 - e) land, roads, pavements, piers, jetties, bridges, culverts or excavations;
 - f) livestock, growing crops or trees;
- other than in respect of such Business Interruption caused by a Defined Peril insofar as it is not otherwise excluded.
- 10) Business Interruption directly or indirectly caused by or arising from any programming or operator error, Virus or Similar Mechanism or Hacking.

For the purpose of this exclusion the following Definitions apply:

- a) Virus or Similar Mechanism shall mean 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. This definition of Virus or Similar Mechanism includes but is not limited to trojan horses, worms and logic bombs;
- b) Hacking shall mean unauthorised access to any computer or other equipment or component or system or item which processes stores transmits or retrieves data.

Section 2 – Business Interruption

Clauses & Conditions that apply to Section 2 – Business Interruption

2.1 Alternative Trading

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

2.2 Automatic Reinstatement after a Loss

In the event of loss the limits stated in the Basis of Claims Settlement will be automatically reinstated from the date of the loss unless written notice to the contrary is given either by the Insurers or You and You shall pay any required premiums for reinstatement from that date.

2.3 New Business

For the purpose of any claim arising from an Incident occurring before the completion of the first years trading of the Business at the Premises such loss will be ascertained by applying the Gross Profit Gross Revenue or Rent Receivable earned during the period between the commencement of the Business and the date of the Incident to the amount by which the Gross Profit Gross Revenue or Rent Receivable during the period of interruption or interference will have fallen short of the proportional equivalent for that period of the Gross Profit or Gross Revenue or Rent Receivable realised during the period between the commencement of the Business and the date of the Incident.

2.4 Payments on Account

Payments on Account may be made during the Indemnity Period if required.

2.5 Premium Adjustment

The following provisions apply separately to each item on Gross Profit or Gross Revenue.

a) Where the premium paid is not provisional.

At the end of the Period of Insurance the Insurers will allow a pro rata return of premium (not exceeding 50% of the premium paid) if the premium calculated at the appropriate rate on the Actual Gross Profit or Actual Gross Revenue (as reported by Your auditors) is less than the premium paid.

Provided that if the Actual Gross Profit or Actual Gross Revenue has been affected by Damage as insured the Insurers will add to the amount declared the additional amount of Gross Profit or Gross Revenue which would have been earned in the relative financial year had the Damage not occurred and the adjusted figure will be deemed to be the declaration.

b) Where a provisional premium is paid.

The premium paid at the commencement of each Period of Insurance is provisional and You shall declare to the Insurers within six months of the expiry of each period the Actual Gross Profit or Actual Gross Revenue as reported by Your auditors.

The premium will be calculated at the appropriate rate on the declaration and the premium paid will be adjusted as stated below provided that if the Actual Gross Profit or Actual Gross Revenue has been affected by Damage as insured the Insurers will add to the amount declared the additional amount of Gross Profit or Gross Revenue which would have been earned in the relative financial year had the Damage not occurred and the adjusted figure will be deemed to be the declaration.

i) If the insurance is on the Gross Profit or Gross Revenue basis:

If the premium calculated is:

a) less than the premium paid

the Insurers will repay the difference to You but not exceeding the difference between the premium paid and the premium payable on 50% of the Sum Insured;

b) greater than the premium paid

You shall pay the difference but not exceeding the difference between the premium paid and the premium payable on the full Sum Insured.

In the event that no declaration is received within six months of the expiry of the Period of Insurance the Sum Insured will be deemed to be the declaration and the additional premium due will become payable.

ii) If the insurance is on the Estimated Gross Profit or Estimated Gross Revenue basis:

Section 2 – Business Interruption

If the premium calculated is:

- a) less than the premium paid
the Insurers will repay the difference to You;
- b) greater than the premium paid
You shall pay the difference.

2.6 Professional Accountants

The Insurers will pay the reasonable charges payable by You to Your professional accountants for producing information required by the Insurers, under Obligation 19.1e) of Section 19 – Claims Procedure, and for reporting that such information is in accordance with Your accounts, but not for any other purposes in the preparation of any claim.

Provided that the sum of the amount payable under this clause and the amount otherwise payable under the Policy shall in no case exceed the Sum Insured.

2.7 Renewal Clause

(Applicable if Estimated Gross Profit or Estimated Gross Revenue Cover is operative)

Prior to each renewal You shall provide the Insurers with the Estimated Gross Profit or Estimated Gross Revenue for the financial year most nearly concurrent with the ensuing Period of Insurance.

2.8 Uninsured Working Expenses

If any working expenses of the Business are not insured by this Section (having been deducted in arriving at the Gross Profit as defined herein) then in calculating the amount recoverable under this Section as an increase in cost of working, that proportion only of any additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and the Uninsured Working Expenses.

2.9 Value Added Tax

To the extent that You are accountable to the tax authorities for Value Added Tax all terms in this Section shall be exclusive of such tax.

Extensions that apply to Section 2 – Business Interruption (Operative only if stated in the Schedule)

The maximum amount payable in respect of the following extensions shall not exceed in respect of any one event the percentage of the Sum Insured as shown in the Schedule or the monetary amount whichever is the lesser.

2.1 Contract Sites

This Section includes loss as insured by this Section resulting from interruption or interference with the Business in consequence of an Incident at any site in the Territorial Limits not in the occupation of You where You are carrying out a contract.

2.2 Essential Employees

This Section includes loss resulting from interruption of or interference with the Business carried on at the Premises following loss of an Employee from Your service as a result of:

- a)
 - i) death of the Employee;
 - ii) bodily injury which, in the opinion of the Insurer's medical officer, will in all likelihood prevent the Employee from carrying out their usual employment or usual occupation for the remainder of their life, caused solely and directly by violent, accidental, external and physical means not otherwise excluded by the terms of Section 8 – Personal Accident;
- b) the Employee winning a prize on the national lottery, premium bonds or football pools providing their win exceeds £100,000;

but excluding losses where the Employee:

- a) has been employed by You for a period of less than 12 months;
- b) has served notice or has been served notice of termination of their employment prior to the occurrence;
- c) has been absent from work through sickness, disability or suspension for a period exceeding 4 weeks at the time of the occurrence.

The insurance by this extension shall only apply for the period beginning with the death or permanent total disability or lottery win, premium bond win or football pools win and lasting no longer than 3 months thereafter.

2.3 Failure of Supply

Section 2 – Business Interruption

This Section includes loss resulting from interruption of or interference with the Business as insured as a result of the accidental failure of supply of:

- a) electricity at the terminal ends of the service provider's feeders at the Premises;
- b) gas at the service provider's meters at the Premises;
- c) water at the service provider's main stop cock serving the Premises (other than by drought);
- d) telecommunications services (excluding the provision of extranets or access to or presence on the internet or access to applications and related services over the internet) at the incoming line terminals or receivers at the Premises but excluding satellites;

not occasioned by the deliberate act of any service provider nor by the exercise by any such provider of its power to withhold or restrict supply or provision of telecommunication services.

Special Conditions applicable to this clause:

- 1) the Maximum Indemnity Period shall not exceed 3 months in respect of telecommunications services;
- 2) the Indemnity Period shall commence 24 hours after the commencement of the failure of supply including telecommunications services and not as stated in the Definitions.

2.4 Infectious Diseases

The Insurers shall indemnify You in respect of interruption of or interference with the Business during the Indemnity Period following:

- a) any:
 - i) occurrence of a Notifiable Disease (as defined below) at the Premises or attributable to food or drink supplied from the Premises;
 - ii) discovery of an organism at the Premises likely to result in the occurrence of a Notifiable Disease;
 - iii) occurrence of a Notifiable Disease within a radius of 25 miles of the Premises;
- b) the discovery of vermin or pests at the Premises which causes restrictions on the use of the Premises on the order or advice of the competent local authority;
- c) any accident causing defects in the drains or other sanitary arrangements at the Premises which causes restrictions on the use of the Premises on the order or advice of the competent local authority; or
- d) any occurrence of murder or suicide at the Premises.

Special Conditions applicable to this clause:

- 1) Notifiable Disease shall mean illness sustained by any person resulting from:
 - i) food or drink poisoning; or
 - ii) any human infectious or human contagious disease excluding Acquired Immune Deficiency Syndrome (AIDS) or an AIDS related condition, an outbreak of which the competent local authority has stipulated shall be notified to them.
- 2) For the purposes of this clause:

Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the occurrence discovery or accident beginning:

 - i) in the case of a) and d) above with the date of the occurrence or discovery; or
 - ii) in the case of b) and c) above the date from which the restrictions on the Premises applied;

and ending not later than the Maximum Indemnity Period thereafter shown below.

Premises shall mean only those locations stated in the Premises definition. In the event that the Section includes an extension which deems loss destruction or damage at other locations to be an Incident such extension shall not apply to this clause.
- 3) The Insurers shall not be liable under this clause for any costs incurred in the cleaning repair replacement recall or checking of property.
- 4) The Insurers shall only be liable for the loss arising at those Premises which are directly affected by the occurrence discovery or accident.

Maximum Indemnity Period shall mean 3 months.

2.5 Public Utilities

This Section includes loss as insured by this Section resulting from interruption or interference with the Business in consequence of loss destruction or damage to property at any:

- a) generating station or sub-station of the public electricity supply undertaking;
- b) land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith;
- c) water works and pumping stations of the public water supply undertaking; and
- d) land based premises of the public telecommunications undertaking;

from which You obtain electricity, gas, water or telecommunications services within the Territorial Limits which shall be deemed to be an Incident.

2.6 Prevention of Access

Subject to the terms and conditions of this Section, loss resulting from interruption of or interference with the Business in consequence of loss, destruction of or damage to property in the vicinity of the Premises, where such loss,

Section 2 – Business Interruption

destruction or damage shall prevent or hinder the use of or access to the Premises, whether or not Your Premises or Your property in the Premises is damaged, shall be deemed to be an Incident, but excluding loss resulting from loss or destruction of or damage to property of any supply undertaking from which You obtain electricity, gas, water or telecommunications services which prevents or hinders the supply of such services.

2.7 Specified Customers

This Section includes loss as insured by this Section resulting from interruption or interference with the Business in consequence of loss, destruction or damage at the premises of Your customers as stated in the Schedule.

2.8 Specified Suppliers

This Section includes loss as insured by this Section resulting from interruption or interference with the Business in consequence of loss, destruction or damage at the premises of Your suppliers as stated in the Schedule.

2.9 Storage Sites

This Section includes loss as insured by this Section resulting from interruption or interference with the Business in consequence of loss, destruction or damage at the premises of any site where Your goods are stored in the Territorial Limits, which shall be deemed to be an Incident.

2.10 Transit

This Section includes loss as insured by this Section resulting from interruption or interference with the Business in consequence of loss, destruction or damage to Your property while in transit in Great Britain or Northern Ireland, but excluding loss in respect of impact to or collision with the conveying road or rail vehicle or waterborne craft.

2.11 Unspecified Customers

This Section includes loss as insured by this Section resulting from interruption or interference with the Business in consequence of loss, destruction or damage at the premises of any of Your Customers, all in the Territorial Limits, which shall be deemed to be an Incident.

Provided that for the purposes of this extension the term Customers means the companies, organisations or individuals with whom, at the time of the Incident, You have contracts or trading relationships to supply goods or services.

2.12 Unspecified Suppliers

This Section includes loss as insured by this Section resulting from interruption or interference with the Business in consequence of loss, destruction or damage at the premises of any of Your suppliers, manufacturers or processors of components goods or materials, all in the Territorial Limits, which shall be deemed to be an Incident, but excluding loss resulting from loss or destruction of or damage to property of any supply undertaking from which You obtain electricity, gas, water or telecommunications services which prevents or hinders the supply of such services.

Section 3 – Goods In Transit

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 16 also apply to this Section. The General Conditions in Sub-Section 17A and General Exclusions in Section 18 also apply to this Section.

Definitions for Section 3 – Goods In Transit

Clothing and Personal Effects

Personal possessions of You or Your drivers worn or carried during transit excluding cash bank notes credit cards watches and jewellery.

Consignment

All property sent at one time in one or more packages in one load to the same destination.

Damage

Loss or destruction of or damage.

Excess

The amount or amounts shown in the Schedule which We will deduct from each and every claim at each separate location and will be deducted after the application of Average.

Money

Cash, bank and currency notes, cheques, postal orders, money orders, crossed bankers drafts, current postage stamps, unused units in franking machines, National Savings Stamps and Certificates, National Insurance Stamps, trading stamps, gift tokens, customer redemption vouchers, VAT purchase receipts, credit company sales vouchers, credit card counterfoils, travellers tickets and, insofar as such are not otherwise insured, holidays with pay stamps and luncheon vouchers.

One Event

Any one occurrence or series of occurrences attributable to one original cause.

Property

Goods, Tools and all other items belonging to You or for which You are responsible relating to the Business shown in the Schedule except for any goods specifically excluded by this Section.

Territorial Limits

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

Tools

Tools, tool kits or test equipment which You own or are hired by You or used by You in connection with the Business and for which You are responsible.

Vehicle

Motor vehicle, articulated vehicle, trailer, semi-trailer.

Section 3 – Goods In Transit

Cover

In the event of Damage to Property in transit to destinations within the Territorial Limits whilst being carried by Vehicles operated by You, hauliers, rail or post, the Insurers will pay You the value of the Property at the time of the Damage or, at their option reinstate, replace or repair the Property. In the event of Damage affecting labels, capsules or wrappers the Insurer shall not be liable for more than an amount sufficient to pay the cost of new labels, capsules or wrappers and the cost of reconditioning the Property but in no event shall the Insurer be liable for more than the insured value of the damaged Property.

Cover commences when the Property is lifted immediately prior to despatch or loading and continues until arrival at destination including unloading.

Cover includes temporary housing in the course of transit, whether on or off the means of conveyance, and does not include temporary housing of Property unloaded from a Vehicle at any premises owned or rented by You.

Cover includes incoming supplies and Property consigned to You from addresses within the Territorial Limits if it is Your responsibility.

Limit of Liability

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

Extensions

Expenses

The Insurers will pay expenses reasonably incurred for which You are responsible in:

- a) the removal of debris and site clearance of Property damaged whilst in transit from the immediate area of the site where the Damage occurred;
- b) transferring Property to any other Vehicle following fire, collision, overturning or impact of the conveying Vehicle including carrying the Property to the original destination or to place of collection;
- c) reloading onto the Vehicle any Property which has fallen from the Vehicle; and
- d) re-securing the Property where there is dangerous movement of the load in transit.

Subject to a limit of £5,000 in respect of any one loss.

Clothing and Personal Effects

In the event of the payment of a claim under this Section for Property the Insurers will also pay up to £500 for Damage to Clothing and Personal Effects (excluding wear and tear) whilst they are in Vehicles operated by You but the Insurers will not pay for audio visual and telecommunications equipment or clothing watches and jewellery whilst being worn.

Ropes and Sheets

The Insurers will pay for Damage (excluding wear and tear) to tarpaulins, sheets, trailer curtains, ropes, chains, webbing straps and packing materials which belong to You or for which You are responsible whilst carried on any Vehicle operated by You.

Subject to a limit of £1,000 in respect of any one loss.

Section 3 – Goods In Transit

Exclusions

What is not covered (see also General Exclusions):

We will not provide an indemnity in respect of:

- 1) Damage caused by:
 - a) defective or inadequate packing insulation or labelling, inadequate documentation, disappearance or unexplained or inventory shortage;
 - b) evaporation or ordinary leakage;
 - c) vermin insects wear tear inherent vice latent defect gradual deterioration;
 - d) an existing or hidden defect;
 - e) vibration denting scratching or bruising;
 - f) mechanical or electrical breakdown derangement defect or failure.
- 2) Shortage in weight.
- 3) Damage caused by deterioration or variation in temperature unless directly consequent upon fire, theft or overturning or collision of the carrying Vehicle.
- 4) Damage arising from:
 - a) confiscation requisition or destruction by order of any government or any public authority;
 - b) riot civil commotion strikes lockouts or labour disturbances.
- 5) Damage;
 - a) occurring outside the Territorial Limits;
 - b) not connected with the Business.
- 6) Damage to:
 - a) jewellery precious stones watches clocks gold and silver articles furs curios;
 - b) wines spirits perfumes and tobacco products;
 - c) audio visual equipment;
 - d) computer hardware and software;
 - e) rare books and works of art;
 - f) Money and bullion non ferrous metals;
 - g) living creatures;
 - h) explosives;unless such Property is specifically stated in the Schedule as insured and the Damage is not otherwise excluded.
- 7) Damage caused by theft or attempted theft of the Property insured and/or Tools and/or Clothing and Personal Effects from any unattended Vehicle being any Vehicle with no person in charge or keeping the Vehicle under observation and able to observe or prevent any attempt by any person to interfere with the Vehicle unless You have ensured that:
 - a) all doors windows and other points of access have been locked where locks have been fitted; and
 - b) all manufacturers' security devices have been put into effect; and
 - c) the keys have been removed from any unattended Vehicle; and
 - d) unattached trailers have anti-hitching devices fitted and they are put into effect.
- 8) Damage resulting from theft or attempted theft from any unattended Vehicle during the hours from 9pm until 6am unless such Vehicle is garaged in:
 - a) a securely locked building of substantial nature; or
 - b) a compound which has secure walls and/or fences and securely locked gates.
- 9) Property in transit for hire or reward.
- 10) loss of market, loss of profits, delay or any Consequential Loss.
- 11) the Excess as stated in the Schedule.

Section 3 – Goods In Transit

Clauses & Conditions that apply to Section 3 – Goods In Transit

3.1 Average

If at the time of the Damage the Sum Insured is less than the total value of the Property You will be considered as Your own insurer for the difference and bear a proportionate share of the loss.

3.2 Basis of Claims Settlement

This will normally be a payment in money but the Insurers have the option to repair, replace or reinstate Property lost or damaged.

In the event of Damage to any part of a machine which, when complete for sale or use, consists of several parts the Insurers will only pay for the value of the part actually lost or damaged including any replacement charges.

3.3 Basis of Valuation

The valuation of Property shall be at invoice cost. If an invoice has not been raised the basis of valuation will be the value of the Property at the time of the commencement of the transit.

3.4 Limitations and Requirements

If Your Vehicles are left unattended all doors and the boot must be securely locked and windows and other openings securely closed.

3.5 Reasonable Precautions

It is a Condition precedent to Our Liability that You must take all reasonable precautions to prevent Damage by:

- a) exercising reasonable care in the selection of drivers obtaining references and providing instruction;
- b) exercising reasonable care in the packaging and labelling or addressing of the Property;
- c) maintaining Vehicles in an efficient and roadworthy condition and ensure they are suitable for the purpose for which they are to be used;
- d) complying with regulations imposed by any lawful authority.

3.6 Reinstatement of Sum Insured

The Insurers will automatically reinstate the Vehicle limits shown in this Section from the date of any loss unless written notice to the contrary is given by the Insurers.

You may be required to pay extra premium and if the loss has resulted from theft the Insurers may require You to fit additional protective devices to the Vehicle.

Section 4 – Money and Assault

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 16 also apply to this Section. The General Conditions in Sub-Section 17A and General Exclusions in Section 18 also apply to this Section.

Definitions for Section 4 – Money and Assault

Bodily Injury

Bodily Injury by violent and visible means which, directly and independently of any other cause, results in death or disablement.

Business Hours

Your normal working hours and any other period during which You or any Employees entrusted with Money are on the Premises in connection with the Business.

Insured Person

You or any of Your Employees, within the age limits 16 to 70 years.

Loss of Limb

Physical severance of one or more limbs at or above the wrist or ankle or the total and permanent loss of use of an entire hand arm foot or leg.

Loss of Sight

Total and irrecoverable loss of sight, which shall be considered as having occurred:

- a) in both eyes when the Insured Person's name has been added to the register of Blind Persons on the authority of a fully qualified ophthalmic specialist;
- b) in one eye when the degree of sight remaining after correction is 3/60 or less on the Snellen Scale (which means the Insured Person is only able to see at 3 feet that which they should normally be able to see at 60 feet).

Money

Cash, bank and currency notes, cheques, postal orders, money orders, crossed bankers drafts, current postage stamps, unused units in franking machines, National Savings Stamps and Certificates, National Insurance Stamps, trading stamps, gift tokens, customer redemption vouchers, VAT purchase receipts, credit company sales vouchers, credit card counterfoils, travellers tickets and, if not otherwise insured, holidays with pay stamps and luncheon vouchers.

Non-Negotiable Items

Crossed cheques, crossed postal orders, crossed money orders, crossed bankers drafts, National Savings Certificates, credit company sales vouchers or receipts, National Insurance Stamps affixed to cards and VAT purchase receipts.

Permanent Total Disablement

Permanent total disablement (other than by Loss of Limb or Loss of Sight) which, after 24 months of the Bodily Injury, prevents You or any of Your Employees from pursuing any occupation.

Temporary Total Disablement

Total disablement which, within 24 months of the Bodily Injury, prevents You or any of Your Employees from pursuing their normal occupation.

