



R&Q Commercial Risk Services Limited

Commercial Property Owners Insurance Policy Wording

November 2018

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Important Helplines

Claims for all Sections (*other than* Section 7 – 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 7), or Fax: 0344 856 2005

For full details of how to make a claim please refer to **Section 11 – Claims Procedure**.

Claims for Section 7 - 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 000 2081
UK tax advice 9am to 5pm weekdays	0333 000 2081
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 7 – Legal Expenses** and **Section 11 – Claims Procedure**.

Welcome

Introduction to Your Property Owners Insurance

This document of insurance, the Schedule and any endorsements applying to this insurance form Your Property Owners 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 - 5 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 - 5 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 6 – Equipment Breakdown is underwritten by: HSB Engineering Insurance Limited

This Section is 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.

Section 7 – 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 11 – **Claims Procedure** and Section 12 – **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-- 5

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

Section 6

<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

All Sections

by writing to:
The Commercial Manager
R&Q Commercial Risk Services Limited
1 Cornhill
London
EC3V 3ND

Section 11

by writing to:
Customer Relations
Department
ARAG plc,
9 Whiteladies Road,
Clifton,
Bristol, BS8 1NN

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 loss, damage, destruction, accident or liability that (with the exception of Section 7) 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 that reads "James Wheddon". The signature is written in a cursive style with a long, sweeping underline.

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 8 also apply to this Section. The General Conditions in Section 9 and General Exclusions in Section 10 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) tenants' improvements for which the landlord is responsible in on or around the Buildings;
- c) furnishings and other contents of common parts of the Buildings;
- d) outbuildings, extensions, annexes, canopies, fixed signs, gangways, conveniences, lamp posts and street furniture;
- e) walls, gates and fences;
- f) 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;
- g) yards, car parks, roads, pavements, forecourts, all constructed of solid materials; and
- h) landscaping excluding external ponds and lakes;

all being Your property or for which You are responsible and situate at the Premises.

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.

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.

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.

Territorial Limits

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

Cover

We will indemnify You in respect of Damage to Property Insured by any cause not excluded occurring during the Period of Insurance at the Premises.

Property Insured

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

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

Section 1 – Property Damage

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, private dwelling houses, churches or other buildings in course of erection is separately subject to Average.

Exclusions

What is not covered (see also General Exclusions):

- 1) The amount of Excess shown in the Schedule at each separate Premises after the application of all the conditions of Average.
- 2) Damage by explosion caused by the bursting of any boiler or other plant which belongs to You or is under Your control and in which internal pressure is due to steam only; but this shall not exclude Damage caused by explosion of:
 - a) any boiler
 - b) gasused for domestic purposes only.
- 3) Damage by riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons arising from:
 - a) nationalisation confiscation requisition seizure or destruction by order of the government or any public authority or
 - b) cessation of work.
- 4) Damage by storm or flood:
 - a) attributable solely to change in the water table level;
 - b) caused by frost;
 - c) to fences and gates unless caused by falling trees or there is Damage to structural parts of the Buildings at the same time;
 - d) to trees plants shrubs and turf unless there is Damage to the Buildings at the same time.
- 5) Damage by accidental escape of water from any automatic sprinkler installation caused by freezing in any building which is Empty.
- 6) Damage by theft or attempted theft which the Insured is able to recover from another source.
- 7) Damage by subsidence ground heave or landslip:
 - a) arising from the settlement or movement of made-up ground or by coastal or river erosion;
 - b) resulting from:
 - i) the construction demolition structural alteration or structural repair of any property;
 - ii) groundworks or excavation works;at the Premises.
 - c) arising from normal settlement or bedding down of new structures;
 - d) commencing prior to the granting of cover under this insurance.
- 8) All other Damage:
 - a) to any property caused by:
 - i) its own faulty or defective design or materials;
 - ii) inherent vice latent defect gradual deterioration wear and tear;
 - iii) faulty or defective workmanship on the part of You or any of Your Employees;but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded;
 - b) caused by:
 - i) corrosion rust wet or dry rot marring scratching vermin or insects;
 - ii) 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;
 - iii) mechanical or electrical breakdown or derangement in respect of the particular machine apparatusor
equipment in which the breakdown or derangement originates;

Section 1 – Property Damage

but this shall not exclude:

- i) such Damage which itself results from other Damage and is not otherwise excluded;
- ii) subsequent Damage which itself results from a cause not otherwise excluded;
- c) caused by disappearance or unexplained loss;
- d) to any building or structure caused by its own collapse or cracking unless resulting from a sudden identifiable and unexplained cause which occurs in its entirety at a specific moment in time and place during any one Period of Insurance and which:
 - i) does not result from:
 - (1) the construction demolition structural alteration or structural repair of any property;
 - (2) groundworks or excavation works;at the Premises;
 - ii) is not otherwise excluded.

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 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.

Section 1 – Property Damage

Clauses & Conditions that apply to Section 1 – Property Damage

1.1 Acquisitions

The insurance for Buildings 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 for an amount not exceeding 10% of the Sum Insured or £500,000 whichever is the less; and
- b) any newly built or newly acquired Buildings for an amount not exceeding £1,000,000; anywhere in the Territorial Limits;

Provided Your interest is not protected by any more specific insurance and provided You shall inform the Insurers as soon as practicable and pay the appropriate additional premium.

1.2 Additional Sprinkler Costs

The Insurers will pay the costs incurred in upgrading an automatic sprinkler installation to the current LPC rules solely as imposed upon You by the Insurers following Damage to the Buildings provided that at the time of the Damage the installation conformed to the 28th or 29th Edition rules or to the LPC rules current at the time of installation but did not conform to subsequent amendments to those Rules.

1.3 Architects, Surveyors, Legal and Consulting Engineers Fees

The insurance for Buildings 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.