Territorial Limits

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

Section 4 – Money and Assault

Cover - Money

The Insurers will indemnify You up to the Limit of Liability any one loss stated in the Schedule in respect of loss from any cause of Money held in connection with the Business:

- a) while in transit within the Territorial Limits or in a bank night safe until removed by the bank;
- b) from the Premises during Business Hours;
- c) from the Premises out of Business Hours;
 - i) in locked safes or strongrooms as specified in the Schedule;
 - ii) in all other unspecified locked safes or strongrooms;
 - iii) not in a locked safe or strongroom;
- d) while at Your residence or that of any of Your principals or authorised Employees.

Non-Negotiable Items

Notwithstanding the limits referred to in the Schedule the limit for Non-Negotiable Items shall be £250,000 any one loss.

Safes and machines

The Insurers will pay the cost of repair or replacement of safes, strong rooms, tills, cash registers, franking machines and special Money-carrying cases following loss or destruction of, or damage to, safes, strong rooms, tills, cash registers, franking machines and special Money-carrying cases if loss, destruction or damage results from theft or attempted theft of Money or Non-Negotiable Items, subject to a limit of £1,000 for any one loss.

Clothing and personal effects

The Insurers will pay for damage to clothing and personal effects belonging to You or any of Your Employees as a result of robbery or attempted robbery up to a limit of £500 in respect of any one person.

Exclusions

What is not covered (see also General Exclusions):

We shall not indemnify You in respect of loss destruction or damage:

- 1) arising from fraud or dishonesty of any director partner or Employee unless discovered and reported to the Police and Us in writing within 14 days after the event, in which case the liability of the Insurers shall be limited to £5,000 and subject to an Excess of £500;
- 2) resulting from use of any form of payment which proves to be counterfeit false invalid uncollectible or irrecoverable for any reason;
- 3) where a more specific insurance is in force except for any excess beyond the amount recoverable thereunder;
- 4) due to errors or omissions;
- 5) from unattended vehicles being any vehicle with no person in charge or keeping the vehicle under observation and able to observe or prevent any attempt by any person to interfere with the vehicle;
- 6) outside the Territorial Limits;
- 7) resulting directly or indirectly from forgery fraudulent alteration or substitution fraudulent use of a computer or electronic transfer;
- 8) from any gaming machine vending machine or automated teller machine or cash dispensing machine unless specifically stated in the Schedule.

Section 4 – Money and Assault

Cover - Assault

If the Insured Person shall suffer Bodily Injury caused solely or directly as a result of robbery or attempted robbery in the course of the Business the Insurer will pay Benefit on the basis of the Table of Compensation as stated in the Schedule;

Provided that Benefits 1, 2 or 3 must occur within 2 years of sustaining Bodily Injury.

Exclusions

What is not covered (see also General Exclusions):

No liability will attach to the Insurers for Bodily Injury arising from or influenced by:

- a) any existing physical defect or infirmity;
- b) the medical condition of any person entitled to compensation hereunder; or
- c) resulting from pregnancy or childbirth.

Compensation will not be payable:

- a) under more than one of the Benefits for the same injury; or
- b) under more than one Section of this Policy in respect of the same injury.

No further Compensation will be payable to the same Insured Person after payment of any Compensation made under Benefits 1, 2, 3 or 4.

Clauses & Conditions that apply to Section 4 – Money and Assault

4.1 Money Carryings

It is a condition precedent to the liability of the Insurers that Money in transit shall be carried by the number of able bodied and responsible adults or by the security carrier described below:

- | | |
|--------------------------------------|---|
| a) Up to £2,500 | One able bodied and responsible adult; |
| b) greater than £2,500 up to £5,000 | Two able bodied and responsible adults; |
| c) greater than £5,000 up to £7,500 | Three able bodied and responsible adults; |
| d) greater than £7,500 up to £10,000 | Four able bodied and responsible adults; |
| e) greater than £10,000 | Approved Security Carrier. |

4.2 Key Security

It is a condition precedent to the liability of the Insurers that outside Business Hours the safes or strongrooms be kept locked and the keys and/or combination codes of the safes or strongrooms shall not be left on the Premises unless the Premises are occupied by You or any of Your authorised Employees in which case such keys and/or combination codes if left on the Premises shall be deposited in a secure place not in the vicinity of the safes or strongrooms.

Section 5 – Employers’ Liability

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 16 also apply to this Section. The General Conditions in Sub-Section 17A and General Exclusions in Section 18 also apply to this Section.

Definitions for Section 5 – Employers’ Liability

Injury

Bodily injury, death, disease, illness or nervous shock.

Offshore

From the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform, and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform.

Territorial Limits

- a) Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.
- b) Elsewhere in the world, other than Offshore, in connection with temporary visits undertaken in the course of the Business by any person normally resident in the territories described in a) above.

Cover

The Insurers will indemnify You against all sums that You shall become legally liable to pay as damages, together with costs and expenses shown below, in respect of Injury sustained within the Territorial Limits during the Period of Insurance by any Employee arising out of his employment by You in the course of the Business.

Limit of Indemnity

The liability of the Insurers under this Section for damages, costs and expenses payable in respect of any one claim or series of claims against You arising out of one event shall not exceed the amount stated in the Schedule.

Costs and expenses shall be deemed to mean:

- a) costs and expenses of claimants for which You are legally liable;
- b) other costs and expenses incurred with the Insurers written consent in respect of any claim which may be the subject of indemnity under this Section;
- c) solicitors fees incurred with the Insurers written consent for:
 - i) defence in any Court of Summary Jurisdiction of any proceedings brought against You in respect of breach or alleged breach of any statutory duty resulting in Injury;
 - ii) representation at a Coroners Court or Fatal Accident Inquiry in respect of any death; which may be the subject of indemnity under this Section;
- d) legal costs and expenses incurred with the Insurer’s written consent by You and, at Your request, any director or Employee, and costs awarded against You or the director or Employee arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of an alleged offence occurring during the Period of Insurance under the Health and Safety at Work etc Act 1974 or similar safety legislation of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man provided that:
 - i) the proceedings relate to the health safety or welfare of Employees;
 - ii) the Insurers will not indemnify You in respect of:
 - (1) proceedings consequent upon a deliberate act by or omission by You, any director or Employee;
 - (2) fines or penalties of any kind or the costs of appeal against improvement or prohibition notices; or
 - (3) costs and expenses insured by any other policy.
- e) legal costs and expenses incurred with the Insurer’s written consent by You, and costs awarded against You arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of the defence of criminal proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007 or similar legislation provided that:
 - i) the liability of the Insurers for all legal costs and expenses payable in any one Period of Insurance shall not exceed the sum of £5,000,000 or the Limit of Indemnity stated in the Schedule whichever is the lesser and will form part of and not be in addition to the Limit of Indemnity stated in the Schedule;
 - ii) the proceedings relate to an actual or alleged offence committed during the Period of Insurance within the Territorial Limits and in connection with the Business;
 - iii) the Insurers will not indemnify You in respect of:
 - (1) proceedings which result from any deliberate act or omission by You;
 - (2) any fines or penalties of any kind;

Section 5 – Employers’ Liability

- (3) any remedial or publicity orders or any steps required to be taken by such orders;
- (4) costs and expenses insured by any other policy.

Additional Persons Insured

- a) In the event of the death of any person entitled to indemnity under this Section the Insurers will indemnify in the terms of this Section the deceased’s legal personal representatives but only in respect of liability incurred by such deceased person;
- b) At Your request the Insurers will indemnify in the terms of this Section:
 - i) any principal in respect of liability arising out of the performance by You of any agreement entered into by You with the principal to the extent required by such agreement;
 - ii) any of Your directors or Employees in respect of liability arising in connection with the Business; Provided that You would have been entitled to indemnity under this Section if the claim had been made against You;
 - iii) any officer committee or member of Your canteen, sports, social or welfare organisations, fire, security, first aid, medical or ambulance services in their respective capacities as such;
 - iv) any of Your directors or senior officials in respect of private work undertaken by any Employee for such director or senior official;

Provided that:

- a) each person shall as though he were You observe fulfil and be subject to the terms of this Section insofar as they can apply; and
- b) the Insurers shall retain the sole conduct and control of all claims.

Compensation for Court Attendance

In the event of the following persons attending court as a witness at the request of the Insurers in connection with a claim in respect of which You are entitled to indemnity under this Section the Insurers will provide compensation to You at the following rates per day for each day on which attendance is required:

- a) any of Your directors or partners £250
- b) any Employee £150

Right of Recovery

This Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to Employees in Great Britain Northern Ireland the Channel Islands or the Isle of Man but You shall repay to the Insurers all sums paid by the Insurers which the Insurers would not have been liable to pay but for the provisions of such law.

Unsatisfied Court Judgements

In the event of Injury to an Employee, sustained during the Period of Insurance and arising out of his employment by You in the course of the Business, which results in a judgement for damages being obtained by such Employee, or his personal representatives, and which remains unsatisfied in whole or in part six months after the date of such judgement, the Insurers will, at Your request, pay to the Employee or his personal representatives the amount of any such damages and any awarded costs to the extent that they remain unsatisfied provided that:

- a) the judgement for damages is obtained:
 - i) in a court of law within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man; and
 - ii) against a company, partnership or individual other than You, conducting a business at or from premises within the territories described in i) above;
- b) there is no appeal outstanding;
- c) the judgement relates to Injury which would otherwise be within the terms of the Policy; and
- d) if any payment is made under the terms of this clause the Employee or the personal representative of the Employee shall assign the judgement to the Insurers.

Section 5 – Employers’ Liability

Exclusions

What is not covered (see also General Exclusions):

- 1) So far as concerns the liability of any principal or liability assumed by You under agreement, and which would not have attached in the absence of such agreement, this Section shall not apply to any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
 - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
- 2) Any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 as amended by the Motor Vehicles (Compulsory Insurance) Regulations 1992 and the Road Traffic (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or other compulsory road traffic act legislation.
- 3) Any liability arising out of work undertaken or operations located Offshore.
- 4) More than £5,000,000 including Claimant’s Costs, Defence Costs and under all extensions in respect of any one claim or series of claims (regardless of the number of claimants) arising out of one event which falls within the definition of Terrorism under this Policy.
- 5) More than £5,000,000 including Claimant’s Costs, Defence Costs and under all extensions in respect of any one claim or series of claims (regardless of the number of claimants) directly or indirectly caused by or alleged to be caused by or contributed to in whole or in part by or arising out of the manufacture of, mining of, use of, sale of, installation of, survey or investigation of, management of, removal or distribution of, existence of or exposure to asbestos products, asbestos fibres or asbestos dust or property or materials containing any of the foregoing.

Section 6 – Public Liability and Products Liability

Sub-Section 6(a) – Public Liability

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 16 also apply to this Section. The General Conditions in Sub-Section 17A and General Exclusions in Section 18 also apply to this Section.

Definitions for Sub-Section 6(a) – Public Liability

Injury

Bodily injury, death, disease, illness or nervous shock.

Offshore

From the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform, and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform.

Products Supplied

Product or item, including containers, packaging, instruction, or labelling sold, supplied, hired out, constructed, erected, installed, treated, repaired, serviced, processed, stored, handled, transported or disposed of by or on behalf of You or any structure, constructed, erected or installed or contract work executed by or on behalf of You in the course of the Business.

Territorial Limits

- a) Great Britain, Northern Ireland, the Channel Islands or the Isle of Man
- b) manual and non-manual work carried out during temporary visits anywhere in the world other than the United States of America or Canada in the course of the Business by any person normally resident within the territories described in a) above.
- c) non-manual work carried out during temporary visits to the United States of America or Canada by any person normally resident within the territories described in a) above.

Cover

Indemnity

The Insurer will indemnify You against all sums that You shall become legally liable to pay as damages in respect of accidental:

- a) Injury to any person;
- b) loss of or damage to material property;
- c) obstruction, trespass, nuisance or interference with any right of way, air, light or water or other easement; or
- d) wrongful arrest, detention, imprisonment or eviction of any person or invasion of the right of privacy;

occurring within the Territorial Limits during the Period of Insurance and happening in connection with the Business.

Limit of Indemnity

The liability of the Insurers for all damages payable to any claimant or number of claimants as a result of any one occurrence or all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the amount stated in the Schedule for any one event.

Section 6 – Public Liability and Products Liability

Contingent Motor Liability

Notwithstanding Exclusion 2) under Exclusions '*What is not covered.*' the Insurers will indemnify You in the terms of this Sub-Section against legal liability in respect of Injury, loss or damage arising out of the use in connection with the Business of any motor vehicle not owned or provided by You.

The Indemnity will not apply to legal liability:

- a) in respect of loss of or damage to any such vehicle or to goods carried in or on the vehicle;
- b) in respect of Injury, loss of or damage arising while such vehicle is being:
 - i) driven by You;
 - ii) driven with the general consent of You or of Your representative by any person who to the knowledge of You or Your representative does not hold a licence to drive the vehicle unless such person has held and is not disqualified from holding such a licence;
 - iii) used elsewhere than in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man; or
 - iv) engaged in racing, pace making reliability trials or speed testing;
- c) in respect of which You are entitled to indemnity under any other insurance.

Defective Premises Act

The Insurer will indemnify You in respect of Injury or loss or damage to Property which You may incur as owner by virtue of the Defective Premises Act 1972 in connection with any premises which have been disposed of by You and which prior to disposal were occupied by You in connection with the Business.

The Indemnity will not apply to legal liability:

- a) for which You are entitled to indemnity under any other policy of insurance;
- b) for Injury, loss or damage happening prior to such disposal; or
- c) for the cost of repairing, replacing or reinstating any defect giving rise to such claim or for the rectification of faulty workmanship.

Overseas Personal Liability

The Insurers will indemnify You and, if You so request, any of Your directors, partners or Employees or spouse of such person against legal liability incurred in a personal capacity whilst temporarily outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man in connection with the Business.

The Indemnity will not apply to legal liability:

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

Rented Premises

Exclusion 5) b) under Exclusions '*What is not covered.*' shall not apply to premises leased, let, rented, hired or lent to You.

The Indemnity will not apply to legal liability in respect of:

- a) loss or damage arising under agreement unless liability would have attached to You in the absence of such agreement;
- b) loss of or damage to premises caused by fire or any other peril against which a tenancy or other agreement stipulates that insurance shall be effected by You or on Your behalf; and
- c) the first £500 of each and every occurrence of loss or damage caused otherwise than by fire or explosion.

Section 6 – Public Liability and Products Liability

Exclusions

What is not covered (see also *General Exclusions*):

Legal liability:

- 1) arising out of:
 - a) work in or on aircraft;
 - b) work in or on airport or aerodrome runways, manoeuvring areas or aprons or those parts of airports or aerodromes to which aircraft have access; or
 - c) the ownership possession or use by You or on Your behalf of any aircraft watercraft (other than watercraft not exceeding 8 metres in length or any hand-propelled boat or pontoon);
- 2) arising out of the ownership, possession or use by You or on Your behalf of any mechanically propelled vehicle or attached trailer in circumstances where compulsory insurance or security is required or where insurance is provided by another policy provided always that:
this exclusion shall not apply in respect of liability arising during the act of loading or unloading any such mechanically propelled vehicle or attached trailer unless insurance is provided by another policy;
- 3) in respect of Injury or loss of or damage to property caused by or in connection with any Products Supplied which have ceased to be in Your custody or control other than food or drink provided as a service at Your Premises to Employees or visitors;
- 4) in respect of Injury to any Employee;
- 5) in respect of loss of or damage to:
 - a) property belonging to You; or
 - b) property which is leased, let, rented, hired or lent to You or which is the subject of a bailment to You;
- 6) arising out of professional advice, design or specification provided by You or on behalf of You for a fee;
- 7) for the costs of remedying any defect or alleged defect in land or premises sold or disposed of by You or for any reduction in the value of such land or premises;
- 8) assumed by You under agreement unless the conduct and control of claims is vested in the Insurers but indemnity shall not in any event apply to liquidated damages, fines or penalties;
- 9) arising out of work undertaken or operations located Offshore;
- 10) for loss of or damage to that part of any property upon which You are or have been working where the loss or damage is the direct result of such work;
- 11) for aggravated exemplary vindictive or punitive damages awarded by any Court of Law;
- 12) for the first £250 of each and every occurrence in respect of loss or damage to property.

Section 6 – Public Liability and Products Liability

Sub-Section 6(b) – Products Liability

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 16 also apply to this Section. The General Conditions in Sub-Section 17A and General Exclusions in Section 18 also apply to this Section.

Definitions for Sub-Section 6(b) – Products Liability

Injury

Bodily injury, death, disease, illness or nervous shock.

Offshore

From the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform, and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform.

Products Supplied

Product or item, including containers, packaging, instruction, or labelling sold, supplied, hired out, constructed, erected, installed, treated, repaired, serviced, processed, stored, handled, transported or disposed of by or on behalf of You or any structure, constructed, erected or installed or contract work executed by or on behalf of You in the course of the Business.

Territorial Limits

Anywhere in the world in respect of Products Supplied in or from Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

Cover

Indemnity

The Insurers will indemnify You against all sums that You shall become legally liable to pay as damages and costs and expenses of claimants in respect of accidental:

- a) injury to any person; and
- b) loss of or damage to material property;

occurring within the Territorial Limits during the Period of Insurance and caused by any Products Supplied.

Limit of Indemnity

The liability of the Insurers for all damages payable as a result of all occurrences during any one Period of Insurance shall not exceed the amount stated in the Schedule for any one Period of Insurance.

Section 6 – Public Liability and Products Liability

Exclusions

What is not covered (see also General Exclusions):

Legal liability:

- 1) in respect of Injury, loss or damage to property caused by or in connection with any Products Supplied which are in Your custody or control;
- 2) in respect of Injury, loss or damage to property caused by or in connection with any Products Supplied which to Your knowledge are for use in or on any aircraft or aerospace device;
- 3) in respect of Injury, loss or damage to property caused by or in connection with any Products Supplied which to Your knowledge are directly or indirectly exported to the United States of America or Canada;
- 4) in respect of Injury to any Employee;
- 5) in respect of loss of or damage to:
 - a) property belonging to You; or
 - b) property which is leased, let, rented, hired or lent to You or which is the subject of a bailment to You.
- 6)
 - a) in respect of the cost or value of any Products Supplied or replacement, repair, removal, rectification or reinstatement of Products Supplied where legal liability arises from a defect in or the unsuitability of such Products Supplied;
 - b) for any costs incurred in recalling or modifying any Products Supplied;
- 7) assumed by You under agreement unless the conduct and control of claims is vested in the Insurers but indemnity shall not in any event apply to:
 - a) liquidated damages fines or penalties; or
 - b) legal liability which attaches by virtue of an express warranty indemnity or guarantee given or entered into by You in connection with any Products Supplied and which would not have attached in the absence of such warranty indemnity or guarantee.
- 8) arising out of professional advice, design or specification provided by You or on behalf of You for a fee;
- 9) for aggravated exemplary vindictive or punitive damages awarded by any Court of Law.

Section 6 – Public Liability and Products Liability

Applicable to Section 6 – Public Liability and Products Liability

Cover

Costs

The Insurers will in addition:

- a) pay all other costs and expenses incurred with its written consent in respect of any claim which may be the subject of indemnity under this Section;
- b) pay solicitors fees incurred with its written consent for:
 - i) defence in any Court of Summary Jurisdiction of any proceedings brought against You in respect of breach or alleged breach of any statutory duty resulting in Injury; and
 - ii) representation at a Coroners Court or Fatal Accident Inquiry in respect of any death; which may be the subject of indemnity under this Section;
- c) indemnify You and, at Your request, any director or Employee in respect of legal costs and expenses incurred with the Insurers written consent, and costs awarded against You and Your director or Employee arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of an alleged offence occurring during the Period of Insurance under the Health and Safety at Work etc Act 1974 or similar safety legislation of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man provided that:
 - i) the proceedings relate to the health, safety or welfare of persons other than Employees;
 - ii) the Insurers will not indemnify You in respect of:
 - (1) fines or penalties of any kind or the costs of appeal against improvement or prohibition notices;
 - (2) proceedings which result from any deliberate act by or omission by You, any director or Employee;
 - (3) costs and expenses insured by any other policy.
- d) indemnify You in respect of legal costs and expenses incurred with the Insurer's written consent by You, and costs awarded against You arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of the defence of criminal proceedings for any offence brought under the Corporate Manslaughter and Corporate Homicide Act 2007 or similar legislation provided that:
 - i) the liability of the Insurers for all legal costs and expenses payable in any one Period of Insurance shall not exceed the sum of £5,000,000 or the Limit of Indemnity stated in the Schedule whichever is the lesser and will form part of and not be in addition to the Limit of Indemnity stated in the Schedule;
 - ii) the proceedings relate to an actual or alleged offence committed during the Period of Insurance within the Territorial Limits and in connection with the Business;
 - iii) the Insurers will not indemnify You in respect of:
 - (1) proceedings which result from any deliberate act or omission by You;
 - (2) any fines or penalties of any kind;
 - (3) any remedial or publicity orders or any steps required to be taken by such orders;
 - (4) costs and expenses insured by any other policy.