1.4 Automatic Reinstatement after a Loss

In the event of loss the Sums Insured 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.

1.5 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.

1.6 Buildings awaiting Demolition

If at the time of the Damage any Buildings are awaiting demolition the Insurer's liability shall be limited to the additional cost of removing debris, as detailed in Clause 1.33 – Removal of Debris, which are incurred by You solely as a result of Damage.

1.7 Buildings awaiting Refurbishment Redevelopment or Renovation

If at the time of the Damage any Buildings are awaiting refurbishment redevelopment or renovation the Insurer shall not be liable for any costs which would have been incurred by You in the absence of such Damage.

1.8 Change of Tenancy

You must advise the Insurers of all changes in tenancy or occupation within the Premises, as specified in Section 9 General Conditions 9.1 – Alteration in Risk.

1.9 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.

1.10 Construction of Buildings

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

1.11 Contract Works

The insurance by each Buildings item extends to include Contract Works to the extent to which You have contracted to arrange cover provided the Insurer's maximum liability for any one loss shall not exceed £100,000. This clause shall only apply in so far as the Contract Works are not otherwise insured and excludes the amount of Excess being £250.

1.12 Contractors Interest

Where You are required to effect insurance on the Buildings in the joint names of You and the contractor under the terms of the contract condition then the interest of the contractor in the Buildings as a joint Insured is noted subject to

Section 1 – Property Damage

details of any single contract where the original contract price exceeds £250,000 having been advised to the Insurers prior to work commencing and an additional premium being paid as appropriate.

1.13 Damage to Landscaped Gardens

The Insurers will pay the reasonable costs and expenses incurred in replanting trees shrubs plants and turf used in landscaped gardens and grounds, belonging to You or for which You are responsible, as a result of Damage insured by this Section, being the cost of restoring any such item of landscaping to its appearance when first planted but excluding any cost arising from the failure of these items to germinate or become established provided that the Insurer's maximum liability for any one loss shall not exceed £25,000.

1.14 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 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
- 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.

1.15 Delays in Rebuilding

The Insurer shall not be liable for increases in costs attributable to unreasonable delays in rebuilding or restoring or complying with Stipulations unless such delays are wholly outside of Your control.

1.16 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.

1.17 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 immediately 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.

Section 1 – Property Damage

1.18 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).

1.19 European Community and Public Authorities (Including Undamaged Property)

Subject to the following Special Conditions the insurance for Buildings 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 cover 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 (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.

1.20 Extinguishment and Alarm Resetting

The Insurers will pay the reasonable costs and expenses incurred by You in refilling fire extinguishing appliances replacing used sprinkler heads and resetting fire or intruder alarms as a result of Damage as insured by this Section.

1.21 Fire Extinguishing Appliances

You shall take all reasonable measures to ensure that:

- a) any sprinkler or alarm installation or other fire protection equipment for which a reduced premium rate is allowed is maintained in efficient working order;
- b) the routine tests prescribed by the Insurers are carried out and any defects revealed by such tests are promptly remedied;
- c) the Insurer's written consent is obtained to any proposed changes repairs or alterations to any sprinkler or alarm installation.

Section 1 – Property Damage

1.22 Fly Tipping

The Insurers will pay the costs and expenses necessarily and reasonably incurred by You in clearing and removing any

property illegally deposited in, on or around the Premises.

Provided that:

- a) the liability of the Insurers shall not exceed £10,000 any one occurrence and in aggregate in any one Period of Insurance;
- b) the Insurers will not be liable for the first £1,000 of each and every claim or the Excess stated in the Schedule whichever is the greater.

1.23 Further Investigation Expenses

Where a Building has suffered Damage and in the opinion of a competent construction professional there is a reasonable possibility of other Damage to portions of the same Building which is not immediately apparent the Insurer will pay the reasonable costs incurred by You with the Insurer's prior consent in establishing whether or not such Damage has occurred.

The Insurer will also pay the reasonable costs incurred by You in establishing whether or not other Buildings in the vicinity have suffered Damage in the same incident but only if such Buildings are subsequently found to have suffered Damage for which the Insurer is liable.

1.24 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:

- 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.

1.25 Inadvertent Omission to Insure

The insurance extends to include any Building within the Territorial Limits which You own or which You are responsible

to insure which You have inadvertently failed to insure under this Policy or any other policy with the Insurer.

Provided that:

- a) immediately on becoming aware of any Building not insured You shall arrange insurance with the Insurer with effect from inception of this Policy or the date upon which the insurance should have been arranged whichever is the later and pay the appropriate additional premium.
- b) this clause shall not apply to any Premises covered under Clause 1.1 – Acquisitions.
- c) the Insurer's maximum liability for any one claim will not exceed £500,000.
- d) You shall carry out at not less than annual intervals a check of all properties owned or leased by You and for which You are responsible to ensure that effective insurance is in force for such properties.
- e) this clause shall only be effective if the Insurer is the sole provider of Buildings insurance in respect of Your properties owned in connection with the Business as defined in the Schedule and where You have an obligation to arrange such insurance.

Section 1 – Property Damage

1.26 Lessee Failure to Insure

The insurance extends to include any Building within the Territorial Limits which You own but for which the lessee is responsible by virtue of lease requirements and which the lessee has inadvertently failed to insure:

- A. against all the covers insured by this Policy; or
- B. for a sufficient amount to provide for reinstatement of the Buildings as provided for by this Policy.