Additional Persons Insured

- a) In the event of the death of any person entitled to indemnity under this Section the Insurers will indemnify in the terms of this Section the deceased's legal personal representatives but only in respect of liability incurred by such deceased person;
- b) At Your request the Insurers will indemnify in the terms of this Section:
 - i) any principal in respect of liability arising out of the performance by You of any agreement entered into by You with the principal to the extent required by such agreement;
 - ii) any of Your directors or Employees in respect of liability arising in connection with the Business; Provided that You would have been entitled to indemnity under this Section if the claim had been made against You.
 - iii) any officer committee or member of Your canteen, sports, social or welfare organisations, fire, security, first aid, medical or ambulance services in their respective capacities as such;
 - iv) any of Your directors or senior officials in respect of private work undertaken by any Employee for such director or senior official;

Provided that:

- a) each such person shall, as though he were You, observe, fulfil and be subject to the terms of this Section insofar as they can apply;
- b) the Insurers shall retain the sole conduct and control of all claims;
- c) where the Insurer is required to indemnify more than one party the total amount of indemnity payable to all parties in respect of damages shall not exceed the Limit of Indemnity.

Section 6 – Public Liability and Products Liability

Compensation for Court Attendance

In the event of the following persons attending court as a witness at the request of the Insurers in connection with a claim in respect of which You are entitled to indemnity under this Section the Insurers will provide compensation to You at the following rates per day for each day on which attendance is required:

- a) any of Your directors or partners £250
- b) any Employee £150

Consumer Protection Act 1987 – Legal Defence Costs

The Insurer will pay all amounts You or, at Your request, any of Your directors or Employees become legally liable to pay in the defence of any criminal proceedings brought for a breach of Part II of the Consumer Protection Act 1987 or any regulations made under the Act committed or alleged to have been committed during the Period of Insurance including legal costs and expenses incurred with their consent in an appeal against conviction arising from the proceedings.

Provided always that:

- a) the criminal proceedings relate to an offence committed in the course of Your Business as stated on the Schedule;
- b) this extension shall apply only to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands;
- c) You and Your directors or Employees shall give the Insurer immediate notice of any summons or other proceedings against You or Your directors or Employees.

The Indemnity will not apply to legal liability:

- a) where You or Your directors or Employees are insured by any other policy of insurance;
- b) where the criminal proceedings are in respect of any deliberate or intentional criminal act or omission of You or Your directors or Employees;
- c) in respect of legal costs and expenses which You or Your directors or Employees may be ordered to pay by a court of Criminal Jurisdiction in respect of the deliberate or intentional criminal act or omission of You or Your director or Employee;
- d) in respect of fines or penalties;
- e) for the cost of any investigation or inquiry other than a solicitor's investigation restricted to criminal proceedings as above defined; and
- f) unless the Insurers have the sole conduct and control of all claims.

Cross Liabilities

This Section shall apply separately to each person named in the Schedule as if a separate policy had been issued to each provided that if the Insurer is required to indemnify more than one party in respect of any occurrence the total liability of the Insurer shall not exceed the Limit of Indemnity.

Data Protection Act 1998 Extension

The Insurer will indemnify You in respect of liability arising under the Data Protection Act 1998 to pay compensation for damages or distress, provided that:

- a) the process of registration under the above Act has been commenced or completed by You and the application has not been refused or withdrawn;
- b) no liability arises as a result of the provision by You of the services of a Data Processor.

The total liability of the Insurers including all costs and expenses shall not exceed £250,000 during any one Period of Insurance.

For the purposes of this extension the phrases or words Data Processor and Data shall carry the same meaning as defined under the Data Protection Act 1998.

The Indemnity will not apply to legal liability:

- a) in respect of the recording or provision of Data for reward or for determining the financial status of any person; or
- b) which arises as a result of Your deliberate act or omission and which could reasonably have been expected by You having regard to the nature and circumstances of such act or omission.

Discharge of Liability

The Insurers may pay the Limit of Indemnity or any lesser amount for which any claim or claims against You can be settled and the Insurers shall be under no further liability in respect of such claim or claims except for costs or expenses incurred prior to the date of such payment.

Section 6 – Public Liability and Products Liability

Food Safety Act Legal Defence Costs

The Insurer will pay legal costs and expenses You or, at Your request, any of Your directors or Employees incur in the defence of any criminal proceedings brought for a breach of the Food Safety Act 1990, or any regulations under the Act, committed or alleged to have been committed during the Period of Insurance. The Insurer will also pay legal costs and expenses incurred with their consent in an appeal against conviction arising from such proceedings.

Provided always that:

- a) the criminal proceedings relate to an offence committed in the course of Your Business as stated on the Schedule;
- b) this extension only applies to proceedings brought in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man;
- c) You or Your directors or Employees give the Insurers immediate notice of any summons or other process served upon You or Your directors or Employees and of any event that may give rise to proceedings against You or Your directors or Employees.

The Indemnity will not apply to legal liability:

- a) where You or Your directors or Employees are insured by any other policy of insurance;
- b) where the criminal proceedings are in respect of any deliberate or intentional criminal act or omission of You or Your directors or Employees;
- c) for legal costs and expenses which You or Your directors or Employees may be ordered to pay by a court of Criminal Jurisdiction in respect of the deliberate or intentional criminal act or omission of You or Your directors or Employees;
- d) in respect of fines or penalties;
- e) for the cost of any investigation or inquiry other than a solicitor's investigation restricted to criminal proceedings as above defined.

USA and Canada

Insofar as this Section applies to legal liability arising in the United States of America or Canada or if an action for damages is commenced therein or in any subsequent action in connection therewith is brought elsewhere in the world the liability of the Insurers in respect of all damages payable together with the costs and expenses of claimants and any other costs and expenses incurred with the Insurers written consent shall not exceed the Limit of Indemnity and shall exclude punitive damages and/or exemplary damages and/or aggravated damages and/or any additional damages resulting from the multiplication of compensatory damages or by way of fines or penalties.

Section 6 – Public Liability and Products Liability

Exclusions

What is not covered (see also General Exclusions):

Pollution or Contamination

Legal liability in respect of Pollution or Contamination other than 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.

All Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place.

The liability of the Insurers for all damages payable in respect of all Pollution or Contamination which is deemed to have occurred during the Period of Insurance shall not exceed in the aggregate the amount shown in the Schedule as the Limit of Indemnity for any one event.

For the purpose of this exclusion and limitation 'Pollution or Contamination' shall be deemed to mean:

- a) all Pollution or Contamination of buildings or other structures or of water or land or the atmosphere; and
- b) all loss or damage or Injury directly or indirectly caused by such Pollution or Contamination.

Asbestos

This insurance does not cover any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of, or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

Section 6 – Public Liability and Products Liability

Clauses & Conditions that apply to Section 6 – Public Liability and Products Liability

6.1 Use of Heat Condition

Fire Precautions

It is a condition precedent to liability under this Section that in respect of use away from Your Premises of blow lamps, blow torches, flame guns, hot air guns, electric, oxy-acetylene or other welding or cutting equipment and angle grinders (in circumstances where sparks are emitted) or asphalt, bitumen, tar, pitch or lead heaters, the undernoted precautions will be complied with on each occasion:

Blow Lamps Blow Torches Flame Guns and Hot Air Guns

- a) the area in which work is to be carried out to be examined and combustible property within the vicinity of the work either removed or as far as practicable covered by non-combustible materials;
- b) suitable fire extinguishing appliances to be kept available for immediate use at the point of work or as near as is practicable;
- c) blow lamps, blow torches and flame guns not to be lighted until required for use and extinguished immediately after use;
- d) lighted blow lamps, blow torches and flame guns not to be left unattended;
- e) hot air guns to be switched off when unattended; and
- f) upon completion of each period of work a thorough fire safety check to be made of the vicinity of the work. The fire safety checks to be undertaken at regular intervals for a period of at least one hour after completion.

Electric Oxy-Acetylene or other Welding or Cutting Equipment and Angle Grinders

- a) the area in which the work is to be carried out, including adjoining shafts or openings and the area on the other side of any wall or partition, to be inspected to see whether any combustible property, other than the property to be worked upon, is in danger of ignition either directly or by conduction of heat;
- b) all combustible property to be removed to a distance of not less than 6 metres from the point of work and property which cannot be moved to be covered and fully protected by overlapping sheets of non-combustible material or equivalent protection;
- c) You shall arrange for a person who is competent in the use of fire extinguishing appliances to work in conjunction with the operative using the equipment to act as a fire watcher and to remain in attendance at all times until lighted flame equipment is extinguished;
- d) suitable fire extinguishing appliances to be made available for immediate use at the point of work;
- e) gas cylinders not in use to be kept outside the building in which the work is taking place where practicable but in any event at least 15 metres from the point of application of the heat; and
- f) upon completion of each period of work a thorough fire safety check to be made of all areas referred to in paragraph a) above. The fire safety checks to be undertaken at regular intervals for a period of at least one hour after completion.

Use of asphalt, bitumen, tar, pitch or lead heaters

The heating must be carried out in the open in a vessel designed for the purpose and, if carried out on a roof, the vessel must be placed on a non-combustible heat insulating base.

Section 7 – All Risks (Specified Items)

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 16 also apply to this Section. The General Conditions in Sub-Section 17A and General Exclusions in Section 18 also apply to this Section.

Definitions for Section 7 – All Risks (Specified Items)

Excess

The first amount of each and every claim (as shown in the Schedule) for which You are responsible at each separate Premises after the application of all other terms and conditions of the insurance including but not limited to any Condition of Average.

Geographical Area

- A) The Premises;
- B) Anywhere in Great Britain, Northern Ireland, the Channel Islands and the Isle of Man;
- C) European Union which means anywhere in Great Britain, Northern Ireland, the Channel Islands, the Isle of Man and any other countries of the European Union;
- D) Worldwide which means anywhere in the world including Great Britain, Northern Ireland, the Channel Islands, the Isle of Man and the European Union.

Cover

The Insurer shall indemnify You against Damage to any of the property shown in the Schedule occurring anywhere in the Geographical Area shown on the Schedule.

Limit of Liability

The maximum amount payable under any item is the Sum Insured shown in the Schedule.

Average

If at the time of any loss or damage the value of the Property Insured under any item is greater than its Sum Insured You shall be considered as being Your own insurer for the difference and shall bear a rateable share of the loss accordingly.

Basis of Claims Settlement

The basis of claims settlement is the cost of repair or the current replacement value without deduction for wear and tear provided that all necessary repairs or replacements are carried out without delay.

Damage

Damage shall mean accidental loss or destruction of or damage to the Property Insured.

Section 7 – All Risks (Specified Items)

Exclusions

What is not covered (see also General Exclusions):

This Section does not cover:

- 1) the Excess as stated in the Schedule;
- 2) theft or attempt thereof from any building not involving entry to or exit from by forcible and violent means;
- 3) loss or damage arising from wear and tear or from any process of cleaning or restoring or adjusting or repairing;
- 4) loss or damage arising from or attributable to the action of light or atmosphere, moths, parasites or vermin;
- 5) loss by official confiscation or detention;
- 6) loss or damage to any electrically driven machine or apparatus directly caused by its own overrunning short-circuiting self-heating or by the application of excessive electrical energy or mechanical derangement not arising from external impact;
- 7) loss or damage to any component part of any item insured in the Schedule while such part is removed from its normal position in the item;
- 8) loss, destruction or damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds;
- 9) loss or damage by theft from any unattended motor vehicle unless such vehicle has been securely locked at all points of access;
- 10) loss or destruction of or damage to any computer or other equipment or component or system or item which processes, stores, transmits or retrieves data or any part of any computer, other equipment, component or system, whether tangible or intangible (including but without limitation any information or programs or software) and whether or not Your property where such loss, destruction or damage is caused by programming or operator error Virus or Similar Mechanism or Hacking.

For the purpose of this exclusion the following Definitions apply:

- a) Virus or Similar Mechanism shall mean 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 or not involving self-replication. This definition of Virus or Similar Mechanism includes, but is not limited to trojan horses, worms and logic bombs.
 - b) Hacking shall mean unauthorised access to any computer or other equipment or component or system or item which processes stores transmits or retrieves data.
- 11) damage caused by:
- a) acts of fraud or dishonesty by Your Employees;
 - b) unexplained disappearance, unexplained or inventory shortage, misfiling or misplacing of information; or
 - c) any process of fitting, testing, servicing, repair, renovation or adjustment.

Section 8 – Personal Accident

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 16 also apply to this Section. The General Conditions in Sub-Section 17A and General Exclusions in Section 18 also apply to this Section.

Definitions for Section 8 – Personal Accident

Accident

A sudden unexpected event (including being exposed to the weather) which happens during the Operative Time of Cover and causes physical injury and which is the only direct cause of death or disability.

Accident Accumulation Limit

The most We will pay under this Section for an Accident involving more than one Insured Person.

Bodily Injury

A physical injury which:

- a) an Insured Person suffers;
- b) is caused by an Accident during the Operative Time of Cover; and
- c) is the only cause of death or disability within two years of the Accident happening.

Director

Any executive director under a contract of service with You.

Insured Person

Any principal partner or director aged 16 to 70 within Your Business.

Loss of Hearing

Total and permanent loss of hearing in one or both ears to the extent that the hearing loss is greater than 95 decibels across all frequencies using a pure tone audiogram in one or both ears.

Loss of Limb

Physical severance of one or more limbs at or above the wrist or ankle or the total and permanent loss of use of an entire hand arm foot or leg.

Loss of Sight

Total and irrecoverable loss of sight, which shall be considered as having occurred:

- a) in both eyes when the Insured Person's name has been added to the register of Blind Persons on the authority of a fully qualified ophthalmic specialist;
- b) in one eye when the degree of sight remaining after correction is 3/60 or less on the Snellen Scale (which means the Insured Person is only able to see at 3 feet that which they should normally be able to see at 60 feet).

Loss of Speech

Total and permanent loss of speech.

Operative Time of Cover

At any time during the Period of Insurance.

Permanent Total Disablement

Disablement which is beyond reasonable hope of improvement having lasted for a continuous period of 2 years and preventing the Insured Person from attending to any occupation or paid work.

Section 8 – Personal Accident

Cover

If an Insured Person suffers a Bodily Injury during the Operative Time of Cover We will pay You the Sum Insured shown in the Table of Benefits.

Table of Benefits

1) Death occurring within 2 years of the event giving rise to Bodily Injury:	£10,000
2) Loss of Limb	£5,000
3) Loss of:	
a) Sight:	£5,000
b) Speech:	£5,000
c) Hearing:	£5,000
4) Permanent Total Disablement (other than specified in 2-3 above)	£5,000

Exclusions

What is not covered (see also *General Exclusions*):

This Section does not cover:

- 1) Bodily Injury:
 - a) resulting from or engaging in aeronautics or aviation other than as a fare paying passenger of a properly licensed passenger aircraft;
 - b) resulting from or engaging in racing on wheels or on horseback, or practice therefore, rugby, football, motorcycling or pillion riding or underwater activities involving the use of breathing apparatus;
 - c) resulting from or engaging in mountaineering, rock climbing or potholing;
 - d) resulting from or engaging in hang gliding, parachuting and winter sports other than curling or skating;
 - e) resulting from or engaging in any sport undertaken on a professional or semi-professional basis;
 - f) due to, contributed to or accelerated by insanity;
 - g) resulting from any operational duties as a member of the armed forces of any nation; or
 - h) resulting directly or indirectly from pregnancy or childbirth;
- 2) any sickness or disease not resulting from an accidental Bodily Injury;
- 3) any naturally occurring condition or process or any gradual cause;
- 4) suicide or attempted suicide self inflicted injuries (other than in an attempt to save life) or venereal infection;
- 5) Bodily Injury sustained whilst under the influence of or disablement due wholly or partly to the effects of alcoholism or drugs other than drugs taken in accordance with treatment prescribed and directed by a qualified registered medical practitioner but not for the treatment of drug addiction;
- 6) any claim arising directly or indirectly from Bodily Injury attributable to HIV (Human Immunodeficiency Virus) and/or any HIV related illness including AIDS (Acquired Immune Deficiency Syndrome) and/or mutant derivative(s) or variation(s) thereof however caused.

Section 8 – Personal Accident

Clauses & Conditions that apply to Section 8 – Personal Accident

8.1 Accident Accumulation Limit

If a claim goes over the Accident Accumulation Limit of £50,000 the amount payable in respect of each Insured Person will be proportionately reduced.

8.2 Changes in Circumstances

You shall give notice to the Insurer before each renewal period of any disease physical defect or infirmity by which any Insured Person under this Section has become affected during the previous Period of Insurance. You must notify the Insurer as soon as possible in writing of any change which may materially affect the insurance by this Section.

8.3 Claims Evidence

An Insured Person must have any medical examinations which We decide are necessary. In the case of death of the Insured Person We shall be entitled to have a post mortem examination. Any examinations will be at the Company's expense.

8.4 Payment of Benefit

We will not pay a claim under:

- a) more than one of items 1 to 4 on the Table of Benefits for any one Insured Person for any one Accident;
- b) more than one Section of this Policy in respect of the same Accident.

8.5 Transferring the Policy

You cannot transfer the benefit of this Policy to anyone else or use this contract of insurance as a mortgage or guarantee of any kind.

Section 9 – Directors and Officers Liability

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 16 also apply to this Section. The General Conditions in Sub-Section 17A and General Exclusions in Section 18 also apply to this Section.

Definitions for Section 9 – Directors and Officers Liability

Claim

Any demand made by a third party upon an Insured Director for damages.

Continuity Date

The date from which You have maintained uninterrupted Director and Officers liability cover with the Insurers.

Defence Costs

Any reasonable fees, costs and out of pocket expenses incurred by any Insured Director, with the prior written consent of the Insurer, in the investigation, defence, settlement or appeal of any Claim.

Employment Practice Violation

Any actual or alleged:

- a) unfair or wrongful dismissal, discharge or termination, either actual or constructive, of an employment relationship or agreement in a manner which is against the law, misleading representation or advertising relating to employment;
- b) failure to employ or promote, unfair deprivation of a career opportunity, unfair discipline, failure to grant tenure or negligent employee evaluation;
- c) sexual harassment in the workplace or workplace harassment of any kind (including the alleged creation or permission of a harassing workplace environment);
- d) employment-related denial of natural justice, invasion of privacy, defamation, wrongful infliction of emotional distress or discrimination on any legally prohibited basis.

Insured Director

Any natural person who is Your past, present or future director, secretary or executive officer. It does not include any externally appointed offices such as receivers, managers, liquidators, administrators, mortgagees in possession and the like.

For the avoidance of doubt, Insured Director shall not include external auditors appointed in accordance with Section 384 of the Companies Act 1985 (UK) or any similar legislation in any other jurisdiction.

Knowledge, First Discovered or Discovery

The knowledge or discovery of a Loss occurs when You become aware of facts which would cause a reasonable person to believe that a Loss covered by the Policy has been or may be incurred, even though the exact amount or details of the Loss may not then be known. Knowledge possessed or discovery made by any of Your directors or officers shall constitute knowledge possessed or discovery made by You.

Loss

- a) damages or judgements, but not punitive, aggravated or exemplary damages;
- b) legal costs and expenses awarded against any Insured Director in respect of any Claim;
- c) Defence Costs;
- d) settlements negotiated with the Insurers prior written consent;

not including any non compensatory damages, taxes, any amount for which You are not legally liable, or matters which are uninsurable under the law to which the Policy shall be construed.

Loss, damages, judgements, settlements and Defence Costs incurred in more than one Claim against an Insured Director but resulting from a Single Wrongful Act shall constitute a single Loss.

Single Act or Single Wrongful Act

An act or any related or continuous or repeated acts, whether committed by an individual or group of individuals, and whether directed to or affecting one or more person or legal entity.

Transaction

Any of the following events:

- a) You consolidating with or merging with any other person, entity or group of persons, and/or entities acting in concert; or
- b) You becoming a subsidiary of another entity by virtue of any applicable law.

Section 9 – Directors and Officers Liability

Wrongful Act

Any actual or alleged act, error, omission, misstatement, misleading statement, misleading conduct, neglect or breach of duty (excluding an Employment Practice Violation) made, committed, by any Insured Director.

All related or continuous or repeated Wrongful Acts shall be deemed to be one Wrongful Act for the purpose of the cover provided by the Policy.

Cover

The Insurer will pay the Loss of each Insured Director resulting from any Claim first made against them and notified to the Insurer during the Period of Insurance, by reason of any Wrongful Act occurring on or after the Continuity Date, in their capacity as Insured Director. The Insurer shall advance (subject to the Limit of Liability and retention) to each Insured Director Defence Costs incurred before the final disposition of the Claim. Such payments shall be repaid to the Insurer by the Insured Directors severally, according to their respective interests and responsibilities, in the event and to the extent that the Claim is ultimately determined not to be covered or is resolved on terms or in a manner which excludes it from cover under the Policy.

Limit of Liability

The maximum We will pay in respect of any one Claim (including Defence Costs) and in total for all Claims first made during the Period of Insurance shall be the amount as stated in the Schedule or £50,000, whichever is the lesser.