Provided that:

- a) immediately on becoming aware of:
 - i) any Building not insured for all the covers insured by this Policy You shall arrange insurance for the uninsured covers;
 - ii) any Building not insured for a sufficient amount to provide for reinstatement of the Buildings You shall arrange insurance for the amount of reinstatement; and pay the appropriate additional premium.
- b) this clause shall not apply to any Premises covered under Clause 1.1 – Acquisitions or Clause 1.25 – Inadvertent Omission to Insure and in respect of Buildings under A above shall apply only for the covers not insured by the lessee's policy.
- c) the Insurer's maximum liability for any one claim will not exceed £500,000 but in no case shall the liability of the Insurer exceed the difference between the amount payable under any insurance effected by the lessee or any other insurance on the premises and the total cost of reinstatement provided by this Policy.
- d) there shall be in force at the time of the Damage a valid and enforceable lease requiring the property to be insured against some or all of the covers insured hereby and the lessee to make good any uninsured Damage.
- e) You have procedures in place to ensure that the lessee effects and maintains adequate insurance and wherever possible Your interest is noted and protected by a non-invalidation clause and lapse/cancellation notification undertaking.
- f) the insurance under this clause shall be subject to all the terms conditions and exclusions of the Policy with the exception of Clause 1.39 – Subrogation Waiver which is restated as follows:

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;
- g) the Insurer shall not be liable:
 - i) for the amount of any Excess or deductible under any more specific insurance;
 - ii) where the lessee's policy fails due to breach of any condition or warranty contained within the lessee's policy as a result of the action of the landlord;
 - iii) where any loss destruction or damage has been declined by any Insurer or made the subject of requirements which have not been completed;
 - iv) due to the failure of the lessee to make or pursue a legitimate insurance claim.

1.27 Loss of Market Value

If You elect not to rebuild or repair the Buildings (and the Insurer does not exercise its option to reinstate allowed by Clause 1.31 – Reinstatement by the Insurer) the Insurers will pay You the reduction in the market value of the Buildings immediately following the Damage solely as a result of the Damage but not exceeding the amount which would have been payable had the Buildings been rebuilt or repaired.

1.28 Loss of Metered Utilities

The Insurers will pay the cost of additional metered electricity gas oil or water charges being those incurred by You following accidental discharge from a metered system as a result of Damage as insured by this Section except those in respect of any loss which has not been discovered and remedial action taken within 30 days of occurrence of the Damage provided that the Insurer's maximum liability for any one loss shall not exceed £25,000.

1.29 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.

1.30 Other Interests

The interests of freeholders lessees underlessees assignees and/or mortgagees of Buildings insured by this Section of the Policy are noted in the insurance provided subject to their names being disclosed by You to the Insurers in the event of any claim arising.

Section 1 – Property Damage

1.31 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.

1.32 Reinstatement to Match

Where the Property Insured has suffered Damage You may replace repair or restore the property with equivalent property which employs current technology, and replacement repair or restoration with such property for the purposes of this Section shall not be regarded as being better or more extensive than when new.

This Section further extends to include the replacement or modification of undamaged property in so far as it is necessary to adapt it to operate in conjunction with that property which has been replaced repaired or restored provided that the Insurer's maximum liability is not increased beyond that amount that would otherwise have been payable for the replacement repair or restoration of the property destroyed in its original form.

When the Property Insured is damaged or destroyed in part only, We will not pay more than the amount representing the cost which We would pay for the reinstatement if such property had been wholly destroyed.

1.33 Removal of Debris

The insurance for Buildings includes an amount in respect of 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.

1.34 Removal of Wasp and Bee Nests

The Insurers will pay the costs and expenses necessarily and reasonably incurred by You in removing wasp and bee nests from the Buildings at the Premises provided that the liability of the Insurers shall not exceed £500 any one claim and in aggregate in any one Period of Insurance.

1.35 Rent of Residential Property

In the event that Premises occupied totally or partially for residential purposes suffer Damage and no Sum Insured on Rent for the residential portions has been allocated then this Policy extends to include such loss of Rent Receivable and other costs as specified under Section 2 – Loss of Rental Income.

For the purposes of this clause:

- a) the Indemnity Period shall be a maximum period of three years from the date of the Damage for which the Insurers shall be liable to pay any loss; and
- b) any Condition of Average is deleted.

This clause will also indemnify You in respect of any expenditure incurred in the provision of comparable accommodation for the benefit of any lessee to comply with the requirements of the lease.

The Insurer's maximum liability under this clause shall not exceed 20% of the Sum Insured applicable to the residential Building or residential portion of the Building concerned.

1.36 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.

1.37 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

1.38 Seventy Two Hour Clause

In respect of storm or flood cover only, Damage occurring continuously or intermittently during any period of 72 hours shall be deemed to constitute one loss at each separate Premises for the purpose of the application of any Excess.

1.39 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;

- c) a tenant or lessee in respect of Damage to the part of the Buildings in the demise of that tenant or lessee or to common parts of the Buildings unless Damage arises out of a criminal fraudulent or malicious act.

1.40 Subsidence Ground Heave and Landslip

Special Conditions for Subsidence Ground Heave and Landslip.

Insofar as this insurance relates to Damage caused by subsidence ground heave or landslip:

- a) You shall notify the Insurer immediately 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.

1.41 Temporary Removal

This insurance extends to include any landlord's fixtures and fittings or other property within the definition of Buildings whilst temporarily at other premises within the Territorial Limits for cleaning renovation or repair or other similar purposes and whilst in transit between the Buildings and such temporary locations by road rail or inland waterway but only to the extent that the property is not otherwise insured.

1.42 Theft Cover Extension

Any cover provided under this Section in respect of theft is extended to include theft of keys being: the reasonable costs necessarily incurred in replacing external door locks at the Property Insured following the loss of keys by:

- a) theft from the Premises or registered office or from the home of; or
- b) 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:

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

1.43 Trace and Access

The Insurers will pay the reasonable costs necessarily incurred by You in locating the source and subsequent making good of Damage, provided such Damage is insured by this Section, resulting from:

- a) the escape of water or oil 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.

1.44 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:

- 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.

Section 1 – Property Damage

1.45 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 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.

1.46 Value Added Tax

The insurance by each item on Buildings extends to include Value Added Tax paid by You which is not subsequently recoverable;

Provided that:

- a)
 - i) Your liability for such tax arises solely as a result of the reinstatement or repair of the Buildings to which such item relates following Damage;
 - ii) the Insurers have paid or have agreed to pay for such Damage;
 - iii) if any payment made by the Insurers in respect of the reinstatement or repair of such Damage is less than the actual cost of reinstatement or repair any payment under this clause resulting from that Damage shall be reduced in like proportion.
- b) Your liability for such tax does not arise from the replacement Buildings having greater floor area than or being better or more extensive than the destroyed or damaged Buildings.
- c) where an option to reinstate on another site is exercised the Insurer's liability under this clause shall not exceed the amount of tax that would have been payable had the Buildings been rebuilt on its original site.
- d) the Insurer's liability under this clause shall not include amounts payable by You as penalties or interest for non-payment or late payment of tax.
- e) terms to the contrary elsewhere in this Policy are over-ridden as follows in respect of those items to which this clause applies:
 - i) for the purpose of any condition of Average rebuilding costs will be exclusive of Value Added Tax;
 - ii) the liability of the Insurers may exceed the Sum Insured by an individual item on Buildings or in the whole the total Sum Insured where such excess is solely in respect of Value Added Tax.

Section 2 – Loss of Rental Income

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 8 also apply to this Section. The General Conditions in Section 9 and General Exclusions in Section 10 also apply to this Section.

Definitions for Section 2 – Loss of Rental Income

Territorial Limits

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

Damage

Loss or destruction of or damage to property used by You at the Premises for the purpose of the Business.

Indemnity Period

The period beginning with the occurrence of the Damage 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.

Rent Receivable

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

Annual Rent Receivable

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

Standard Rent Receivable

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

*Under **Annual Rent Receivable** and **Standard Rent Receivable**, 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 Damage or which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.*

Cover

We will indemnify You in respect of any interruption or interference with the Business by any cause not excluded occurring during the Period of Insurance at the Premises.

Provided that at the time of the happening of the Damage there is an insurance in force covering Your interest in the Buildings where the Damage occurred 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;

except that this clause shall not apply in respect of any item on Rent Receivable where another party (not being the Insured) is responsible for insuring the Buildings by virtue of lease or other contractual arrangements.

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

- a) 200% of the Rent Receivable shown in the Schedule; and
- b) 100% of the Sum Insured shown in the Schedule for each other item or extension;

unless otherwise agreed by Us.

Section 2 – Loss of Rental Income

Exclusions

What is not covered (see also General Exclusions):

- 1) Damage by explosion caused by the bursting of any boiler or other plant which belongs to You or is under Your control and in which internal pressure is due to steam only; but this shall not exclude Damage caused by explosion of:
 - a) any boiler
 - b) gasused for domestic purposes only.
- 2) Damage by riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons arising from:
 - a) nationalisation confiscation requisition seizure or destruction by order of the government or any public authority or
 - b) cessation of work.
- 3) Damage by storm or flood:
 - a) attributable solely to change in the water table level;
 - b) caused by frost;
 - c) to fences and gates unless caused by falling trees or there is Damage to structural parts of the Buildings at the same time;
 - d) to trees plants shrubs and turf unless there is Damage to the Buildings at the same time.
- 4) Damage by accidental escape of water from any automatic sprinkler installation caused by freezing in any building which is Empty.
- 5) Damage by theft or attempted theft which the Insured is able to recover from another source.
- 6) Damage by subsidence ground heave or landslide:
 - a) arising from the settlement or movement of made-up ground or by coastal or river erosion;
 - b) resulting from:
 - i) the construction demolition structural alteration or structural repair of any property;
 - ii) groundworks or excavation works;at the Premises.
 - c) arising from normal settlement or bedding down of new structures;
 - d) commencing prior to the granting of cover under this insurance.
- 7) All other Damage:
 - a) to any property caused by:
 - i) its own faulty or defective design or materials;
 - ii) inherent vice latent defect gradual deterioration wear and tear;
 - iii) faulty or defective workmanship on the part of You or any of Your Employees;but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded;
 - b) caused by:
 - i) corrosion rust wet or dry rot marring scratching vermin or insects;
 - ii) 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;
 - iii) mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which the breakdown or derangement originates;but this shall not exclude:
 - i) such Damage which itself results from other Damage and is not otherwise excluded;
 - ii) subsequent Damage which itself results from a cause not otherwise excluded;
 - c) caused by disappearance or unexplained loss;
 - d) to any building or structure caused by its own collapse or cracking unless resulting from a sudden identifiable and unexplained cause which occurs in its entirety at a specific moment in time and place during any one Period of Insurance and which:
 - i) does not result from:
 - (1) the construction demolition structural alteration or structural repair of any property;
 - (2) groundworks or excavation works;at the Premises;
 - ii) is not otherwise excluded.

Section 2 – Loss of Rental Income

Basis of Claims Settlement

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

The insurance on Rent Receivable 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 Damage; 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 Damage but not exceeding the amount of the reduction in Rent Receivable thereby avoided

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

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.

Clauses & Conditions that apply to Section 2 – Loss of Rental Income

2.1 Acquisitions

The Insurers will pay for loss of Rent Receivable for any newly acquired or newly erected Buildings or alterations additions or extensions to Buildings covered under Section 1 – Property Damage that is not otherwise insured;

Provided that:

- a) the most the Insurers will pay at any one situation is £250,000 in respect of any newly acquired or newly erected Buildings or 10% of the Sum Insured under this Section up to a maximum of £250,000 in respect of alterations additions or extensions to Buildings during any one Period of Insurance;
- b) You must inform the Insurers as soon as practicable of any acquisitions as detailed above and take out insurance cover from the date the Insurers liability commenced.