Exclusions

What is not covered (see also *General Exclusions*):

Any Loss:

- 1) arising out of an Employment Practice Violation.
- 2) arising out of, based upon, attributable to, or in any way involving, directly or indirectly:
 - a) the actual, alleged, imminent or threatened discharge, dispersal, seepage, release or escape of pollutants; or
 - b) any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise pollutants, nuclear material or nuclear waste.
- 3) arising out of bodily injury, sickness, disease, death or emotional distress of any person, or damage to or destruction of any property, including the loss of use of it.
- 4) arising out of any criminal, dishonest, fraudulent, wilful, intentional or malicious acts or omissions, or any knowing or wilful violation of any statute or regulation, or the gaining in fact of any profit or advantage to which You or the Insured Directors were not legally entitled;

however, this exclusion shall only apply if such conduct has been established by final adjudication to have, in fact occurred. It is agreed that Defence Costs will be provided until such final adjudication but may then be recovered from each Insured Director as a debt by the Insurer if this exclusion is to apply.

- 5) arising out of or in any way connected to any:
 - a) litigation, material circumstances or other facts disclosed as contingent liabilities in Your Report & Accounts unless previously agreed by the Insurer;
 - b) any alleged facts or circumstances of which notice was given or ought reasonably to have been given under any policy in force prior to the Continuity Date;
 - c) pending or prior litigation or derived from the same or essentially the same facts as might be alleged in such pending or prior litigation, as at the Continuity Date; or
 - d) Transaction of which You had knowledge, or had reason to expect, as at the inception date of this Policy unless previously agreed in writing by the Insurer.

For purposes of 5), the term litigation shall include, but not be limited to, any civil or criminal proceeding as well as any administrative or regulatory proceeding or official investigation or arbitration or adjudication.

Section 9 – Directors and Officers Liability

- 6) in connection with any Claim made against an Insured Director which is brought by You or any other Insured Director or on Your behalf or on behalf of any other Insured Director; provided however that this exclusion shall not apply to:
 - a) Defence Costs; or
 - b) any Claim brought or maintained by a liquidator, receiver, administrative receiver derivatively on Your behalf without the solicitation or participation of any Insured Director.
- 7) arising out of any legal action or litigation brought in a court within the United States of America or Canada or out of any legal action or litigation brought in a court outside of the United States of America or Canada to enforce a judgement handed down in a court within the United States of America or Canada whether by way of reciprocal agreement or otherwise.
- 8) in connection with any Claim made against an Insured Director directly or indirectly arising out of, or in connection with, any public or private offering, issue or sale of shares, debentures, promissory notes or any other form of negotiable or non-negotiable security for the raising of capital by equity, debt or any other means.
- 9) in connection with any Claim made against an Insured Director brought by, at the instigation of, or on behalf of any past or present shareholder or stockholder who had or has direct or indirect ownership of or control over 15% or more of Your voting shares or rights.
- 10) in connection with any Claim made against an Insured Director arising out of any Claim or any developments of such Claim for or in respect of or in any way arising out of a breach of duty owed, or malpractice, in a professional medical capacity.
- 11) in a capacity as trustee or fiduciary under law (statutory or non-statutory including common) or administrator of any pension, profit sharing or Employee benefits programme.

Section 10 – Equipment Breakdown

This Section is an extension to the cover provided under Sections 1 and 2 of this Policy and will apply only:

- 1) where the Property Damage and Business Interruption Sections of the Policy are shown as operative under the Policy Schedule for the current Period of Insurance;
- 2) where the Schedule shows that “Section 10 – Equipment Breakdown” is operative.

This Section is underwritten by HSB Engineering Insurance Limited.

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 16 also apply to this Section. The General Conditions in Sub-Section 17A and General Exclusions in Section 18 also apply to this Section.

Definitions for Section 10 – Equipment Breakdown

Accident(s) means:

- a) electrical or mechanical Breakdown, including rupture or bursting caused by centrifugal force;
- b) artificially generated electrical current, including electric arcing, that damages electrical devices, appliances or wires;
- c) Explosion or Collapse of Covered Equipment operating under steam or other fluid pressure
- d) loss or damage to hot water boilers, other water heating equipment, oil or water storage tanks or other Covered Equipment operating under steam or other fluid pressure caused by or resulting from any condition or event (not otherwise excluded), occurring inside such equipment; or
- e) loss or damage caused by or due to operator error that results in the overloading of Covered Equipment

All Accidents that are the result of the same event will be considered one Accident.

Biomass and Biogas Installations means:

Any equipment and machinery used in connection with running a biomass or biogas heating or power-generation plant, including anaerobic digesters, storage tanks, augers, screeners, scrubbers, boilers, gas engines, generators, heat exchangers, pumps and motors

Breakdown means:

- a) the actual breaking, failure, distortion or burning out of any part of the Covered Equipment whilst in ordinary use arising from defects in the Covered Equipment causing its sudden stoppage and necessitating repair or replacement before it can resume work.
- b) fracturing of any part of the Covered Equipment by frost when such fracture renders the Covered Equipment inoperative.
- c) The actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary.

Collapse means:

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

Computer Equipment means:

- a) electronic, computer or other data processing and/or storage equipment
- b) projectors printers scanners and other peripheral devices used in conjunction with a)
- c) software and programs licensed to You and installed on a)
- d) Portable Computer Equipment

Covered Equipment means:

Equipment at the premises owned by You or for which You are responsible:

- i) which is built to operate under vacuum or pressure (other than the weight of its contents); or
- ii) that generates transmits stores or converts energy; or
- iii) comprising Computer Equipment

Excluding

- (a) any supporting structure foundation masonry brickwork or cabinet
- (b) any insulating or refractory material
- (c) any vehicle aircraft floating vessels or any equipment mounted thereon (other than vehicle recovery crane or equipment which is included but not the actual vehicle)

Section 10 – Equipment Breakdown

- (d) self propelled plant and equipment (other than fork lift trucks and pallet trucks used by You at Your premises) dragline excavation or construction equipment
- (e) equipment manufactured by You for sale
- (f) safety or protective devices due to their functioning
- (g) tools dies cutting edges crushing surfaces trailing cables non metallic linings driving belts or bands or any part requiring periodic renewal
- (h) any electronic equipment (other than Computer Equipment) used for research diagnostic treatment experimental or other medical or scientific purposes with a new replacement value in excess of £30,000
- (i) any Manufacturing Production or Process Equipment including linked Computer Equipment
- (j) any electricity generating equipment other than emergency back-up power equipment or wind turbines less than 10kw or photovoltaic equipment less than 50kw
- (k) any kitchen and food preparation equipment laundry and cleaning equipment audio-visual equipment and Computer Equipment whilst in a private dwelling or private dwelling quarters (unless such equipment is the property of You or for which You are responsible)
- (l) any Biomass or Biogas Installation
- (m) any Hydroelectric Installation

Derangement means:

Electrical or mechanical malfunction arising from a cause internal to Computer Equipment unaccompanied by visible damage to or breaking of any parts of the equipment

Explosion means:

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

Hazardous substance means:

Any substance other than ammonia that has been declared to be hazardous to health by a governmental agency

Hydroelectric Installations means:

Any equipment, machinery, dam and weir used in connection with running a hydroelectric-power station, including turbines, sluice gates, screens, screeners, pumps, motors, generators, gearboxes, engines, alternators and associated equipment. Plus any substation and distribution transformer, switchgear, meter, cabling, telecommunication and monitoring device, building and converter housing (including fixtures and fittings), and security equipment.

Manufacturing Production or Process Equipment means:

Any machine or apparatus (other than boilers lifts fork lift trucks dock levellers and lifting tables) which has a primary purpose of processing or producing a product or service intended for eventual sale by You and any equipment which exclusively serves such machinery or apparatus

Media means:

All forms of electronic magnetic and optical tapes and discs for use in any Computer Equipment

Portable Computer Equipment means

- a) laptops palmtops and notebooks
- b) personal digital assistants (PDAs)
- c) projectors printers scanners and other peripheral devices which are designed to be carried and used in conjunction with other Portable Computer Equipment
- d) removable satellite navigation systems
- e) digital cameras
- f) smart phones

Verified means:

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

Cover

The Insurer agrees to provide insurance for direct physical loss or damage and any specified consequential loss from an Accident to Covered Equipment owned by You or for which You are responsible subject to a maximum liability of £5,000,000 for any one Accident. Within this amount the liability of the Insurer shall not exceed

- i) £500,000 for any one Accident to Computer Equipment whilst at the premises specified in the Schedule
- ii) £5,000 for any one Accident to Portable Computer Equipment anywhere in the world

Section 10 – Equipment Breakdown

Extensions of Cover and Sub-limits

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

1. Hazardous Substances

The Insurer shall be liable for the additional cost to repair or replace Covered Equipment because of contamination by a Hazardous Substance including any additional expenses incurred to clean up or dispose of such property

The liability of the Insurer shall not exceed £10,000 any one Accident in respect of such additional costs

2. Reinstatement of Data and Computer Increased Costs of Working

A) The Insurer shall be liable for costs incurred in reinstating data lost or damaged in consequence of an Accident to or Derangement of Computer Equipment

The liability of the Insurer shall not exceed £50,000 any one Accident

Provided that

- (a) liability is limited solely to the cost of reinstating data onto Media
- (b) the Insurer shall not be liable for loss of or damage to software

B) In addition the Insurer will pay reasonable costs necessarily incurred in minimising or preventing the resulting interruption or interference to Your computer operations

The liability of the Insurer shall not exceed £50,000 any one accident in respect of such additional costs

3. Business Interruption

Provided that the Business Interruption section of this Policy is operative the Insurer shall be liable for financial loss caused by or resulting from an Accident to Covered Equipment

The liability of the Insurer in any one Period of Insurance shall not exceed £100,000 under this extension

The Insurer shall not be liable under this extension for any loss resulting from Extension 8 - Damage to Own Surrounding Property

4. Public Authorities/Law or Ordinance

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

- a) Your actual expenditures for the cost to demolish and clear the site of undamaged parts;
- b) Your actual expenditures for increased costs to repair, rebuild or construct the building. If the building is repaired or rebuilt, it must be intended for similar use or occupancy as the current building, unless otherwise required by zoning or land use ordinance or law; and

The Insurer shall not be liable under Extension of Cover 4 for:

- a) any fine;
- b) any liability to a third party;
- c) any increase in loss due to a hazardous substance (other than as specifically insured under Extension of Cover 1); or
- d) increased construction costs until the building is actually repaired or replaced.

This additional coverage is within and does not increase the Limit of Indemnity shown in the Schedule.

5. Expediting Expenses

With respect to damaged Covered Equipment, the Insurer shall be liable for the reasonable extra cost to make temporary repairs and expedite permanent repairs or permanent replacement.

The liability of the Insurer shall not exceed £20,000 for any one Accident under this extension.

Section 10 – Equipment Breakdown

6. Hire of Substitute Item

If Covered Equipment is damaged as a result of an Accident the Insurer shall be liable for the cost of hire charges actually incurred by You during the Period of Insurance for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item lost or damaged

The liability of the Insurer shall not exceed £10,000 any one Accident under this extension

7. Storage Tanks and Loss Of Contents

The insurance under this Section extends to include damage caused by an Accident to oil storage tanks or water tanks including connected pipework belonging to You or for which You are responsible at the premises

In addition this extension covers loss of the contents of oil storage tanks caused by

- a) escape of contents - leakage discharge or overflow from the oil storage tanks caused by or resulting from an Accident
- b) contamination - contamination of the contents of oil storage tanks caused by or resulting from an Accident including cleaning costs incurred as a result of such loss

The liability of the Insurer shall not exceed £10,000 any one Accident under this extension

8. Damage to Own Surrounding Property due to steam explosion

The Insurer will pay for damage to property at the premises belonging to You or in Your custody and control and for which You are responsible directly resulting from the Explosion or Collapse of any Covered Equipment operating under steam pressure

The liability of the Insurer shall not exceed £1,000,000 any one Accident under this extension

9. Additional Access Costs

Provided that the Business Interruption section of this Policy is operative the Insurer shall be liable under this extension for any necessary additional costs incurred in order to gain access to repair or replace the Covered Equipment following an Accident

The liability of the Insurer shall not exceed £20,000 any one Accident under this extension

10. Debris Removal

The Insurer shall be liable under this extension for costs incurred in the removal of debris and protection of Covered Equipment following an accident

The liability of the Insurer shall not exceed £25,000 any one Accident

11. Repair Costs Investigation

With their prior written agreement the Insurer will pay costs relating to repair investigations and tests by consulting engineers for damage to Covered Equipment following an Accident for an amount not exceeding £25,000 any one Accident

The Insurer shall not be liable under this extension for fees incurred in preparing a claim under this Policy

Basis of Claims Settlement

As described in the Property Damage and Business Interruption sections of this policy

Additional Conditions

1. Precautions

You shall exercise due diligence in:

- a) complying with any statute or order
- b) ensuring that insured items are properly maintained and used in accordance with manufacturers recommendations and in taking reasonable precautions to prevent loss or damage

Section 10 – Equipment Breakdown

2. Back-Up Records

You shall maintain a minimum of 2 generations of Verified back-up computer records taken at intervals no less frequently than 48 hours and take all reasonable precautions to store and maintain records in accordance with the maker's recommendations

Exclusions

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

1. The Insurer will not be liable for loss or damage caused by or resulting from a hydrostatic pneumatic or gas pressure test of any boiler or pressure vessel or an insulation breakdown test of any type of electrical equipment
2. The Insurer will not be liable for loss or damage to data or Media of any kind caused by:
 - a) programming error or programming limitation
 - b) computer virus
 - c) introduction of malicious code
 - d) loss of data (other than as specifically provided for under Extension of Cover 2A Reinstatement of Data)
 - e) loss of access
 - f) loss of use
 - g) loss of functionality
3. The Insurer will not be liable for loss or damage caused by:
 - a) depletion deterioration corrosion erosion wear and tear or other gradually developing conditions
 - b) any condition which can be corrected by resetting calibrating realigning tightening adjusting or cleaning or by the performance of maintenanceBut if loss or damage from an Accident results the Insurer will be liable for that resulting loss or damage
4. The Insurer will not be liable for loss or damage recoverable under any maintenance agreement or any warranty or guarantee

Section 11 – Legal Expenses

This Section is administered by ARAG plc under a binding authority agreement with the Insurer. The Insurer's liability is several and they are liable for their proportion of liability in respect of this Section only and have no liability for any other Insurer's proportion or in respect of any other cover part of this Policy.

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 16 also apply to this Section. The General Conditions in Sub-Section 17A and General Exclusions in Section 18 also apply to this Section.

Definitions for Section 11 – Legal Expenses

Appointed advisor

The

- 1) solicitor, accountant or other advisor (who is not a mediator), appointed by Us to act on behalf of the Insured;
- 2) mediator appointed by Us to provide impartial dispute resolution in relation to a claim accepted by Us.

Business

The occupation, trade profession or enterprise carried out by the entity shown in the schedule that attaches to this policy.

Collective Conditional Fee Agreement

A legally enforceable agreement entered into on a common basis between the Appointed Advisor and Us to pay their professional fees on the basis of either

- 1) 100% "no-win no-fee" or
- 2) where discounted, that a discounted fee is payable.

Conditional Fee Agreement

A legally enforceable agreement between You and the Appointed Advisor for paying their professional fees on the basis of either

- 1) 100% "no-win no-fee" or
- 2) where discounted, that a discounted fee is payable.

Employee

A worker who has or alleges they have entered into a contract of service with You.

Legal Costs & Expenses

- 1) Reasonable legal costs and disbursements reasonably and proportionately incurred by the Appointed Advisor on the standard basis and agreed in advance by Us. The term "standard basis" can be found within the Courts' Civil Procedure Rules Part 44.2.
- 2) In civil claims, other side's costs, fees and disbursements where the Insured has been ordered to pay them or pays them with Our agreement.
- 3) Reasonable accountancy fees reasonably incurred under Insured incident 4 Tax by the Appointed Advisor and agreed by Us in advance.
- 4) Health and Safety Executive Fees for Intervention.
- 5) Your Employee's basic wages or salary under Insured incident 9 Loss of earnings in the course of their employment with You while attending court or tribunal at the request of the Appointed Advisor or whilst on jury service where lost wages or salary cannot be claimed back from the court or tribunal.
- 6) The reasonable cost of phone calls, postage (including special delivery), image scanning, photocopying or credit reports incurred under Insured incident 11 c) where the Insured has taken advice from our Identity Theft Advice and Resolution Service.
- 7) The professional fees and expenses of an Appointed Advisor selected by Us to reduce the actual adverse or negative publicity or media attention directed under Insured incidents 11 e) Executive suite and 13 Crisis communication.

Period of insurance

The period shown in the schedule to which this policy attaches. (The Period of Insurance shall otherwise expire on earlier cancellation of this policy.)

Section 11 – Legal Expenses

Reasonable Prospects of Success

- 1) Other than as set out in 2) and 3) below, a greater than 50% chance of the Insured successfully pursuing or defending the claim and, if the Insured is seeking damages or compensation, a greater than 50% chance of enforcing any judgment that might be obtained. Under Insured incident 12 Contract & debt recovery, there must be a greater than 50% chance of successfully defending the claim in its entirety.
- 2) In criminal prosecution claims where the Insured
 - a) pleads guilty, a greater than 50% chance of reducing any sentence or fine or
 - b) pleads not guilty, a greater than 50% chance of that plea being accepted by the court.
- 3) In all claims involving an appeal, a greater than 50% chance of the Insured being successful.
- 4) Where it has been determined that Reasonable Prospects of Success do not exist, the Insured shall be liable to pay any legal costs incurred should they pursue or defend their claim irrespective of the outcome.

Territorial Limit

- 1) For Insured events 6 Legal defence and 12 Contract & debt recovery the United Kingdom, Channel Islands, Isle of Man, Norway, Switzerland and countries in the European Union. https://europa.eu/european-union/index_en
- 2) For all other Insured events the United Kingdom, Channel Islands and the Isle of Man.

Cover

Following an Insured event, the Insurer will pay Legal Costs & Expenses including the cost of appeals (and compensation awards under Insured incident 2 Employment compensation awards), up to

- a) the limit of indemnity specified in the schedule to which this policy attaches for all claims related by time or originating cause;
- b) an aggregate limit of £1,000,000 for compensation awards under Insured event 2 Employment compensation awards;

subject to all the following requirements being met:

- 1) You have paid the insurance premium.
- 2) The Insured keeps to the terms of this policy and cooperates fully with Us.
- 3) Unless otherwise stated in this policy, the Insured event arises in connection with Your Business and occurs within the territorial limit.
- 4) The claim
 - a) always has Reasonable Prospects of Success and
 - b) is reported to Us
 - i) during the Period of Insurance and
 - ii) as soon as the Insured first becomes aware of circumstances which could give rise to a claim.
- 5) Unless there is a conflict of interest, the Insured always agrees to use the Appointed Advisor chosen by Us
 - a) in any claim to be heard by an Employment Tribunal and/or
 - b) before proceedings have been or need to be issued.
- 6) Any dispute will be dealt with through mediation or by a court, tribunal, Advisory Conciliation and Arbitration Service or a relevant regulatory or licensing body within the Territorial Limit.

We consider that a claim has been reported to Us when We have received the Insured's fully completed claim form.

INSURED INCIDENTS

1) Employment

A dispute between You and Your Employee, ex-Employee, or a prospective Employee, arising from a breach or an alleged breach of their

- a) contract of service with You
- b) related legal rights.

You can claim under the policy as soon as all internal procedures as set out in the

- i) ACAS Code of Practice for Disciplinary and Grievance Procedures, or
- ii) Labour Relations Agency Code of Practice on Disciplinary and Grievance Procedures in Northern Ireland have been or ought to have been concluded.

What is not covered under Insured Incident 1

Any claim arising from or relating to:

Section 11 – Legal Expenses

- 1) the pursuit of an action by You other than an appeal against the decision of a court or tribunal
- 2) actual or alleged redundancy that is notified to Employees within 180 days of the start of this policy, except where You have had equivalent cover in force up until the start of this policy
- 3) costs You incur to prepare for an internal disciplinary hearing, grievance or appeal
- 4) a pension scheme where actions are brought by ten or more Employees or ex-Employees.

2) Employment Compensation Awards

Following a claim We have accepted under Insured Incident 1, the Insurer will pay any

- a) basic and compensatory award
 - b) Employment Tribunal fees under Schedule 3 of the Employment Tribunals and the Employment Tribunal Fees Order 2013 awarded against You by a tribunal or
 - c) an amount agreed by Us in settlement of a dispute.
- Provided that:
- i) Reasonable Prospects of Success exist for a wholly successful defence throughout and
 - ii) compensation is
 - agreed through mediation or conciliation or under a settlement approved by Us or
 - awarded by a tribunal judgment after full argument unless given by default.

What is not covered under Insured Incident 2

Compensation awards and settlements relating to:

- 1) trade union membership or non-membership, industrial or labour arbitration, collective bargaining agreements, trade union recognition or matters concerning a European Works Council
- 2) money due to an Employee under a contract or a statutory provision relating thereto
- 3) civil claims or statutory rights relating to trustees of occupational pension schemes.

3) Employment Restrictive Covenants

- a) A dispute with Your Employee or ex-Employee which arises from their breach of a restrictive covenant where You are seeking financial remedy or damages.
Provided that the restrictive covenant
 - i) is designed to protect Your legitimate Business interests, for a period not exceeding 12 months and
 - ii) is evidenced in writing and signed by Your Employee or ex-Employee, and
 - iii) extends no further than is reasonably necessary to protect the Business interests.
- b) A dispute with another party who alleges that You have breached their legal rights protected by a restrictive covenant.

4) Tax Disputes

- a) A formally notified enquiry into Your Business tax.
- b) A dispute about Your compliance with HMRC regulations relating to Your Employees, workers or payments to contractors.
- c) An enquiry with HMRC about Value Added Tax.

Provided that:

- a) You keep proper records in accordance with legal requirements and
- b) in respect of any appealable matter You have requested an Internal Review from HMRC where available.

What is not covered under Insured Incident 4

Any claim arising from or relating to:

- 1) tax returns which are submitted late or for any other reason, result in HMRC imposing a penalty, or which contain careless and/or deliberate misstatements or omissions
- 2) an investigation by the Fraud Investigation Service of HMRC
- 3) circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to Your financial arrangements
- 4) any enquiry that concerns assets, monies or wealth outside of Great Britain and Northern Ireland
- 5) Your failure to register for VAT.

Section 11 – Legal Expenses

5) Property

A dispute relating to material property which You own or is Your responsibility:

- a) following an event which causes physical damage to Your material property
- b) following a public or private nuisance or trespass
- c) which You wish to recover or repossess from an Employee or ex-Employee.

What is not covered under Insured Incident 5

Any claim arising from or relating to:

- 1) a contract between You and a third party except for a claim under 5 c)
- 2) goods lent or hired out
- 3) compulsory purchase, demolition restrictions, controls or permissions placed on land or property by any government, local or public authority.

6) Legal Defence

a) A criminal investigation and/or enquiry by:

- i) the police
- ii) other body with the power to prosecute where it is suspected that an offence may have been committed that could lead to the Insured being prosecuted.

b) The charge for an offence or alleged offence which leads to the Insured being prosecuted in a court of criminal jurisdiction.

What is not covered under Insured Incident 6

Any claim relating to a parking offence.

7) Compliance & Regulation

- a) Receipt of a Statutory Notice that imposes terms against which You wish to appeal.
- b) Notice of a formal investigation or disciplinary hearing by any professional or regulatory body.
- c) A civil action alleging wrongful arrest arising from an allegation of theft.
- d) A claim against You for compensation under the Data Protection Act 2018 provided that
 - i) You are registered with the Information Commissioner
 - ii) You are able to evidence that You have in place a process to
 - investigate complaints from data subjects regarding a breach of their privacy rights
 - offer suitable redress where a breach has occurred and that Your complaints process has been fully engaged.
- e) A civil action alleging that an Insured has
 - i) committed an act of unlawful discrimination; or
 - ii) failed to correctly exercise their fiduciary duty as a trustee of a pension fund set up for the benefit of Your Employees. The charge for an offence or alleged offence which leads to the Insured being prosecuted in a court of criminal jurisdiction.

What is not covered under Insured Incident 7

Any claim arising from or relating to:

- 1) the pursuit of an action by You other than an appeal
- 2) a routine inspection by a regulatory authority
- 3) an enquiry, investigation or enforcement action by HMRC
- 4) a claim brought against Your Business where unlawful discrimination has been alleged.

8) Statutory Licence Appeals

An appeal against a decision by the relevant authority to alter, suspend, revoke or refuse to renew a licence or compulsory registration required to run Your Business.

9) Loss of Earnings

The Insured's absence from work to attend court, tribunal, arbitration, regulatory proceedings or a professional body's disciplinary hearing at the request of the Appointed Advisor or whilst on jury service which results in loss of earnings.

What is not covered under Insured Incident 9

Any sum which can be recovered from the court.

Section 11 – Legal Expenses

10) Personal Injury

An event that causes bodily injury to, or the death of, an Insured.

What is not covered under Insured Incident 10

Any claim arising from or relating to a condition, illness or disease which develops gradually over time.

11) Executive Suite

This Insured incident applies only to the principal, executive officers, directors and partners of Your Business.

- a) An HMRC enquiry into the executive's personal tax affairs.
- b) A motoring prosecution that arises from driving for personal, social or domestic use, including commuting to or from Your Business.
- c) A claim that arises from personal identity theft provided that the person claiming has sought and followed advice from the Executive suite identity theft resolution helpline.
- d) A dispute that arises from the terms of Your Business partnership agreement that is to be referred to mediation.
- e) Crisis communication as described in Insured event 13 below shall be available to the principal, executive officers, directors and partners of the Business for matters occurring in their private and personal capacity that cause significant adverse publicity or reputational damage.

What is not covered under Insured Incident 11

- 1) Any claim arising from or relating to:
 - a) tax returns which are submitted late or for any other reason, result in HMRC imposing a penalty or which contain careless and/or deliberate misstatements or omissions
 - b) an investigation by the Fraud Investigation Service of HMRC
 - c) circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to the executive's financial arrangements
 - d) any enquiry that concerns assets, monies or wealth outside of the United Kingdom
 - e) a parking offence
 - f) costs incurred in excess of £25,000 for a claim under 11 d) and 11 e).
- 2) Crisis communication for a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast.

12) Contract & Debt Recovery

A breach or alleged breach of an agreement or alleged agreement which has been entered into by You or on Your behalf to buy, sell, hire or lease goods or services or to rent Your Business premises, provided that if You are claiming for an undisputed debt You have exhausted Your normal credit control procedures.

What is not covered under Insured Incident 12

Any claim arising from or relating to:

- 1) an amount which is less than £200
- 2) disputes with a tenant or leasee where You are the landlord or lessor
- 3) the sale or purchase of land or buildings
- 4) loans, mortgages, endowments, pensions or any other financial product
- 5) computer hardware, software, internet services or systems which
 - a) have been supplied by You or
 - b) have been tailored to Your requirements
- 6) a breach or alleged breach of a professional duty by an Insured
- 7) the settlement payable under an insurance policy
- 8) a dispute relating to an Employee or ex-Employee
- 9) adjudication or arbitration.

13) Crisis Communication

Following an event which causes significant adverse publicity or reputational damage which is likely to have a widespread financial impact on Your Business, We will

- a) liaise with You and Your solicitor (whether the solicitor is an Appointed Advisor under this policy, or acts on Your behalf under any other policy), to draft a media statement or press release
- b) prepare communication for Your staff/customers/suppliers and/or a telephone or website script or social media messaging

Section 11 – Legal Expenses

- c) arrange, support and represent an Insured at an event which media will be reporting
 - d) support the Insured by taking phone calls/emails and managing interaction with media outlets
 - e) support and prepare the Insured for media interviews
- provided that You have sought and followed advice from Our Crisis Communication helpline.

What is not covered under Insured Incident 13

Any claim arising from or relating to:

- 1) matters that should be dealt with through Your normal complaints procedures.
- 2) a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast
- 3) costs incurred in excess of £25,000.

Exclusions

What is not covered (see also General Exclusions):

You are not covered for any claim arising from or relating to:

The Insured is not covered for any claim arising from or relating to:

- 1) costs or compensation awards incurred without our consent
- 2) any actual or alleged act, omission or dispute happening before, or existing at the start of the insurance provided by this policy, and which the Insured knew or ought reasonably to have known could lead to a claim
- 3) an allegation against the Insured involving:
 - a) assault, violence, malicious falsehood or defamation
 - b) indecent or obscene materials
 - c) the use of alcohol or its unauthorised or unregulated manufacture, unlicensed dealing in alcohol or dealing in or using illegal drugs
 - d) illegal immigration
 - e) money laundering or bribery offences, breaches of international sanctions, fraud, or any other financial crime activitiesexcept in relation to Insured event 13 Crisis Communication.
- 4) defending a claim in respect of damages for personal injury (other than injury to feelings in relation to Insured event 1 Employment), or loss or damage to property owned by the Insured
- 5) National Minimum Wage and/or National Living Wage Regulations
- 6) patents, copyright, passing-off, trade or service marks, registered designs and confidential information (except in relation to Insured event 3 Employment restrictive covenants)
- 7) a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners (except in relation to mediation under Insured event 11 d)
- 8) a) a franchise agreement
b) an agency agreement through which one party has the legal capacity to alter the legal relations of the other
- 9) a judicial review
- 10) a dispute with Us, the Insurer or the party who arranged this cover not dealt with under Condition 6
- 11) The payment of fines, penalties or compensation awarded against the Insured (except as covered under Insured event 2 Employment compensation awards); or costs awarded against the Insured by a court of criminal jurisdiction.

Clauses & Conditions that apply to Section 11 – Legal Expenses

11.1 The Insured's Responsibilities

An Insured must:

- a) tell us immediately of anything that may make it more costly or difficult for the Appointed Advisor to resolve the claim in the Insured's favour
- b) cooperate fully with Us, give the Appointed Advisor any instructions we require, and keep them updated with progress of the claim and not hinder them
- c) take reasonable steps to claim back Legal Costs & Expenses and, where recovered, pay them to the insurer
- d) keep Legal Costs & Expenses as low as possible
- e) allow the insurer at any time to take over and conduct in the Insured's name, any claim.

Section 11 – Legal Expenses

11.2 Freedom to choose an Appointed Advisor

- a) In certain circumstances as set out in 2.b) below the Insured may choose an Appointed Advisor. In all other cases no such right exists and We shall choose the Appointed Advisor.
- b) If:
 - i) a suitably qualified advisor considers that it has become necessary to issue proceedings or proceedings are issued against an Insured, or
 - ii) there is a conflict of interestthe Insured may choose a qualified Appointed Advisor except, where the Insured's claim is to be dealt with by the Employment Tribunal, We shall always choose the Appointed Advisor.
- c) Where the Insured wishes to exercise the right to choose, the Insured must write to Us with their preferred representative's contact details.
- d) Where the Insured chooses to use their preferred representative, the Insurer will not pay more than We agree to pay a solicitor from our panel and will pay only the costs that the insurer would have been liable to pay. (Our panel solicitor firms are chosen with care and We agree special terms with them including rates which may be lower than those available from other firms.)
- e) If the Insured dismisses the Appointed Advisor without good reason, or withdraws from the claim without our written agreement, or if the Appointed Advisor refuses with good reason to continue acting for an Insured, the Insurer's liability in respect of that claim will end immediately.
- f) In respect of pursuing a claim under Insured Incident 12 Contract & Debt Recovery You must enter into a Conditional Fee Agreement (unless the Appointed Advisor has entered into a Collective Conditional Fee Agreement) where legally permitted.

11.3 Consent

- a) The Insured must agree to Us having sight of the Appointed Advisor's file relating to the Insured's claim. The Insured is considered to have provided consent to Us or our appointed agent to have sight of their file for auditing and quality and cost control purposes.
- b) An Insured must have Your agreement to claim under this policy.

11.4 Barrister's Opinion

We may require the Insured to obtain and pay for an opinion from a barrister if a dispute arises regarding the merits or value of the claim. If the opinion supports the Insured, then the insurer will reimburse the reasonable costs of that opinion. If that opinion conflicts with advice obtained by Us, then the Insurer will pay for a final opinion which shall be binding on the Insured and Us. This does not affect the Insured's right under Condition 6 below.

11.5 Other Insurance

The Insurer will not pay more than their fair share (rateable proportion) for any claim covered by another policy, or any claim that would have been covered by any other policy if this policy did not exist.

Section 11 – Legal Expenses

Helpline Services

All helplines are subject to fair and reasonable use. The level of fair usage will depend on individual circumstances. However, if our advisors consider that Your helpline usage is becoming excessive they will tell You. If following that warning, usage is not reduced to a more reasonable level, We can refuse to accept further calls.

Legal and tax advice 0344 571 7978

If You have a legal or tax problem relating to Your Business, We recommend You call our confidential legal and tax advice helpline. Legal advice is available 24 hours a day, 365 days of the year, and tax advice is available between 9am and 5pm on weekdays (except bank holidays).

We give advice about Business-related legal matters within UK and EU law and tax matters within the UK.

Your query will be dealt with by a qualified specialist who is experienced in handling legal and tax-related matters.

Use of this service does not constitute reporting of a claim.

Redundancy assistance 0330 303 1955

If You are planning redundancies and need extra legal support, We can arrange specialist consultancy assistance for You. Redundancy assistance will help You to implement a fair selection process and ensure that the redundancy notices are correctly served. The service offers document review and telephone or written advice and is subject to a charge. If You would like Us to arrange Redundancy assistance please call Us between 9am and 5pm on weekdays (except bank holidays).

Executive suite – identity theft resolution 0333 000 2083

This service is available to the principal, executive officers, directors and partners of the Business between 9am and 5pm on weekdays (except bank holidays). We provide telephone advice to help executives keep their personal identity secure. Where identity theft is suspected, our specialist caseworkers can help the victim to restore their credit rating and correspond with their card issuer, bank or other parties. Identity theft expenses are Insured under Insured event 11 c) when Your executives use this helpline.

Crisis communication 0344 571 7964

Following an event that has attracted negative publicity which could affect Your Business, You can access professional public relations support from our Crisis communication experts at any time.

In advance of any actual adverse publicity, where possible, initial advice for You to act upon will be provided over the phone. If Your circumstances require professional work to be carried out at that time, We can help on a consultancy basis and subject to You paying a fee.

Where an event has led to actual publicity online, in print or broadcast, that could damage Your Business, You are Insured against the costs of crisis communication services under Insured event 13 when You use this helpline.

Counselling assistance 0333 000 2082

Our qualified counsellors will provide free confidential support and advice by phone to Your Employees or their family members who are suffering from emotional upset or feeling worried and anxious about a personal or work-related problem.

Business legal services

www.araglegal.co.uk

Getting started

Click on the “How our services work” button on the home page to take a two-minute tour of our Business legal services website. Learn more about what the website offers and how You can use it to save legal costs and to support the smooth running of Your Business. You will need to enter voucher code **X1232KC79BB5** when You register to use the website.

Once You have registered You can access the website at any time to create and securely store Your legal documents.

Choosing Your legal documents

We recommend selecting “Legal healthcheck” from the menu of services. This useful tool will help You to identify which legal documents are likely to be most useful to Your Business. We have suggested legal documents and law guide content that may help You in particular circumstances throughout this policy wording.

Section 11 – Legal Expenses

More help?

A review service is available for the most complex documents. Where it is available this service attracts a fee. You will need to order the review service before You start building Your document if You require it. Click on the Contact button to seek technical support if You have problems using the website. Our digital technical support team cannot give You legal or insurance advice.

Section 12 – Deterioration of Stock

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 16 also apply to this Section. The General Conditions in Sub-Section 17A and General Exclusions in Section 18 also apply to this Section.

Definitions for Section 12 – Deterioration of Stock

Appliance

Any frozen food cabinet deep freezer cold room cold store refrigerator or chilled unit at the Premises.

Damage

Loss or destruction of or damage.

Cover

The Insurers will indemnify You in respect of Damage occurring during the Period of Insurance, by deterioration or putrefaction, to stock belonging to You or for which You are responsible while contained in any Appliance caused by:

- a) a change in temperature as a result of:
 - i) the breaking, distortion or burning out of any part of the:
 - (i) unit;
 - (ii) unit wiring;
 - (iii) supply cable to the unit, including the plug and fuse; caused by mechanical or electrical defects in the unit while it is being used under normal working conditions;
 - ii) failure of temperature controls to operate correctly;
 - iii) accidental failure of the public electricity supply but only if this is not deliberately caused by the supply authority.
- b) accidental leakage of refrigerant or refrigerant fumes from the Appliance.

Limit of Liability

The maximum amount payable under any item is the Sum Insured shown in the Schedule.

Average

If at the time of any loss or damage the value of the Property Insured under any item is greater than its Sum Insured You shall be considered as being Your own insurer for the difference and shall bear a rateable share of the loss accordingly.

Exclusions

What is not covered (see also General Exclusions):

We shall not indemnify You in respect of:

- 1) Damage caused by:
 - a) wear and tear, deterioration or gradually developing flaws or defects in the unit;
 - b) failure to correctly set any temperature controls;
 - c) Your wilful neglect.
- 2) any Appliance which is more than 10 years old.
- 3) loss, destruction or damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
- 4) the Excess as stated in the Schedule.

Clauses & Conditions that apply to Section 12 – Deterioration of Stock

12.1 Maintenance

It is a condition precedent to liability under this Section that You must ensure that You arrange a maintenance contract on any Appliance which is over 5 years old.

Section 13 – Loss of Licence

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 16 also apply to this Section. The General Conditions in Sub-Section 17A and General Exclusions in Section 18 also apply to this Section.

Definitions for Section 13 – Loss of Licence

Licence

The licence granted for the retail sale of excisable liquors at the Premises specified in the Schedule.

Loss of Licence

- a) Forfeiture of a Licence under the provisions of the appropriate legislation covering the issue of the Licence;
 - b) refusal to renew a Licence by the licensing authority;
- due to causes beyond Your control.

Cover

The Insurers will indemnify You for reduction in the value of Your interest in:

- a) the Premises; or
- b) the Business

following Loss of Licence.

In addition We will also pay for costs and expenses incurred with Our written consent where You appeal against the Loss of Licence.

Limit of Liability

The liability of the Insurers under this Section shall not exceed the Limit of Indemnity as shown in the Schedule.

Exclusions

What is not covered (see also General Exclusions):

We will not pay where:

- 1) You can obtain statutory compensation for Loss of Licence;
- 2) the Loss of Licence arises out of:
 - a) any town or country planning improvement or redevelopment;
 - b) compulsory purchase or surrender;
 - c) reduction or redistribution of Licences;
 - d) a change in the law affecting the grant surrender or forfeiture or refusal to renew the Licence.

Clauses & Conditions that apply to Section 13 – Loss of Licence

13.1 Change in Risk

It is a condition precedent to liability under this Section that You must notify Us in writing immediately that You become aware of any:

- a) change in tenancy or management of the Premises;
- b) transfer or proposed transfer of the Licence;
- c) complaint against the Premises or the control of the Premises;
- d) action or complaint against the:
 - i) Licence holder;
 - ii) manager;
 - iii) tenant or other occupier of the Premises;for any breach of the licensing law, or any other matter where the character or reputation of the person concerned is affected or brought into question with respect to their honesty moral standing or sobriety;
- e) objection to renewal of the Licence, or other reasons which could endanger the Licence or its renewal.

Section 13 – Loss of Licence

13.2 Notification

It is a condition precedent to liability under this Section that, in the event of a Loss of Licence, You must inform Us in writing within 24 hours. You are also required to provide any assistance or information We may request.

13.3 Replacement

In the event of the death bankruptcy or incapacity or desertion of the Premises or conviction for any offence (where such conviction affects the character or reputation of the convicted person with respect to their honesty moral standing or sobriety) of the Licence holder tenant manager or occupier You will where practicable and at Our request procure a suitable person to replace the person concerned and one to whom the Licence will be transferred or a new Licence will be granted by way of renewal.

Section 14 – Terrorism

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 16 also apply to this Section. The General Conditions in Sub-Section 17A and General Exclusions in Section 18 also apply to this Section.

Definitions for Section 14 – Terrorism

Act of Terrorism

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

Computer Systems

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

Cyber Risks

Cyber Risks means any loss or losses whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from

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

in each case whether the property of the Assured/Insured or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from Virus or Similar Mechanism or Hacking or Phishing or Denial of Service Attack.

Data

Data means data of any sort whatever, including without limitation tangible or intangible data, and any programs or software, bandwidth, cryptographic keys, databases, documents, domain names or network addresses or anything similar, files, interfaces, metadata, platforms, processing capability, storage media, transaction gateways, user credentials, websites or any information whatever.

Denial of Service Attack

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

Excluded Property

Excluded Property means:

1. any land or building which is insured in the name of an individual unless:
 - (a) the property is of sole commercial use; or
 - (b) it is insured in the name of a sole trader or a trustee or an executor and is not solely occupied as the private residence of the sole trader, or the trustee or the executor or a beneficiary of a trust or will; or
 - (c) it is partially occupied as private residence and the commercially occupied portion of the property exceeds 20% and it is insured under the same policy as the remainder of the building which is not a private residence;
2. any Nuclear Installation or Nuclear Reactor and all fixtures and fittings situated thereon and attached thereto and all pipes, wires, cables, drains or other conduits or service media of any description which are affixed or connected to or in any way serve such Nuclear Installation or Nuclear Reactor;
3. solely in respect of the Cyber Risks exclusion 4 above
 - (a) any money, currency, electronic cryptographic or virtual currency including Bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any other financial instrument of any sort whatever;
 - (b) any Data;

Section 14 – Terrorism

4. property excluded in the Insurance to which this Extension attaches.

Hacking

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

Nuclear Installation

Nuclear Installation means any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument, being an installation designed or adapted for:

- a) the production or use of atomic energy;
- b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations; or
- c) the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter, being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.

Nuclear Reactor

Nuclear Reactor means any plant (including any machinery, equipment or appliance, whether affixed to land or not) designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons.

Phishing

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

Property

Property means means all property whatsoever other than Excluded Property.