2.2 Action of Competent Authorities

This Section includes loss resulting from interruption of or interference with the Business as insured in consequence of action by the police or other competent local, civil or military authority due to an emergency arising which is likely to endanger life or property in the vicinity of the Premises which prevents or hinders the use of or access to the Premises, whether or not Your Premises or Your property in the Premises is damaged.

Provided the Insurers will not be liable for:

- a) any incident involving an interruption of less than 12 hours duration;
- b) any period other than the actual period of prevention or hindrance of access to the Premises.

The insurance by this clause shall only apply for the period beginning with the loss and ending not later than 3 months thereafter during which the results of the Business shall be affected in consequence of the loss and the Insurers liability any one loss shall not exceed £10,000.

2.3 Advance Rent Receivable

If Rent Receivable is insured in respect of new property developments You must show that but for the Damage Rent Receivable would have been earned and You will be required to support a claim for Loss of Rent Receivable by submitting reasonable evidence of the amount of such Rent Receivable and the date from which it would have been earned. The Insurer will have regard:

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

If required the advice of a professional valuer acceptable to both You and the Insurer will be sought and the professional fees charged will be included in the indemnity provided under this clause.

Section 2 – Loss of Rental Income

2.4 Alternative Premises

If in consequence of the Damage You shall use other premises to provide accommodation to tenants the Rent Receivable from those premises during the Indemnity Period shall be taken into account in assessing the loss of Rent.

2.5 Automatic Reinstatement after a Loss

In the event of loss the Sums Insured 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.

2.6 Bomb Scare or Unlawful Occupation

This Section includes loss resulting from interruption of or interference with the Business as insured due to:

- a) the suspected or actual presence of an incendiary or explosive device on or in the vicinity of the Premises;
- b) occupation of the Premises or other property in the vicinity by members of a terrorist or criminal organisation or other unlawful occupants.

Provided the Insurers will not be liable for:

- a) any incident involving an interruption of less than 48 hours duration;
- b) any period other than the actual period of prevention or hindrance of access to the Premises;
- c) eviction costs.

The insurance by this clause shall only apply for the period beginning with the loss and ending not later than 3 months thereafter during which the results of the Business shall be affected in consequence of the loss and the Insurers liability any one loss shall not exceed £10,000.

2.7 Buildings Awaiting Sale

If at the time of Damage You shall have contracted to sell Your interest in the Premises or shall have accepted an offer in writing to purchase Your interest in the Premises subject to contract and the sale is cancelled or delayed solely in consequence of the Damage, then provided You shall make all reasonable efforts to complete the sale of the Premises as soon as practicable after the Damage You may opt for the amount payable by the Insurers to be as follows:

- a) during the period prior to the date upon which but for the Damage the Premises would have been sold:
the loss of Rent Receivable being:
the actual amount of the reduction in Rent Receivable solely in consequence of the Damage;
- b) during the period commencing with the date upon which but for the Damage the Premises would have been sold and ending with the actual date of sale or with the expiry of the Indemnity Period if earlier:
the loss in respect of interest being:
 - i) the actual interest incurred on capital borrowed (solely to offset in whole or in part the loss of use of the sale proceeds) for the purpose of financing the Business;
 - ii) the investment interest lost to the Insured on any balance of the sale proceeds (after deduction of any capital borrowed as provided under paragraph i) above less any amount receivable in respect of Rent Receivable.

This clause also covers with the consent of the Insurers the additional expenditure being the expenditure necessarily and reasonably incurred during the Indemnity Period in consequence of the Damage solely to avoid or minimise the loss payable under a) and b) above.

2.8 Confirmation of Values at Risk

You must provide the Insurer at the inception of the Policy and annually thereafter with full details of the Rent Receivable.

2.9 Cost of Re-letting

The Insurers will pay costs and expenses that You necessarily and reasonably incur with the consent of the Insurers during the Indemnity Period in re-letting the Premises (including legal fees in connection with the re-letting) solely in consequence of the Damage.

2.10 Failure of Supply

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.

Section 2 – Loss of Rental Income

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.

Provided that the Insurers liability any one loss under this clause shall not exceed 10% of the Sum Insured by the relevant item or £100,000 whichever is the less.

2.11 Inadvertent Omission to Insure

The insurance extends to include any Rent Receivable of any Building within the Territorial Limits which You own or which You are responsible to insure which You have inadvertently failed to insure under this Policy or any other policy with the Insurer.

Provided that:

- a) immediately on becoming aware of any Rent Receivable not insured You shall arrange insurance with the Insurer with effect from inception of this Policy or the date upon which the insurance should have been arranged whichever is the later and pay the appropriate additional premium.
- b) this clause shall not apply to any Premises covered under Clause 2.1 – Acquisitions.
- c) the Insurer's maximum liability for any one claim will not exceed £250,000.
- d) You shall carry out at not less than annual intervals a check of all properties owned or leased by You and for which You are responsible to ensure that effective insurance is in force for such properties.
- e) this clause shall only be effective if the Insurer is the sole provider of Rent Receivable insurance in respect of Your properties owned in connection with the Business as defined in the Schedule and where You have an obligation to arrange such insurance.

2.12 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 Damage 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.

Provided that the Insurers liability any one loss under this clause shall not exceed 10% of the Sum Insured by the relevant item or £100,000 whichever is the less.

Section 2 – Loss of Rental Income

2.13 Legionellosis

The Insurers shall indemnify You in respect of interruption of or interference with the Business during the Indemnity Period in consequence of any occurrence of Legionellosis at the Premises causing restrictions on the use thereof on the order or advice of the competent local authority.

Special Conditions applicable to this clause:

- 1) Legionellosis shall mean illness sustained by any person resulting from any discharge, release or escape of legionella from water tanks, water systems, air-conditioning plants, cooling towers and the like at the Premises.
- 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 beginning with the date of the occurrence 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 Damage 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.
- 5) The Insurers shall have no liability under this clause if the Insured is at the time of the occurrence in breach of their statutory obligations in respect of the control of Legionellosis.

Maximum Indemnity Period shall mean 3 months.

Provided that the Insurers liability any one loss under this clause shall not exceed 10% of the Sum Insured by the relevant item or £100,000 whichever is the less.

2.14 Loss of Attraction - Leased Premises

This Section includes loss resulting from interruption of or interference with the Business as insured due to Damage to property in the immediate vicinity of the Premises which causes a loss of custom to the lessee's business due to a fall in the number of customers visiting the area in consequence of which the Rent Receivable by the Insured is reduced: Provided that:

- a) Damage shall exclude obstruction of roads, streets and the like by weather or climatic conditions;
- b) the Maximum Indemnity Period shall not exceed 3 months;
- c) the Insurers liability any one loss under this clause shall not exceed 10% of the Sum Insured by the relevant item or £100,000 whichever is the less.

2.15 Loss of Attraction - Unleased Premises

This Section includes loss resulting from interruption of or interference with the Business as insured due to Damage to property in the immediate vicinity of the Premises which in direct consequence results in the termination and or renegotiation of any agreements for lease and or other loss of tenancy and or delay in completion or letting of the Premises and in consequence of which the Rent Receivable by the Insured is reduced.

Provided that:

- a) Damage shall exclude obstruction of roads, streets and the like by weather or climatic conditions;
- b) the Maximum Indemnity Period shall not exceed 3 months;
- c) the Insurers liability any one loss under this clause shall not exceed 10% of the Sum Insured by the relevant item or £25,000 whichever is the less.

2.16 Loss of Investment Income on Late Payment of Rent

If as a result of Damage the Insurers are making a payment in respect of Rent Receivable and the payment by the Insurers to You is made later than the date upon which You would normally expect to receive such Rent from the lessee the Insurers will pay a further sum representing the interest which You would have earned by placing the money in Your normal deposit account on the earlier date.

2.17 Managing Agents Premises

The insurance by each item on Rent Receivable is extended to include loss as insured by this Section resulting solely from Damage to buildings or other property at any location within the Territorial Limits owned or occupied by Your managing agents for the purposes of their business in consequence of which the Rent Receivable by the Insured is reduced.

Provided that the Insurers liability any one loss under this clause shall not exceed 10% of the Sum Insured by the relevant item or £100,000 whichever is the less.

Section 2 – Loss of Rental Income

2.18 New Business

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

2.19 Payments on Account

Payments on Account may be made during the Indemnity Period if required on the date which but for the Damage the Rent would have been due from the lessee.

2.20 Prevention of Access

Subject to the terms and conditions of this Section, loss as insured by this Section 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, 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 Damage, 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.

Provided that the Insurers liability any one loss under this clause shall not exceed 10% of the Sum Insured by the relevant item or £100,000 whichever is the less.

2.21 Professional Accountants and Legal Fees

The Insurers will pay the reasonable charges payable by You to:

- a) Your professional accountants for producing information required by the Insurers, under Obligation 11.1e) of Section 11 – Claims Procedure, and for reporting that such information is in accordance with Your accounts;
- b) Your lawyers for determining Your contractual rights under any rent cessor clause or insurance break clause contained in the lease;

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.

2.22 Rent Free Period

If at the date of the Damage any Premises insured by this Policy are subject to a rent free period under the terms of the lease then the Indemnity Period stated in the Schedule shall be adjusted by adding the unexpired portion of the rent free period to the number of years shown in the Schedule provided that the Insurer's maximum liability does not exceed the Sum Insured or any Limit of Liability stated in the Policy whichever is the lower.

2.23 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;

- c) a tenant or lessee in respect of Damage to the part of the Buildings in the demise of that tenant or lessee or
to common parts of the Buildings unless Damage arises out of a criminal fraudulent or malicious act.

2.24 Subsidence Ground Heave and Landslip

Special Conditions for Subsidence Ground Heave and Landslip.

Insofar as this insurance relates to Damage caused by subsidence ground heave or landslip:

- a) You shall notify the Insurer immediately 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.

2.25 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.

Section 3 – Terrorism

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 8 also apply to this Section. The General Conditions in Section 9 and General Exclusions in Section 10 also apply to this Section.

Definitions

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

Section 3 – Terrorism

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 3 – 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 4 – Employers’ Liability

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 8 also apply to this Section. The General Conditions in Section 9 and General Exclusions in Section 10 also apply to this Section.

Definitions for Section 4 – 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 4 – 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 4 – 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 5 – Property Owners’ Public and Products Liability

Sub-Section 5(a) – Property Owners’ Public Liability

Certain words have specific meanings for the purpose of this Section, these are shown below, and the General Definitions shown in Section 8 also apply to this Section. The General Conditions in Section 9 and General Exclusions in Section 10 also apply to this Section.

Definitions for Sub-Section 5(a) – Property Owners’ 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 5 – Property Owners’ Public and Products Liability

Contingent Motor Liability

Notwithstanding Exclusion 2) under ‘**What is not covered.**’ the Insurers will indemnify You in the terms of this 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.

Libel and Slander

The Insurers will indemnify You in respect of legal liability to pay damages and claimants costs and expenses in respect of claims made against You during the Period of Insurance arising from any act of libel or slander committed or uttered in good faith by You during the Period of Insurance in the course of the Business.

Provided always that:

- a) the indemnity granted by this clause will apply solely to the Insured’s in-house and trade publications;
- b) the liability of the Insurers under this clause will not exceed £250,000 in any one Period of Insurance.