Virus or Similar Mechanism

Virus or Similar Mechanism means program code, programming instruction or any set of instructions constructed with the purpose and ability, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor computer programs, Computer Systems, Data or operations, whether involving self-replication or not. The definition of Virus or Similar Mechanism includes but is not limited to trojan horses, worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

War and Allied Risks

War and Allied Risks means loss or losses occasioned by riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

Cover

Subject to payment of Premium, and subject also to the following additional terms, conditions, limitations, exclusions and definitions, the Insurance to which this Extension attaches is extended for the Period of Insurance stated above to include:

- A. loss of or damage to Property insured, as stated in the Schedule to this Insurance, situated in the United Kingdom other than Northern Ireland (meaning England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987); and
- B. where applicable under this Insurance business interruption resulting from damage to Property insured;

occasioned by or happening through or in consequence of an Act of Terrorism duly certified as such by Her Majesty's Government or HM Treasury or any successor or other relevant authority.

Limitations

1. Underwriters' liability in respect of all losses arising out of any one occurrence and, where applicable under this Insurance, in total in any one Period of Insurance, shall not exceed the limits as otherwise specified in this Insurance.
2. Irrespective of the currency in which this Insurance is expressed, the Limit of Liability and the Premium for the Terrorism Insurance provided by this Extension will be determined in Pounds Sterling.
3. The cover provided by this Extension does not apply to any Long Term Agreement / Undertaking to which this Insurance is subject.
4. The cover provided by this Extension does not apply to any terms in this Insurance that provide for adjustments of premium based upon declarations on expiry or during the period of insurance.

Section 14 – Terrorism

Conditions

1. In any action, suit or other proceedings where the Underwriters allege that any loss or damage is not covered by this Extension, the burden of proving that such loss or damage is covered shall be upon the Assured/Insured. However, this condition shall not apply in respect of subparagraph (c) of Exclusion 4.
2. The only exclusions applicable to this Extension are those stated under Exclusions below.

Exclusions

This Extension does not cover:

1. any Excluded Property;
2. any losses whatsoever arising under Marine, Aviation, Transit, Motor or Bankers Bond policies or any form of reinsurance policy or agreement.
3. War and Allied Risks;
4. Cyber Risks.

However, losses otherwise falling within this exclusion of Cyber Risks will not be treated as excluded solely to the extent that such loss:

- (a) results directly (or, solely as regards (b) iii. below, indirectly) from fire, explosion, flood, escape of water from any tank, apparatus or pipe (including any sprinkler system), impact of aircraft or any aerial devices or articles dropped from them, impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle, destruction of, damage to or movement of buildings or structures, plant or machinery other than any Computer Systems; and
- (b) comprises:
 - i. the cost of reinstatement, replacement or repair in respect of damage to or destruction of the Property insured by the Assured/Insured; or
 - ii. the amount of business interruption loss suffered directly by the Assured/Insured itself by way of loss of or reduction in profits, revenue or turnover or increased cost of working as a direct result of either damage to or destruction of the Property insured by that Assured/Insured or as a direct result of denial, prevention or hindrance of access to or use of the Property insured by the Assured/Insured by reason of an Act of Terrorism causing damage to other Property within one (1) mile of the Property insured by the Assured/Insured to which access is affected; or
 - iii. the amount of loss caused by the cancellation, abandonment, postponement, interruption, curtailment or relocation of an event as a result of damage to or destruction of the type of property not excluded by this Insurance and any additional costs or charges reasonably and necessarily paid by the Assured/Insured to avoid or diminish such loss; and
- (c) is not proximately caused by an Act of Terrorism in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by, acting on behalf of or part of any de jure or de facto government of any nation, country or state.

Irrespective of the exclusion of Data from the application of this Exclusion as per the definition of Excluded Property, to the extent that damage to or destruction of any Property within the meaning of subparagraph (b) above indirectly results from any alteration, modification, distortion, erasure or corruption of Data due to the occurrence of one or more of the matters referred to in subparagraph (a) above results directly or indirectly from any alteration, modification, distortion, erasure or corruption of Data, that shall not prevent cost or business interruption loss directly resulting from damage to or destruction of such Property and otherwise falling within subparagraphs (a) and (b) above from being recoverable under this Insurance. In no circumstances other than as provided in this paragraph, however, will any loss or losses directly or indirectly caused by, contributed to by, arising from, occasioned by or resulting from any alteration, modification, distortion, erasure or corruption of Data be recoverable under this Insurance.

Section 15 – Cyber

This Section is underwritten by HSB Engineering Insurance Limited.

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 16 also apply to this Section. The General Conditions in Sub-Section 17A and General Exclusions in Section 18 also apply to this Section.

Definitions for Section 15 – Cyber

Business Income

This means:

- the amount of net income (profit or loss before taxes) which You would have earned after the Time Excess if the Cyber Event had not happened;
- normal operating expenses that continue, including ordinary payroll.

Computer Equipment

Computers and associated equipment, telecommunications equipment and software and programs used to process Data, but not including:

- Portable Equipment;
- Electronic Office Equipment;
- equipment controlling manufacturing processes, or forming part of machinery; or
- equipment held as stock or which You have manufactured and is intended for sale or repair in the course of Your Business.

Computer System

Hardware, Data, computer networks, websites, intranet and extranet sites.

Computer Virus

Any malware, program code or programming instruction designed to have a damaging effect on a Computer System.

Cyber Event

This means:

- loss, corruption, accidental or malicious deletion of or change to, unauthorised access to, or theft of Data;
- Damage to websites, intranet or extranet sites;
- Damage or disruption caused by Computer Virus, Hacking or Denial of Service Attack; or
- failure of or variation in the supply of electricity or telecommunications; affecting Your Computer System, the Computer System of a Service Provider or customer of Yours.

Damage

Total or partial loss, Damage, destruction, breakdown or corruption.

Damages

This means:

- financial compensation You have to pay, except for fines, penalties, liquidated damages (contractual penalties), punitive or exemplary damages (extra damages to punish You) or aggravated damages (more severe damages to reflect the seriousness of an offence); or
- third parties' costs and expenses You have to pay as a result of a claim being brought against You.

Data

Facts, concepts, information, ideas, text, recordings and images which are converted to a form which can be processed by Hardware, but not including software and programs.

Data Privacy Obligations

Legal obligations relating to securing, managing and preventing unauthorised access or use of Data, and arising under:

- applicable data-protection regulations anywhere in the world associated with the confidentiality of, access to, control of and use of Personal Data which are in force at the time of the occurrence;
- guidance from the Information Commissioner's Office or similar organisations worldwide;
- the Payment Card Industry Data Security Standard or other contractual obligations relating to handling credit-card and debit-card information;
- privacy statements and confidentiality agreements.

Section 15 – Cyber

Defence Costs

Costs and expenses We agree to in writing for investigating, settling or defending a claim against You.

Denial of Service Attack

Malicious and unauthorised attack which overloads any Computer System.

Directors and Officers

Directors, officers, principals, partners or members while they are employed by You and under Your control in connection with the Business.

Electronic Office Equipment

Photocopiers, fax machines, shredders, addressing machines, franking machines, televisions and associated equipment, DVD and CD recorders and players, video and audio conferencing and projection equipment and associated software and programs.

Employee

This means any:

- person employed, borrowed or hired by You, including apprentices;
- labour master or labour-only subcontractor (or a person supplied by any of them);
- self-employed person;
- person taking part in any government or otherwise authorised work experience, training, study, exchange or similar scheme;
- person doing voluntary work for You; or
- person supplied to you under a contract or agreement which states that they are in Your employment; when they are working for You in connection with Your Business, but not including Your Directors and Officers.

Hacking

Unauthorised or malicious access to any Computer System by electronic means.

Hardware

Computer Equipment, Portable Equipment and Electronic Office Equipment and software.

Indemnity Period

The period during which You suffer a loss of Business Income or have to pay extra costs, starting on the date of the Cyber Event and ending no later than the last day of the Indemnity Period shown in the schedule.

Personal Data

Information which could identify a person or allow identity theft or other fraud to take place.

Portable Equipment

Laptops, palmtops, notebooks and tablet computers, removable satellite-navigation systems, digital cameras and smartphones and associated software and programs.

Service Provider

A Business that You hire under a written contract to perform services on Your behalf in connection with Your Business.

Sum Insured

The amount shown in the schedule as the Sum Insured.

Time Excess

The time period, as shown in the schedule, We will not pay any loss of Business Income for.

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What is covered?

For the purposes of (a) – Cyber liability, references to ‘You’ also mean any of Your Employees or Directors and Officers.

(a) – Cyber liability

We will pay Damages and Defence Costs arising from a claim first made against You during the Period of Insurance in the course of Your Business as a result of:

- You or Your Service Provider failing to secure, or prevent unauthorised access to, publication of or use of Data (including any interference with any right to privacy or publicity, breach of confidence or Your Data Privacy Obligations);
- You unintentionally transmitting, or failing to prevent or restrict the transmission of, a Computer Virus, Hacking attack or Denial of Service Attack from Your Computer System to a third party; or
- loss of reputation (including that of a product) or intellectual property rights being breached as a result of:
 - o the content of any emails distributed by Your Computer System;
 - o the content of Your website;
 - o online promotional marketing material; or
 - o other Data processed or distributed by Your Computer System.

(b) – Data-breach expense

If during the Period of Insurance You discover that You have failed to keep to Your Data Privacy Obligations in the course of Your Business, We will pay the following.

- The cost of hiring professional legal and forensic information-technology services to investigate and tell You how You should respond.
- The cost of informing affected parties, the data privacy regulator and other relevant third parties or organisations worldwide.
- The cost of providing the following support services to affected parties as the result of You failing to keep to Your Data Privacy Obligations.
 - o Credit file monitoring, identity theft assistance and helping the affected parties to correct their credit records and take back control of their personal identity.
 - o Providing a helpline to respond to enquiries after informing affected parties.

These services will only be provided for 12 months, and only if:

- o the Data Privacy Obligations You have failed to keep to relate to Personal Data; or
- o You must provide the relevant service under Your Data Privacy Obligations.

- Public-relations and crisis-management expenses, if We have given our written permission, for communicating with the media, Your customers and the public to minimise Damage to brands and Business operations, and any Damage to Your reputation.

(c) – Computer System Damage, Data, extra cost and Business Income.

We will pay for the following arising as a result of a Cyber Event You discover during the Period of Insurance:

- the cost of investigating, reconfiguring and rectifying any Damage to Your Computer System or the Computer System of a Service Provider (including the cost of restoring and recreating Data); and
- extra costs to prevent or reduce the disruption to the functions carried out by Your Computer System during the Indemnity Period; and
- Your loss of Business Income during the Indemnity Period.

The amount of loss of Business Income We pay will be based on Your Business Income during the 12 months before the Cyber Event, as recorded in Your accounts. We will make adjustments to reflect trend

Section 15 – Cyber

and circumstances which may affect the Business Income, or which would have affected the Business Income whether or not the Cyber Event had happened.

This does not include the value of Data to You, even if the Data cannot be restored or recreated.

(d) – Cyber crime

We will pay for the following which arise during the Period of Insurance:

- Your financial loss as the result of a fraudulent input, destruction or modification of Data in Your Computer System, or the Computer System of Your Service Provider, which results in:
 - o money being taken from any account;
 - o goods, services, property or financial benefit being transferred; or
 - o any credit arrangement being made;as long as You have not received any benefit in return, and You cannot recover the loss from a financial institution or other third party.

We will also pay the cost of proving that transactions are fraudulent and that contracts or agreements were entered into fraudulently.

- Your liability to make any payment to Your telephone Service Provider as the result of Hacking into Your Computer System.
- The cost of employing specialist support to verify that a threat is genuine and to help You to respond, and with Our written agreement pay a ransom demand, if anyone has or threatens to:
 - o cause Damage to or disrupt Your Computer System by introducing a Computer Virus, or to initiate a Hacking attack or Denial of Service Attack against You;
 - o release, publish, corrupt, delete or alter Data from Your Computer System if this would cause You commercial or financial harm or Damage Your reputation; or
 - o fraudulently or maliciously use Your Computer System to cause a loss to You or a third party;as long as You can demonstrate that You have good reason to believe that the threat is not a hoax, and You have reported it to the police.

How much We will pay

The most We will pay for all claims We accept under this section in total for the Period of Insurance is the Sum Insured plus any Extra Cover Limits shown in the schedule, regardless of the number of claims or claimants.

Defence Costs

Any Defence Costs We pay will be within, not on top of, the Sum Insured.

Paying out the Sum Insured

For any and all claims arising for the Period of Insurance We may pay the full Sum Insured that applies.

When We have paid the full Sum Insured, We will not pay any further amounts for any claims or for associated Defence Costs arising after We pay the full Sum Insured.

Section 15 – Cyber

What is not covered?

We will not pay for any Damages, liability, expense or Defence Costs arising from the following:

1. Associated companies or other insured parties

Any claim brought against You by:

- another person named as ‘insured’ in the schedule;
- any of Your parent or subsidiary companies; or
- any company which You are a director, officer, partner or Employee of and have a financial interest in.

This exclusion does not apply to Personal Data relating to Employees or Directors and Officers as long as any benefit they receive is no more than any third party would receive.

2. Circumstances before Your policy started

- Circumstances which existed before any cover provided by Your policy started, and which You knew about.
- Claims or circumstances which You have already reported, or which You should have reported, to a previous insurer before the Period of Insurance.

3. Confiscation

Your property being confiscated or Damaged by, or under the order of, any government, public or police authority, other than:

- to protect life or prevent Damage to property; or
- as the result of a regulatory investigation after You have failed, or allegedly failed, to keep to Your Data Privacy Obligations.

4. Credit-card or debit-card fraud

For ‘Part (d) Cyber crime’ of ‘What is covered’ – any financial loss resulting from actual or alleged fraudulent use of credit card or debit card.

5. Deficiency or improvements

The cost of correcting any failings in procedures, systems or security.

6. Deliberate defamation or disparagement

Defamatory or disparaging statements or publications made deliberately or recklessly if a reasonable person could anticipate that the statements could result in a claim against You.

7. Employer liability

You failing to keep to any obligation You have to Your Employees or Directors and Officers, unless this is specifically insured by Your policy after Your Data Privacy Obligations have not been met.

8. Excess

The amount specified as the ‘Excess’ in the schedule.

9. External Network Failure

For Part (c) – ‘Computer System Damage, Data, extra cost and Business Income’ of ‘What is Covered?’, the failure or interruption of or damage to any electrical power supply network or telecommunication network not owned and operated by You. This exclusion shall not apply to any cost or loss caused by or resulting from physical damage if otherwise insured by this Section, to the electrical power supply network, telecommunications or other property.

Telecommunications networks include, but not limited to, the internet, internet service providers, Domain Name System service providers, cable and wireless providers, internet exchange providers, search engine providers, internet protocol networks (and similar networks that may have different designations) and other providers of telecommunications or internet infrastructure.

10. Extortion or ransom

Any extortion, blackmail or ransom payments or demands, other than in connection with cover provided by (d) – ‘Cyber crime’ under ‘What is covered?’.

11. Financial reporting

Any mistakes in financial statements or representations concerning Your Business.

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12. Fines and penalties

Any fines, penalties, punitive or exemplary Damages (extra Damages to punish You).

13. Indirect loss

Penalties You have to pay under a contract for any delay or in connection with guarantees of performance or efficiency.

14. Intentional acts

Any intentional act, or failure to act, by You or Your Directors and Officers, unless the act or failure to act is a measure to prevent or minimise injury, Damage to Your Hardware, loss of Business Income or a claim for Damages.

15. Legislation and regulations

You actually or allegedly breaking any taxation, restraint of trade, competition or anti-trust law or regulation.

16. Nuclear risks

- Ionising radiation from, or contamination by, radioactivity from any nuclear fuel or nuclear waste, or from burning nuclear fuel.
- The radioactive, toxic, explosive or other dangerous properties of any nuclear installation, reactor or other nuclear equipment, or any nuclear part of them.
- Any weapon or device using atomic or nuclear fission, fusion or similar reaction, or radioactive force or material.
- The radioactive, toxic, explosive or other dangerous properties of any radioactive material.

17. Normal upkeep

The cost of normal Computer System maintenance.

18. Patent

Any patent being Infringed (broken, limited or undermined) without the patent holders permission.

19. Product liability or professional indemnity

Goods, products or software You have sold, supplied, manufactured, constructed, installed, maintained, repaired, altered or treated, or any inadequate or incorrect advice or services You have provided.

20. Sanctions laws and regulations

We will not provide cover, pay any claim or provide any benefit under this Policy (including returning premium) if by doing so it would expose Us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

21. Telecommunications systems

Atmospheric or environmental conditions causing temporary interference with any satellite signal.

22. Terrorism

- Terrorism, regardless of any other cause or event contributing to the Damage, loss of Business Income or other loss.
 - Civil commotion in Northern Ireland.
 - Any action taken to control, prevent, suppress or in any way deal with Terrorism.
- Computer Virus, Hacking or Denial of Service Attack will not be regarded as Terrorism.

23. Time excess

Loss of Business Income or extra cost arising during the time excess.

24. Trading risk

Your commercial decision to stop trading, or the decision of a Service Provider, customer or supplier of Yours to stop or reduce trade with You or restrict services.

25. War

War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or uprising.

This general exclusion does not apply to any Damage, loss of Business Income or other loss resulting from, or caused by, weapons of war which were not discovered before the start of the Period of Insurance, as long as there is no war in the country Your Hardware is in during the Period of Insurance.

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26. Wear and tear

Losses due to:

- wear and tear, gradual deterioration or rust;
- scratching or chipping of painted or polished surfaces;
- erosion or corrosion; or
- gradual reduction in performance.

However, We will pay for loss resulting from the causes above which We would otherwise have paid under Your Policy.

27. Your insolvency or bankruptcy

Your insolvency or bankruptcy.

Extra cover

For each extra cover in total for the Period of Insurance We will not pay more than the Extra Cover Limits shown in the schedule.

1. Avoiding corruption

If We have agreed in writing:

- We will pay the cost of locating and removing a Computer Virus from Your Computer System which has not necessarily caused any Damage or disruption; and
- where a Computer Virus or Hacking attack has affected Your Computer System during the Period of Insurance, We will pay the cost of hiring professional consultants to make recommendations on how to prevent Your Computer System from being infected by Computer Virus or to prevent Hacking.

2. Security audit

If the failure to keep to Data Privacy Obligations insured by this section resulted from security weaknesses in Your Computer System, We will pay the cost of a professional consultant carrying out an audit of Your Computer System to assess the security weaknesses and advise You on how to make improvements.

3. Investigation cost

If We accept a claim for Damage or other loss, and We agree in writing, We will pay the cost of investigating possible repair, replacement or restoration.

4. Loss-prevention measures

We will pay the cost of preventing or minimising actual or expected Damage or other loss covered by this section, as long as:

- Damage or other loss would be expected if the measures were not taken;
- We are satisfied that the Damage or other loss has been prevented or minimised by these measures; and
- the cost is limited to the cost of Damage or other loss which would have been caused.

The full terms and conditions of the policy apply as if Damage or other loss covered by this section had arisen.

5. Temporary and fast-tracked repair

If We accept a claim for Damage or other loss, We will pay the cost of making temporary repairs and fast-tracking a permanent repair, replacement or restoration.

6. Accountants' fees

We will pay the cost of You providing the information We need to work out the amount We should pay as a result of:

- extra staffing costs; and
- extra fees charged by Your usual auditors or accountants.

Section 15 – Cyber

Special conditions

You must keep to the following conditions whenever You need to make a claim under this section. If You do not meet these conditions, and this reduces our legal or financial rights under this section, We may refuse to pay part or all of Your claim.

1. Enforcing Your rights

We may, at our expense, take all necessary steps to enforce Your rights against any third party. We can do this before or after We pay a claim. You must not do anything before or after We pay Your claim to affect our rights and You must give us any help and information We ask for.

You must take reasonable steps to make sure that You protect Your rights to recover amounts from third parties.

2. Protecting Data

You must make sure that the appropriate procedures are in place for disposing of and destroying Hardware and hard copy files in order to protect Data.

3. Controlling defence

We can, but do not have to, take control of investigating, settling or defending any claim made against You. We would take this action in Your name. If necessary, We will appoint an adjuster, solicitor or any other appropriate person to deal with the claim. We may appoint Your solicitor, but only on a fee basis similar to that of our own solicitor, and only for work done with our permission in writing. We will only defend claims if We think that there is a reasonable chance of being successful, and after taking the costs of the defence into account.

4. Other insurances

If there is any other insurance covering Your claim, We will only pay our share, even if the other insurer refuses to pay the claim.

5. Salvage and recoveries

If You have made a claim and You later recover money from a third party, You must tell us immediately. If We have paid the claim, You may have to give the money to us.

If We have paid a claim and We then recover money from a third party, We will give You any proceeds above the amount We paid You in connection with the claim.

Any amount due from You or us must be paid as soon as reasonably possible.

6. Reasonable care

You must:

- make sure that your Hardware is maintained, inspected and tested as recommended by the manufacturer ;
- keep a record of all maintenance and Data back-up procedures and maintenance carried out, and let us check those records;
- take all reasonable steps and precautions to prevent or reduce Damage or other loss covered by your policy; and
- not continue to use Hardware after Damage, unless We have given our written permission.