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 ‘**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 5 – Property Owners’ Public 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 5 – Property Owners’ Public and Products Liability

Sub-Section 5(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 8 also apply to this Section. The General Conditions in Section 9 and General Exclusions in Section 10 also apply to this Section.

Definitions for Sub-Section 5(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 5 – Property Owners’ Public 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 5 – Property Owners’ Public and Products Liability

Applicable to Section 5 – Property Owners’ Public 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 5 – Property Owners’ Public 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 Channel Islands or the Isle of Man;
- 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 5 – Property Owners’ Public 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.

Legionellosis Liability

The Pollution or Contamination Exclusion shall not apply to any discharge release or escape of Legionella or other airborne pathogens from water tanks water systems air conditioning plants cooling towers and the like;

Provided that;

- a) the Insurers will only indemnify You:
 - i) in respect of claims arising from Pollution or Contamination which arise out of or as a consequence of any discharge release or escape of Legionella or other airborne pathogens from water tanks water systems air conditioning plants cooling towers and the like first made in writing to You during the Period of Insurance; or
 - ii) if the first notification of a circumstance which has caused or is alleged to have caused Injury or damage and can be reasonably expected to give rise to a claim arising from Pollution or Contamination which arises out of or as a consequence of any discharge release or escape of Legionella or other airborne pathogens from water tanks water systems air-conditioning plants cooling towers and the like is notified to the Insurers during the Period of Insurance or within thirty days after the expiry of the same Period of Insurance;
- b) the liability of the Insurers under this extension for all compensation (including interest thereon) and claimants costs and expenses payable shall not exceed £1,000,000 and for all claims arising from Pollution or Contamination shall not exceed the Limit of Indemnity as stated in the Schedule;
- c) this extension shall not apply to any claim arising from Pollution or Contamination which arises out of or as a consequence of any discharge release or escape of Legionella or other airborne pathogens from water tanks water systems air conditioning plants cooling towers and the like if before the Period of Insurance You had become aware of circumstances which have given or may give rise to such Pollution or Contamination.

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 5 – Property Owners’ Public 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 – 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 Loss of Rental Income 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 6 – 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 8 also apply to this Section. The General Conditions in Section 9 and General Exclusions in Section 10 also apply to this Section.

Definitions for Section 6 – 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)
- (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

Section 6 – Equipment Breakdown

- (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.

Section 6 – Equipment Breakdown

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

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.

Section 6 – Equipment Breakdown

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.

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 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

Section 6 – Equipment Breakdown

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

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 7 – 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 8 also apply to this Section. The General Conditions in Section 9 and General Exclusions in Section 10 also apply to this Section.

Definitions for Section 7 – Legal Expenses

Appointed Advisor

The solicitor, accountant, mediator or other advisor appointed by Us to act on behalf of the Insured.

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 100% “no-win no-fee”

Conditional Fee Agreement

A legally enforceable agreement between You and the Appointed Advisor for paying their professional fees on the basis of 100% “no-win no-fee”

Employee

A worker who has or alleges they have entered into a contract of service with You, provided they have been declared to Us.

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) Your Employee’s basic wages or salary under Insured incident 8 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.
- 5) 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.
- 6) 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.

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.

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.

Residential Property

Private self-contained dwelling used for residential occupancy on a permanent basis.

Section 7 – Legal Expenses

Tenancy Agreement

An agreement to let Your Residential Property:

- 1) Under an assured shorthold tenancy; or
- 2) Under an assured tenancy

As defined by the Housing Act 1988 as amended by the Housing Act 1996 and the Assured Tenancies (Amendment) (England) Order 2010; or

- 3) Under a Scottish private residential tenancy as defined by the Private Housing (Tenancies) (Scotland) Act 2016; or
- 4) Under a short assured tenancy or assured tenancy as defined by the Housing (Scotland) Act; or
- 5) In accordance with the Private Tenancies (Northern Ireland) Order 2006; or
- 6) To a limited company or Business partnership for residential purposes by its Employees; or
- 7) Where You live at Your Residential Property and have one or two written licence agreement(s) which contain(s) a termination clause.

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.

Section 7 – Legal Expenses

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:

- 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 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 event 1 Employment, the Insurer will pay any

- a) basic and compensatory award or
- b) an amount agreed by Us in settlement of a dispute.

Provided that compensation is:

- c) agreed through mediation or conciliation or under a settlement approved by Us in advance or
- d) awarded by a tribunal judgment after full argument unless given by default.

What is not covered under Insured Incident 2

- 1) Money due to an Employee under a contract or a statutory provision relating thereto.
- 2) Compensation awards or settlement relating to
- 3) trade union membership, industrial or labour arbitration or collective bargaining agreements 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.

Section 7 – Legal Expenses

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.

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.
- d) with Your Business tenant that arises from or relates to a written lease agreement granted under the Landlords & Tenants Act 1954

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 and 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.

Section 7 – Legal Expenses

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.

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.

Section 7 – Legal Expenses

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
- 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.

Residential Landlord Legal Expenses

14) Repossession

Cover to pursue Your legal rights to repossess Your Residential Property that You have let under a Tenancy Agreement provided You:

- a) have demanded rent in writing from Your tenant as soon as it is overdue and can provide evidence of this
- b) have given the tenant the correct notices for the repossession of Your Property
- c) are seeking a right of possession where the court MUST find that the named ground of possession applies.

(Visit Our Landlord's Legal Services website to download notices demanding payment of late rent and Sections 8 and 21 notices with covering letters).

Where You have a licence agreement for Your Residential Property You will be seeking to invoke the termination clause or

(Visit Our Landlord's Legal Services website to download a licence agreement to let a room to a lodger).

Where You have a legal right to repossess property that has been let in accordance with the Private Tenancies (Northern Ireland) Order 2006.

What is not covered by Insured Incident 14

Any claim where You are seeking a right of possession where the court MAY find that the named ground of possession applies.