If You do not keep to this condition We may:

- refuse to pay part or all of Your claim; and
- cancel Your policy (see Section 17A General Conditions 17.4 Cancellation).

7. Defence software

Your Computer System must be protected by a virus-protection software package which is:

- licensed to You;
- paid for and not freely available; and

Section 15 – Cyber

- updated at least every 7 days.

Your Computer System must also be protected by a firewall on all external gateways to the internet, and that firewall must be maintained.

8. Data backup

You must back up original Data at least every 7 days.

If a Service Provider processes or stores Data for You, You must make sure that the terms of the contract between You and the Service Provider allow Data to be backed up in line with this condition.

You must take precautions to make sure that all Data is stored safely.

If You have failed to keep to this condition, We may still pay a claim if You can show that formal procedures are in place to keep to this condition and that the failure was an accidental oversight or as a result of circumstances beyond Your control.

9. More than one insured

If more than one 'Insured' is named in the schedule, the first named insured will receive all notices and agree any changes to the policy and will be treated as acting for all the named insureds. We will not remove any named insured without their permission.

For any claim, the total amount We will pay will not be more than the Sum Insured or limit of liability, regardless of the number of people or organisations insured by the policy.

10. Paying the premium

You must pay the premium on or before the start of the Period of Insurance or on dates agreed by us.

If You do not pay a premium on time, We may cancel the policy (see Section 17A General Conditions 17.4 Cancellation)

11. Right to survey

If We ask, You must give us access to Your insured location at an agreed date and time to carry out a risk survey.

If You do not keep to this condition We may cancel the policy (see Section 17A General Conditions 17.4 Cancellation)

12. Tax

Any claim We pay will not include VAT, unless You cannot recover part or all of the VAT You have paid.

Section 16 – General Definitions

These Definitions apply to all Sections of the Policy unless stated otherwise. Other Definitions are contained within the Sections of the Policy where they apply.

We/ Insurer/ Our/ Us

Canopus Managing Agents Limited Syndicate 4444 (not applicable to Section 10, Section 11 and Section 15)

Amlin UK Plc (not applicable to Section 10, Section 11 and Section 15)

HSB Engineering Insurance Limited (Section 10 and Section 15 only)

ARAG plc, Insurer: Brit Syndicate 2987 at Lloyd's (Section 11 only)

Business

The Business stated in the Schedule, including in respect of Sections 5 and 6:

- a) the provision and management of canteen sports social or welfare organisations for the benefit of Employees and fire security first aid medical and ambulance services;
- b) private work undertaken with Your prior consent by Employees for any of Your directors or senior officials;
- c) the ownership maintenance and repair of Your Premises.

And no other Business for the purposes of this Policy.

Consequential Loss

Any further loss of any kind that may arise due to, or as a result of, loss or destruction of or any damage to any property whatsoever.

Employee (not applicable to Section 11 – Legal Expenses and Section 15 - Cyber)

- a) any person under a contract of service or apprenticeship with You;
 - b) any person who is hired to or borrowed by You;
 - c) any person engaged in connection with a work experience or training scheme;
 - d) any labour master or person supplied by him;
 - e) any person engaged by labour only sub-contractors;
 - f) any self employed person working on a labour only basis under Your control or supervision; or
 - g) any voluntary helper;
- while working for You in connection with the Business.

Excess

The first amount of each and every claim (as shown in the Schedule) for which You are responsible.

Insured/ Policyholder/ You/ Your

The person(s) or company named in the Schedule.

(Applicable to Section 11 – Legal Expenses)

Insured:

- a) You, Your directors, partners, managers, officers and employees of Your business.
- b) The estate, heirs, legal representatives or assigns of any persons mentioned in (a) in the event of such person dying.
- c) A person declared to Us, who is contracted to perform work for You, who is in all other respects insured by You on the same basis as Your other employees and who performs work under Your supervision.

You/Your:

The Business.

Period of Insurance

The period shown in the Schedule and any subsequent period for which We accept Your premium for renewal of this Policy.

Policy

The Policy and Schedule and any endorsements attached or issued.

Premises

The Premises as stated in the Schedule.

Section 16 – General Definitions

Projected Turnover

Your estimate of the money to be paid or payable to You in the next twelve months for goods sold and delivered and for services rendered in the course of the Business.

Proposal

The signed Proposal or Statement of Fact and any additional information supplied to the Insurer by You or on Your behalf.

Section 17 – General Conditions

Sub-Section 17A – General Conditions

These General Conditions apply to all Sections of the Policy unless stated otherwise. The Special Conditions and Clauses in Sub-Section 17B only apply if they are shown as operative on the Schedule. Other Conditions are contained within the Sections of the Policy where they apply.

17.1 Alteration in Risk

This Policy shall be avoided if after the commencement of this insurance there is any alteration in risk:

- a) by removal;
- b) by change of occupation or use of the property insured;
- c) whereby the risk of loss or Damage or accident or liability is increased;
- d) whereby the Business is wound up or carried on by a liquidator or receiver or permanently discontinued; or
- e) whereby Your interest ceases except by will or operation of law;

unless such alteration is notified to and accepted by the Insurer in writing and, in respect of General Condition 17A.1 c) above, the Insurer agrees not to avoid the Policy provided that:

- i) such alteration is not of such a nature that if the alteration had occurred prior to the commencement of this Policy the Insurer would not have entered into this Policy on any terms;
- ii) You shall pay an appropriate additional premium if required by the Insurer with effect from the date of the alteration;
- iii) the Insurer shall be entitled to impose appropriate additional terms, other than premium, with effect from the date of the alteration.

17.2 Arbitration

If any difference shall arise as to the amounts to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator who will be jointly appointed in accordance with statutory provisions. An award made by the arbitrator shall be a condition precedent to any right of legal action against the Insurer.

17.3 Average

Where a Sum Insured is subject to Average if at the time of the Damage the Sum Insured is less than the actual value of the property You will be considered as Your own insurer for the difference and bear a proportionate share of the loss. Average does not apply to Section 15 – Cyber.

17.4 Cancellation

The Insurer shall not be bound to accept any renewal of this Policy and may at any time give You thirty days notice to cancel this Policy. This termination shall be without prejudice to any rights or claims of the Insurer or You prior to the expiry of such notice.

You can cancel this insurance at any time by writing to Your broker and returning Your certificate of Employers' Liability insurance (if one has been issued to You). Any return premium due to You will depend on how long this insurance has been in force and whether You have made a claim or incidents have occurred that might give rise to a claim. The Insurer reserves the right on refunding any premium paid if You have made a claim under this Policy.

In respect of Section 11;

Where there is a valid reason for doing so, the Insurer has the right to cancel the policy at any time by giving at least 21 days' written notice to the Insured.

The Insurer will refund part of the premium for the unexpired term. We will set out the reason for cancellation in writing. Valid reasons may include but are not limited to:

- i) where the party claiming under this policy fails to co-operate with or provide information to Us or the Appointed Advisor in a way that materially affects Our ability to process a claim, or Our ability to defend the insurer's interests,
- ii) where the Insured uses threatening or abusive behaviour or language, or intimidation or bullying of Our staff or suppliers,
- iii) where We reasonably suspect fraud.

The insurer may also cancel the policy and refund part of the premium for the unexpired period if at any time You

- i) enter into a voluntary arrangement or a deed of arrangement
- ii) become bankrupt, are placed into administration, receivership or liquidation
- iii) have Your affairs or property in the care or control of a receiver or administrator.

The Insurer also reserves the right to withdraw from any claim.

Section 17 – General Conditions

17.5 Claims - The Insurers Rights

The Insurer:

- a) on the happening of any loss, destruction or damage in respect of which a claim is made, may, without incurring any liability or diminishing any of the Insurers rights under this Policy, enter, take or keep possession of, the Premises where such loss destruction or damage has occurred and take possession of, or require to be delivered to the Insurer, any Property Insured and deal with such property for all reasonable purposes and in any reasonable manner.

No claim under Section 1 shall be payable unless the terms of this condition have been complied with.

No property may be abandoned to the Insurer whether taken possession of by the Insurer or not.

- b) shall have full discretion in the conduct of any proceedings and in the settlement of any claim.
- c) In respect of Section 11;
 - i) The Insurer can settle the claim by paying the reasonable value of the Insured's claim.
 - ii) The Insured must not negotiate, settle the claim or agree to pay Legal Costs & Expenses without Our written agreement.
 - iii) If the Insured refuses to settle the claim following advice to do so from the Appointed Advisor the Insurer reserves the right to refuse to pay further Legal Costs & Expenses.

17.6 Computer Records

It is a condition precedent to liability that the Insured shall maintain a minimum of two generations of back-up computer records and software taken at intervals no less frequently than seven days, one copy as a minimum being held off site.

This condition does not apply to Section 15 – Cyber.

17.7 Conditions Precedent to Liability

Every condition stated as a condition precedent that applies to this Policy (whether a Policy, Section or Special Condition) shall apply from the time the condition attaches and continue to be in force during the whole currency of this Policy. Failure to comply with any such condition shall be a bar to any claim.

17.8 Confirmation of Values at Risk

You must provide the Insurer at the inception of the Policy and annually thereafter with full details of the Declared Values as well as the wage roll and Turnover of the Business.

17.9 Contracts (Rights of Third Parties) Act

The parties to this contract do not intend that any clause or term of this contract should be enforceable by virtue of the Contracts (Right of Third Parties) Act 1999 by any person who is not a party to this contract.

17.10 Excess

This Policy does not cover the Excess being the first amount of each and every claim (as shown in the Schedule) for which You are responsible at each separate Premises after the application of all other terms and conditions of this Policy including but not limited to any condition of Average.

17.11 Fraud

If any claim is in any respect fraudulent or if any fraudulent means or devices are used by You or anyone acting on Your behalf to obtain any benefit under this Policy or if any loss destruction or damage is occasioned by Your wilful act or with Your connivance all benefit under this Policy shall be forfeited.

17.12 Identification

This Policy and the Schedule (which forms an integral part of this Policy) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this Policy or of the Schedule shall bear such specific meanings wherever they may appear.

17.13 Insurable Interest

The insurable interest in the insurance by this Policy shall not be transferred without the written consent of the Insurers.

17.14 Interpretation

In this Policy;

- a) reference to any statute or statutory provision and orders or regulation thereunder shall include a reference to that provision, order or regulation as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this Policy;
- b) reference to any statutory or other body shall include the successor to that body;
- c) words importing the singular include the plural and vice versa and references to persons includes bodies corporate or unincorporated. Words importing any gender shall include all genders;

Section 17 – General Conditions

- d) if any term, condition, exclusion or endorsement or part thereof is found to be invalid or unenforceable the remainder shall remain in full force and effect;
- e) the headings are for reference only and shall not be considered when determining the meaning of this Policy.

17.15 Minimum Standards of Security

The Insurer requires Your Premises to have the Minimum Standard of Security as detailed below:

Exit Doors

- a) Sliding and/or folding doors, where the door meets the stile, are to be secured with a locking bar and close shackle padlock. If a multi-leaf door then each leaf should be secured internally by bolts top and bottom.
- b) Roller shutters which are manually operated are to be secured with bullet locks or alternatively a locking bar and close shackle padlock, with a staple set into concrete and the locking bar secured to the shutter. Roller shutters which are automatically operated internally are to have operating chains secured with a hardened shackle padlock to the door frame or any other part of the building structure. Roller shutters which are electrically operated externally are to be fitted with automatic cut-off devices in the event that keys are not used.
- c) Wicket gate doors are to be secured by either a mortise deadlock which has five or more levers and/or conforms to BS 3621 with a matching box striking plate fitted, or by a locking bar and close shackle padlock.
- d) Single leaf, solid or panelled doors are to be secured by either a mortise deadlock which has five or more levers and/or conforms to BS 3621 with a matching box striking plate fitted, or by a locking bar and close shackle padlock.
- e) Double leaf, solid or panelled, doors are to be secured by flush or barrel bolts top and bottom on the first closing leaf and:
 - i) a mortise deadlock which has five or more levers and/or conforms to BS 3621 and a matching box striking plate; or
 - ii) a locking bar and close shackle padlock on the second closing leaf.
- f) Aluminium or UPVC framed doors are to be fitted with integral cylinder key operated mortise deadlocks.

Internal Doors

Internal doors giving access to any part of the Building not occupied by You or for Your Business are to be fitted on Your side of the door with either:

- a) a mortise deadlock which has five or more levers and conforms to BS 3621 with a matching box striking plate and You are to be the sole key holder;
- b) two key operated security bolts, one fitted approximately 30 cm from the top of the door and the other 30 cm from the bottom; or
- c) a locking bar and close shackle padlock.

Windows, Fanlights, Rooflights and Skylights

All opening external basement, ground floor and other accessible windows, fanlights, rooflights and skylights are to be fitted with key operated window locks or a padlock and locking bar or padlock, hasp and staple.

Note: An accessible window is one which can easily be reached such as a window adjacent to a flat roof or fire escape, balcony, canopy or downpipe.

This requirement does not apply to windows protected by solid steel bars, weld mesh or expanded metal grilles securely fixed to brickwork surrounding the window or demountable weld mesh or expanded metal grilles secured by means of a hardened shackle padlock.

Fire Exits

Any door or window officially designated as a fire exit by a fire authority is excluded from the above requirements. These are to be secured internally by panic bolts or fire exit bolts (capable of opening at all times). Any additional devices must be approved by the local Fire Prevention Officer.

Important Note:

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

- a) *Your Premises are protected to the Minimum Standards of Security detailed above;*
- b) *security devices stipulated are in full and effective operation whenever Your Premises are left unattended; or*
- c) *Your Premises have been surveyed by one of Our Risk Control Surveyors and the Insurers have accepted alternative levels of security.*

17.16 Observance of Terms

It is a condition precedent to any liability on the part of the Insurer under this Policy that the terms hereof so far as they relate to anything to be done or complied with shall be duly and faithfully observed except in so far as it is

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necessary to comply with the requirements of any legislation enacted in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man relating to compulsory insurance of legal liability to Employees.

17.17 Other Insurances and Average

Applicable to Section 1 – Property Damage and Section 7 – All-Risks (Specified Items)

If at the time of any Damage there is any other insurance effected by You or on Your behalf covering any of the Property damaged the liability of the Insurer under this Policy shall be limited to its rateable proportion of such Damage.

If any other insurance shall be subject to any Average (under-insurance) condition this Section if not already subject to any condition of Average shall be subject to Average in like manner.

If any other insurance is subject to any provision whereby it is excluded from ranking concurrently with this Section either in whole or in part or from contributing rateably the liability of the Insurer hereunder shall be limited to that proportion of the Damage as the Sum Insured by this Section bears to the value of the Property.

Applicable to Section 2 – Business Interruption

If at the time of any Incident resulting in a loss under this Section there is any other insurance effected by You or on Your behalf covering such loss or any part of it the liability of the Insurer under this Policy shall be limited to its rateable proportion of such loss.

Application to Section 3 – Goods in Transit

If at the time of a claim there is any other insurance arranged by You or on Your behalf covering anything insured under this Section the Insurer shall be liable only for a proportionate share.

If the other insurance is more specific in relation to the Property then this Section will only apply after the other insurance has been exhausted.

Applicable to Section 5 – Employers' Liability and Section 6 – Public Liability and Products Liability

The Insurer will not indemnify You in respect of liability which is insured by or would but for the existence of the Section be insured by any other policy except in respect of any excess beyond the amount payable under such other policy had this insurance not been effected.

17.18 Reasonable Precautions

You shall:

- a) take all reasonable precautions to prevent occurrences which may give rise to loss destruction or damage;
- b) take all reasonable steps to comply with statutory requirements obligations and regulations imposed by any authority;
- c) take immediate steps to make good or remedy any defect or danger which becomes apparent or take such additional precautions as circumstances may require; and
- d) take reasonable care in selecting Employees and maintain security precautions when the property insured under Section 3 is in Your custody or control.

17.20 Several Liability

Our obligations under this Policy are several and not joint and are limited solely to the extent of Our individual subscription. We are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligation.

17.21 Subjectivity

- a) If the Policy is issued with subjectivity it will clearly state in the Schedule if the cover provided by the Policy is subject to You:
 - iv) providing the Insurer with any additional information requested by the required date;
 - v) completing any actions agreed between You and the Insurer by the required dates; or
 - vi) allowing the Insurer to complete any actions agreed between You and the Insurer.
- b) If required by the Insurer You must allow access to the Premises and the Business to carry out surveys within 60 days of the inception or renewal date, unless agreed otherwise in writing.

If cover under this Policy is subject to You completing risk improvements and complying with the risk improvements for the currency of the Policy then the risk improvements identified must be completed within the individual timescales specified and complied with for the currency of the Policy.

Following the above actions the Insurers reserve the right to:

- a) modify the premium;
- b) change the terms and conditions of the Policy;
- c) require You to make alterations to the Premises insured by required dates;
- d) cancel the Policy in accordance with General Condition 17.4;
- e) leave the Policy terms, conditions and premium unaltered.

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You will be advised of the Insurers decision and any required actions and dates. The effective date of any changes will apply unless and until the Insurers agree otherwise in writing.

If You disagree with the Insurers decision You must make Your comments in writing and the Insurers will attempt to negotiate a resolution with You. If this is unsuccessful You have the right to cancel the Policy and, subject to no claims, a proportionate part of the premium will be refunded to You.

The above conditions do not affect the Insurers right to void the Policy in accordance with General Condition 16.15 if information material to their acceptance of Your Proposal is discovered.

17.22 Subrogation

Any claimant under this Policy shall, at the request and at the expense of the Insurer, take and permit to be taken all necessary steps for enforcing rights against any other party in Your name before or after any payment is made by the Insurer. The Insurer shall be entitled to take over and conduct in Your name the defence or settlement of any claim or to prosecute in Your name, at its own expense and for its own benefit, any claim for indemnity or damages or otherwise.

17.23 Turnover

You must notify the Insurer in writing as soon as You become aware that the Projected Turnover of the Business has increased by more than 50% since the Projected Turnover was last confirmed to the Insurer.

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Sub Section 17B – Special Conditions and Clauses

These Special Conditions and Clauses only apply if they are shown as operative on the Schedule. The General Conditions in Sub-Section 17A apply to all Sections of the Policy unless stated otherwise. Other Conditions are contained within the Sections of the Policy where they apply.

17.1 Theft

Notwithstanding Exclusion 3c) of Section 1 and Exclusion 2c) of Section 2 the insurance by Sections 1 and 2 extends to cover Damage or Business Interruption caused by or consisting of theft or attempted theft excluding any such Damage or Business Interruption:

- a) not involving entry to or exit from the Premises by forcible and violent means or violence or threat of violence to You or any of Your Employees or any other person lawfully on the Premises; or
- b) of property in the open or property in any outbuilding or other building not communicating with the main building of the Premises.

The Definition of Defined Peril in Section 1 and Section 2 is further extended to include theft.

17.2 Subsidence Ground Heave and Landslip

Notwithstanding Exclusions 3a) and 3b) of Section 1 and Exclusions 3a) and 3b) of Section 2 the insurance by Sections 1 and 2 extends to cover Damage or Business Interruption caused by subsidence or ground heave of any part of the site on which the property stands or landslip excluding:

- a) the first £1,000 of each and every loss in respect of Section 1 at each separate Premises as ascertained after the application of any Condition of Average.
- b) Damage to and Business Interruption in respect of yards, car parks, roads, pavements, walls, gates and fences unless also affecting a Building insured by this Policy.
- c) Damage or Business Interruption 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; or
 - v) fire, subterranean fire, explosion, earthquake or the escape of water from any tank apparatus or pipe.
- d) Damage or Business Interruption which originated prior to the inception of this cover.
- e) Damage or Business Interruption resulting from:
 - i) demolition construction structural alteration or repair of any property; or
 - ii) groundworks or excavation at the Premises.

Special Conditions for Subsidence Ground Heave and Landslip Clause:

Insofar as this insurance relates to Damage or Business Interruption caused by subsidence ground heave or landslip:

- a) You shall notify the Insurer immediately if You become aware of any demolition groundworks excavation or construction being carried out on any adjoining site;
- b) the Insurer shall then have the right to vary the terms or cancel this cover.

17.3 Financial Loss

The indemnity provided by Section 6 of this Policy is extended to indemnify You against all such sums that You shall become legally liable to pay as damages and costs and expenses of claimants in respect of accidental financial loss; but the Indemnity will only apply to:

- a) a claim which is first made in writing against You during the Period of Insurance; and
- b) which is notified to the Insurer during the same Period of Insurance or within 30 days after the expiry of such Period of Insurance.

Provided that:

- a) the liability of the Insurer under this extension for all damages and claimants costs and expenses arising out of all claims first made against You during any one Period of Insurance shall not in the aggregate exceed the sum of £250,000; and
- b) You shall be responsible under this extension for the first 10% of all damages and claimants costs and expenses payable in respect of each and every claim made against You subject to You being responsible for a minimum amount of £5,000 in respect of each and every such claim.

Exclusions to Clause 17.3 Financial Loss:

The indemnity provided by this extension will not apply to legal liability:

- a) in respect of:
 - i) Injury to any person;
 - ii) loss of or damage to material property;

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- iii) nuisance, trespass, obstruction, loss of amenities or interference with any right of way, air, light or water; or
- iv) wrongful arrest, detention, imprisonment or eviction of any person or invasion of the right of privacy.
- b) arising under contract whether by virtue of express agreement or otherwise.
- c) for the actual cost or value of any Products Supplied or replacement, repair, removal or reinstatement of any Products Supplied;
- d) for:
 - i) liquidated damages, fines, penalties or payments to any statutory authority arising out of the enforcement of any statutory requirement or duty;
 - ii) libel, slander or passing off or infringement of patent, copyright, trademark or trade name;
 - iii) financial loss sustained by any Employee arising out of or in the course of employment by You.
- e) caused by or arising from:
 - i) breach of professional duty or service or any error or omission in estimates or advice given by You or on Your behalf in a professional capacity or in design, plan, drawings or specification for which a fee is charged or would normally be charged;
 - ii) property in the custody or under the control of You or any Employee or failure to return such property;
 - iii) the storage, processing or transmission by You or on Your behalf of computer data;
 - iv) delay, non-completion or non delivery;
 - v) any act of fraud or dishonesty by You or any Employee; or
 - vi) any circumstances known to You at inception of this extension which may give rise to a claim for financial loss.
- f) arising:
 - i) outside Great Britain, Northern Ireland, the Isle of Man or the Channel Islands;
 - ii) out of any cause giving rise to financial loss happening before the Retroactive Date which, unless specified to the contrary, shall be the inception date of this Policy.

The indemnity provided under this extension is subject otherwise to the terms Exclusions and Conditions of Section 6 of this Policy.

17.4 Alarm Clause

It is a condition precedent to liability under Sections 1, 4 and 7 in respect of loss or damage following entry or attempted entry to or exit from the Premises by forcible and violent means that:

- a) the Premises are protected by an Intruder Alarm System designed installed and maintained to British Standard BS 4737 including Code of Practice DD243 or EN 50131 by an intruder alarm installation and maintenance company who are both:
 - i) a member of an Alarm Inspectorate which is accredited by UKAS to EN 45011 or EN 45012; and
 - ii) accredited and operate a Quality Management System in accordance with EN ISO 9000.
- b) the Intruder Alarm System shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance, as per the requirements of BS 4737 or EN 50131, with the installing company or such other company as agreed with the Insurer.

Where remote alarm signalling is required the signal transmission must be transmitted to an Alarm Receiving Centre fully compliant with BS 5979:2000 and operated by a company accredited and operating to a Quality Management System in accordance with EN ISO 9000.

- c) no alteration to or substitution of:
 - i) any part of the Intruder Alarm System;
 - ii) the maintenance contract;
 - iii) the structure of the Premises or changes to the layout of the Premises which would affect the effectiveness of the Intruder Alarm System; or
 - iv) the procedures agreed with the Insurer for Police or any other response to any activation of the Intruder Alarm System;be made without the written agreement of the Insurer.
- d) the Alarmed Premises shall not be left unattended without the agreement of the Insurer:
 - i) unless the Intruder Alarm System is set in its entirety with the means of communication used to transmit signals in full operation;
 - ii) if the Police have withdrawn their response to alarm activations.
- e) You shall maintain secrecy of codes for the operation of the Intruder Alarm System and detail of such codes and all keys to the Intruder Alarm System shall be removed from the Premises when the Premises are left unattended.
- f) You shall appoint at least two Key Holders and lodge written details (which must be kept up to date) with the alarm company and either the Police or the Alarm Receiving Centre.
- g) in the event of notification of any activation of the Intruder Alarm System or interruption of means of communication during any period the Intruder Alarm System is set a Key Holder shall attend the Premises as soon as reasonably possible.
- h) in the event of You receiving any notification:

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- i) the Police attendance in response to alarm signals/calls from the Intruder Alarm System may be withdrawn or the level of response reduced or delayed;
 - ii) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance;
 - iii) that the Intruder Alarm System cannot be returned to or maintained in full working order;
- You shall advise the Insurer as soon as possible and comply with any subsequent requirements stipulated by the Insurer.

Definitions for 17.4 Alarm Clause:

Intruder Alarm System

The component parts including the means of communication used to transmit signals to and from the Premises.

Alarmed Premises

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

Key Holder

You or any person or key holding company authorised by You who is available at all times to accept notification of faults or alarm signals to the Intruder Alarm System and attend and allow access to the Premises.

Premises

The Buildings occupied by You or under Your control (unless stated otherwise in the Schedule).

17.5 Composite Panels

- a) It is a condition precedent to liability of the Insurers in respect of any building containing composite panels with combustible cores that:
 - i) the existence and extent of the composite panels has been fully disclosed to the Insurer prior to inception of the Policy;
 - ii) all wiring passing through composite panels is, and will continue to be, encased in metal conduits and sealed with rubber grommets;
 - iii) when services, which pierce any composite panels, are removed, the openings will immediately be capped by metal plates;
 - iv) any ductwork or services that pass through composite panels and which may get hot are, and will continue to be, sleeved in non-combustible insulation sufficient to prevent any transfer of heat to the composite panels through which they pass;
 - v) no repairs will be made to composite panels that involve welding, grinding, cutting or other obvious ignition sources; and
 - vi) heat sources will be kept a minimum distance of 2 metres away from all composite panels.
- b) It is a condition precedent to the liability of the Insurers in respect of any building containing composite panels that:
 - i) fire extinguishers and fire blankets, suitable both in number and type, are supplied for all cooking areas;
 - ii) at least weekly inspections are undertaken by You to check for Damage to composite panels or panel joints;
 - iii) any defects which are found during the course of the inspections referred to at ii) are rectified or the defective panel(s) replaced by a panel(s) with a non-combustible core without delay and in any event within 7 days; and
 - iv) there is no external storage of combustible waste, stock, packaging, pallets, or skips or bins containing such items within 10 metres of any building containing composite panels.
- c) Where work involving the application of heat is to be carried out in any building containing composite panels with combustible cores, the following condition applies:

It is a condition precedent to the liability of the Insurers under the Policy that;

 - i) any work involving the application of heat is only carried out by a suitably experienced contractor;
 - ii) the contractor carrying out the work has public liability insurance in force at least to the same level as the Sums Insured shown on the Schedule to this Policy and that You confirm the same through sight of the certificate of insurance;
 - iii) You do not waive any subrogation rights against the contractor at any time;
 - iv) the area in which the work is to be carried out must be cleared of any loose debris and all movable combustible materials removed to a distance of not less than 6 metres from the area of the proposed work prior to its commencement;
 - v) if work is to be carried out overhead, the area beneath that work must be cleared of any loose debris and all movable combustible materials removed to a distance of not less than 6 metres from the area of the proposed work prior to its commencement;
 - vi) any combustible materials within a 6 metre radius of the area of the proposed work which cannot be moved, including any composite panels, are to be fully covered and protected by fire-proof blankets and/or screens. [For the avoidance of doubt, the condition at a) (vi) will still apply such that under no circumstances must hot works be carried out within 2 metres of any composite panels];
 - vii) the ground or floor or other horizontal surface (including any gutters) directly beneath the area of the proposed work is to be liberally covered with sand to a distance of not less than 50cm all around the area of the proposed work;

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- viii) a suitable number of fire extinguishers with a total capacity of not less than 20 litres must be kept available for immediate use and located no more than 2 metres from the area of work;
- ix) a dedicated person, with no other responsibilities, must be in attendance to keep a constant fire watch and to damp down the area of the proposed works whilst the hot work is being carried out and for at least 15 minutes following any interruption to and/or cessation of the hot work;
- x) blow lamps and blow torches shall be lit for as short a time as possible before use and extinguished immediately after use;
- xi) lighted blow lamps and torches must not be left unattended;
- xii) any work involving the application of heat will cease at least 1 hour before the Premises close for Business for the day;
- xiii) a thorough examination of the area in which the work was carried out, including an examination of the other side of any roof or partition to the side on which the hot works were being carried out, shall be made 30 minutes and 60 minutes after hot works have ceased or been interrupted for 30 minutes or more, and immediately prior to the Premises closing for Business on any day during which hot works have been carried out; and
- xiv) You obtain written confirmation from the contractor prior to the start of work that the precautions stated on Your Hot Work Permit will be adhered to.

17.6 Frying and Cooking Equipment

It is a condition precedent to liability of the Insurers in respect of any frying and/or other cooking range in the Premises that:

- a) a flame failure device is fitted if the range is gas or oil fired;
- b) all cooking equipment used for deep fat frying shall be fitted with a thermostat to prevent fat or oil exceeding 205° centigrade and a high temperature non-self resetting limit control to shut off the heat source if fat or oil exceeds 230° centigrade;
- c) all frying and other cooking ranges, equipment, flues and exhaust ducting will be kept securely fixed and free from contact with combustible materials;
- d) frying equipment will be installed, used and maintained in accordance with the manufacturer's instructions;
- e) where ducts pass through any combustible material, it should be cut away to a distance of at least 150mm from the duct and the space filled with non-combustible insulation;
- f) extraction of heat, fumes and/or combustion products be via an integral duct, or an overhead canopy and duct system, vented direct to the open;
- g) all ducts be constructed of and supported by galvanised or stainless steel;
- h) all extraction hoods, canopies, filters and grease traps will be cleaned at least once each week;
- i) all extraction ducts will be cleaned regularly and maintained and checked at least once every six months by a specialist contractor;
- j) the record of such cleaning and servicing of the extraction ducts will be kept elsewhere other than at the Premises and will be made available for inspection at any time;
- k) multi-purpose fire extinguishers and at least one fire retardant blanket which conforms to the relevant British Standard suitable for extinguishing oil and fat fires will be kept in the close proximity to the working area of the range and maintained ready for use;
- l) frying ranges will not be left unattended whilst in use;
- m) all naked flames (other than pilot lights) and all electrical elements will be turned off at the close of the working day.

17.7 Waste Removal – A (Oily/Greasy Waste, Weekly Removal)

It is a condition precedent to liability of the Insurers that all oily and/or greasy waste and used cleaning cloths which remain in the buildings overnight will be kept in metal receptacles with close fitting metal lids and removed from the buildings at least once a week.

17.8 Waste Removal – B (Combustible Waste, Daily Removal)

It is a condition precedent to liability of the Insurers that all combustible trade waste and refuse will be removed from the buildings every night.

17.9 Waste Removal – C (Combustible Waste, Weekly Removal)

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

17.10 Stillage Warranty

It is a condition precedent to liability of the Insurers that all stock stored in basements and/or at ground level is stored on racks pallets or stillages at least 15cm above floor level.

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These Exclusions apply to all Sections of the Policy unless stated otherwise.

Other Exclusions are contained within the Sections of the Policy where they apply.

18.1 Applicable to all Sections other than Section 5 – Employers' Liability

a) War & Similar Risks

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalism or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

b) Radioactive Contamination and Explosive Nuclear Assemblies Exclusion Clause

This Policy does not cover

(a) Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss

(b) Any legal liability of whatsoever nature

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

(i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel

(ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

18.2 Applicable to all Sections other than Section 5 – Employers' Liability and Section 8 – Personal Accident Date Recognition

The insurance by this Policy does not apply to:

Any claim directly or indirectly caused by or contributed to by or arising from the failure of any computer or other equipment data processing service product microchip micro processor integrated circuit embedded chip or similar device computer software program or process or any other electronic system or any design or advice in connection with any of the foregoing irrespective of ownership possession or use 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; or

c) to capture save or retain or correctly to process any data as a result of the operation of any command which has been programmed into the 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 in respect of Section 1 (Property Damage) subsequent Business Interruption in respect of Section 2 (Business Interruption) and subsequent loss or damage in respect of Section 7 (All Risks-Specified Items) not otherwise excluded which itself results from fire, lightning, explosion, theft, aircraft or other aerial devices or articles dropped from aircraft or other aerial devices, 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, provided such Peril is insured by the Section.

18.3 Applicable to all Sections other than Section 5 – Employers' Liability and Section 14 – Terrorism Terrorism

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

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In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

18.4 Applicable to all Sections other than Section 5 – Employers’ Liability and Section 6 – Public Liability and Products Liability

Contamination and Pollution Clause

- a) The insurance by this Policy does not cover any loss or damage due to contamination, pollution, soot, deposition, impairment with dust, chemical precipitation, adulteration, poisoning, impurity, epidemic and disease or due to any limitation or prevention of the use of objects because of hazards to health.
- b) This exclusion does not apply if such loss or damage arises out of one or more of the following Perils:
Fire, Lightning, Explosion, Impact of Aircraft
Vehicle Impact, Sonic Boom
Accidental Escape of Water from any tank apparatus or pipe
Riot, Civil Commotion, Malicious Damage
Storm, Hail
Flood, Inundation
Earthquake
Landslide, Subsidence
Pressure of Snow, Avalanche
Volcanic Eruption
- c) If a Peril not excluded from this Policy arises directly from pollution and/or contamination any loss or damage arising directly from that Peril shall be covered.
- d) All other terms and conditions of this Policy shall be unaltered and especially the exclusions shall not be superseded by this clause.

18.5 Applicable to all Sections other than Section 10 – Equipment Breakdown and Section 15 - Cyber

Electronic Data

1) Electronic Data Exclusion

- a) The insurance by this Policy does not cover loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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

Computer Virus means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to “trojan horses”, “worms” and “time or logic bombs”.

- b) However, in the event that a Peril listed below results from any matters described in paragraph a) above, this insurance, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy Period of Insurance to the Property Insured by this Policy directly caused by such listed Peril.

Listed Perils:

Fire
Explosion

2) Electronic Data Processing Media Valuation

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the Electronic Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such Electronic Data. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this insurance does not insure any amount pertaining to the value of such Electronic Data to the Insured or any other party, even if such Electronic Data cannot be recreated, gathered or assembled.

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18.6 Sanctions

We shall not provide any benefit under this contract of insurance to the extent of providing cover, payment of any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

Section 19 – Claims Procedure

To make a claim under this Policy please telephone the appropriate number listed on the Important Helplines Section of this Policy.

Your claims (*other than Section 11 – Legal Expenses*) will be dealt with by:

Davies Managed Systems Limited of 2nd Floor, East Court, Riverside Park, Stoke-On-Trent, Staffordshire, ST4 4DA

Your claims under **Section 11 – Legal Expenses** will be dealt with by:

ARAG plc, 9 Whiteladies Road, Clifton, Bristol BS8 1NN

19.1 Your Obligations

On learning of any circumstances likely to give rise to a claim or on receiving verbal or written notice of any claim You must:

- a) tell the Insurer as soon as reasonably possible and give the Insurer all the assistance they may reasonably require;
- b) tell the Police as soon as reasonably possible if the Damage is due to any actual or suspected criminal act;
- c) send to the Insurer immediately any intimation of a claim from a third party, writ, summons or other legal proceedings issued against You;
- d) supply, at Your own expense, full details of the claim in writing within the following periods:
 - i) 7 days for Damage by riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, theft or political disturbances or vandals or malicious people;
 - ii) 30 days after the expiry of the Indemnity Period under Section 2 Business Interruption;
 - iii) 30 days after any other Damage, interruption or Bodily Injury; and
 - iv) within 14 days for section 15 in the case of You knowing about an incident or circumstance that have resulted in or may result in You receiving:
 - o a claim against You;
 - o a demand for damages;
 - o a notice of regulatory action against You;
 - o a notice of other arbitration process seeking damages;
- e) provide all the help and assistance and co-operation required by the Insurer in connection with any claim to include supplying, as soon as reasonably practicable, any supporting evidence and information that they require;
- f) take action following circumstances likely to give rise to a claim to:
 - i) minimise the Damage;
 - ii) prevent further Injury or Damage; and
 - iii) avoid interruption with the Business.
- g) for Section 15; give us details of any other insurances You may have which may cover damage, loss of Business Income, damages, Defence Costs or other loss covered by this policy;
- h) for Section 15; tell us if You recover money from a third party (You may need to give the money to the Insurer).
- i) For Section 15; keep any damaged hardware, other property covered by this Section and other evidence and allow us to inspect it
- j) for Section 11; Under no circumstances should You instruct Your own lawyer or accountant as The Insurer will not pay their costs and it could invalidate Your cover.
 - i) ARAG will issue You with a written acknowledgement within one working day of receiving Your claim form.
 - ii) within five working days of receiving all the information needed to assess the availability of cover, and will write to You either:
 - confirming the appointment of a suitably qualified representative who will promptly progress the claim for You; or
 - if the claim is not covered, explaining in full why and whether assistance can be provided in another way.
 - iii) When a lawyer is appointed they will try to resolve Your dispute without delay, arranging mediation whenever Appropriate. Matters cannot always be resolved quickly particularly if the other side is slow to cooperate or a legal timetable is decided by the courts.

19.2 Negotiations

You must not admit, deny, negotiate or settle any claim without the Insurer's written consent.

The Insurer will not pay any claim if their position is prejudiced for any reason as a result of Your failure to comply with 19.1 or 19.2 above.

Section 19 – Claims Procedure

19.3 The Insurers rights

- a) The Insurer has the right to take over the defence or settlement of a claim against You by another person.
- b) The Insurer has the right to the salvage of any Property Insured.
- c) The Insurer has the right to enter the building where the Damage has happened, and to take and keep any of the Property Insured, and to deal with salvage in a reasonable manner.

19.4 Fraud

If any:

- a) claim made under this Policy by You or anyone acting on Your behalf is fraudulent or intentionally exaggerated in any way;
- b) false declaration or statement is made;
- c) fraudulent device is used to support the claim;
- d) loss, Injury, destruction or Damage is caused by Your wilful act or with Your connivance;

then:

- i) all benefit under this Policy shall be forfeited;
- ii) the Insurer shall have no obligation to indemnify in respect of any other claim made under this Policy whether such claim is made before or after the fraudulent claim;
- iii) the Insurer shall have the right to recover any monies paid to You under this Policy during the Period of Insurance whether or not such payment was made before or after the fraudulent claim.

Section 20 – Enquiries and Complaints Procedure

We aim to ensure that all aspects of Your insurance are dealt with promptly, efficiently and fairly. At all times We are committed to providing You with the highest standard of service.

If You have any questions or concerns about Your Policy or the handling of a claim You should, in the first instance, contact the Insurance Broker who arranged this Policy for You.

In the event that You remain dissatisfied and wish to make a complaint You can do so at any time by referring the matter to the Head of R&Q Commercial Risk Services Limited at:

The Commercial Manager
R&Q Commercial Risk Services Limited
71 Fenchurch Street
London
EC3M 4BS
Phone: + 44 (0) 20 7780 5850

Please quote Your Policy number in all correspondence so that Your concerns may be dealt with speedily.

If R&Q Commercial Risk Services Limited are unable to resolve the complaint to Your satisfaction and:

If Your complaint relates to Sections 1-9 or Sections 12-14 You should contact:

Complaints
Lloyd's
One Lime Street
London EC3M 7HA

Email: complaints@lloyds.com
Telephone: +44 (0)20 7327 5693
Fax: +44 (0)20 7327 5225
Website: www.lloyds.com/complaints

If Your complaint relates to Section 10 – Equipment Breakdown or Section 15 - Cyber You should contact:

The Customer Relations Leader
HSB Engineering Insurance Limited
Chancery Place,
50 Brown Street,
Manchester
M2 2JT
Phone +44 (0) 330 100 3433
E Mail complaints@hsbeil.com

If Your complaint relates to Section 11 – Legal Expenses You should contact:

Step 1
Customer Relations Department
ARAG plc,
9 Whiteladies Road,
Clifton,
Bristol,
BS8 1NN
Phone: 0117 917 1561
Email: customerrelations@arag.co.uk

Step 2
Should You remain dissatisfied You can pursue Your complaint further with Lloyd's. They can be reached in the following ways;
Lloyd's
One Lime Street

Section 20 – Enquiries and Complaints Procedure

London
EC3M 7HA
Phone 0207 327 5693
E Mail complaints@lloyds.com, Website: www.loyds.com/complaints

The Financial Ombudsman Service

South Quay Plaza,
183 Marsh Wall,
London,
E14 9SR
Phone 08000 234 567

Further information is available from them and on www.financial-ombudsman.org.uk

Your rights as a customer to take legal action are not affected by the existence or use of the complaints procedure mentioned above. However the Financial Ombudsman Service will not adjudicate on any cases where litigation has commenced.

Financial Services Register

The Financial Services Register can be checked by visiting the Financial Conduct Authority website on www.fca.org.uk or by calling 0800 111 6768

Financial Services Compensation Scheme (FSCS)

R&Q MGA Limited, Canopus Managing Agents Limited Syndicate 4444, Amlin UK Plc, HSB Engineering Insurance Limited, ARAG plc and Brit Syndicate 2987 at Lloyd's are all covered by the Financial Services Compensation Scheme (FSCS). This means that You may be entitled to compensation from the scheme in the unlikely event that they cannot meet their obligations. Further details can be obtained from FSCS, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU Tel: 0207 741 4100 Fax: 0207 741 4101 or www.fscs.org.uk