15) Recovery of Rent Arrears

Pursuit of Your legal right to recover rent due under a Tenancy Agreement for Your Residential Property.

(visit Our Landlord's Legal Services website to download initial letters to tenants regarding rent arrears).

Section 7 – Legal Expenses

16) Accommodation & Storage Costs

- a) Your accommodation costs while You are unable to get possession of Your Residential Property and/or
- b) Costs incurred for storage of Your personal possessions while You are unable to reoccupy Your Property;

Provided that

- a) Possession is sought because You wish to live at Your Residential Property; and
- b) You book and pay for accommodation and storage with Our consent and seek reimbursement of the agreed costs from Us.

What is not covered under Insured Incident 16

Any claim arising from or relating to:

- 1) Accommodation costs exceeding £175 per day and in excess of £5,250 in total.
- 2) Storage costs exceeding £50 for each complete week and in excess of £300 in total.

17) Prosecution Defence

A prosecution against You that arises from You letting out Your Residential Property.

Optional Cover

18) Rent Indemnity

Following a claim We have accepted for repossession of Your Residential Property under Insured Incident 14, the Insurer will pay You any rent owed to You until You gain possession provided that rent first falls into arrears during the Period of Insurance and while the tenant is living at Your Residential Property.

Once You have gained possession of Your Residential Property the most the Insurer will pay shall be 75% of the monthly rent that was previously payable for a maximum further period of two months provided that You agree to re-let Your Residential Property where an offer equal to or greater than 85% of the preceding rent is offered. You are responsible for the first unpaid month's rent (which You have collected as a deposit) and after that the maximum rent the Insurer will pay is

- a) 5 months for a 6 month policy or
- b) 11 months for a 12 month policy.

Rent Indemnity Conditions

You must:

- 1) Have signed a Tenancy Agreement with each tenant before You allow occupation of the Residential Property
- 2) Prior to the granting of the tenancy, You must obtain in respect of the tenant:
 - a) A satisfactory reference from a previous managing agent or a previous landlord, and
 - b) A satisfactory reference from an employer (or other financial source), and
 - c) A credit history check (including County Court Judgements Office and bankruptcy)(where conditions 2 a) b) and c) cannot be met in full, a guarantor is required in which case only items b) and c) apply to the guarantor)

(visit Our Landlord's Legal Services website to download initial letters requesting references for a prospective tenant).

- 3) Not grant the tenancy if You are in any doubt of the integrity or the financial standing of the tenant of their guarantor
- 4) Ensure that all conditions on the reference report are met and be able to demonstrate this
- 5) Not enter into a Tenancy Agreement where a person has been requested to stand surety for the tenant unless that person has entered into a legally enforceable agreement in Your favour
- 6) Not allow a tenant to occupy the Residential Property until the first month's rent in advance and one month's rent as a deposit has been paid in cash or payment has cleared in Your bank account
- 7) Comply with laws regarding tenant deposits before allowing a tenant to occupy the Residential Property
- 8) Keep up to date rental records
- 9) Ensure that where a tenant makes a payment of arrears, such payment is received on the express understanding that it is being taken on account of the longest outstanding sum of arrears that is due and is received without any prejudice to any termination notice and/or proceedings
- 10) Agree to Us setting off any retained deposit against the tenant's outstanding rent.

Section 7 – Legal Expenses

Exclusions

What is not covered under Residential Landlord Legal Expenses

- 1) Any claim occurring during the first 90 days of the first Period of Insurance where the Tenancy Agreement started before the start date of this policy (except where You had equivalent cover in force immediately prior to the start of this policy)
- 2) Registering assessing or reviewing rent, rent control, leasehold valuation or the jurisdiction of the First-tier Tribunal (Property Chamber)
- 3) A Property which is or should have been registered as a House of Multiple Occupation

What is not covered (see also General Exclusions):

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 activities

except 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.

Section 7 – Legal Expenses

Clauses & Conditions that apply to Section 7 – Legal Expenses

Where the Insurer's risk is affected by the Insured's failure to keep to these conditions the Insurer can refuse a claim or withdraw from an ongoing claim. The Insurer also reserves the right to claim back Legal Costs & Expenses from the Insured if this happens.

7.1 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.

7.2 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.

7.3 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.

7.4 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.

Section 7 – Legal Expenses

7.5 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.

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.

Section 8 and Section 21 notices 0344 571 7975

We can arrange for Section 8 and Section 21 notices to be issued for a competitive fee. This service is available between 9am and 5pm on weekdays (except bank holidays).

Business and Landlords' 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** for Business matters and **EC426C378CB8** for Landlord matters 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.

Section 7 – Legal Expenses

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.

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 8 – 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 6 and Section 7)

Amlin UK Plc (not applicable to Section 6 and Section 7)

HSB Engineering Insurance Limited (Section 6 only)

ARAG plc, Insurer: Brit Syndicate 2987 at Lloyd's (Section 7 only)

Business

The Business stated in the Schedule, including in respect of Sections 4 and 5:

- 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.

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 7 – Legal Expenses)

- 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 7 – 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 You have arranged to insure 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.

Proposal

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

Section 8 – General Definitions

Terrorism

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

Section 9 – General Conditions

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

9.1 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.

9.2 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.

9.3 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 7;

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

9.4 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 7:
 - 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.

Section 9 – General Conditions

9.5 Conditions Precedent to Liability

Every condition stated as a condition precedent that applies to this Policy (whether a Policy or Section 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.

9.6 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.

9.7 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.

9.8 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.

9.9 Insurable Interest

The insurable interest in the insurance by this Policy shall not be transferred without the written consent of the Insurers.

9.10 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;
- 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.

9.11 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 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.

9.12 Other Insurances and Average

Applicable to Section 1 – Property Damage and Section 2 – Loss of Rental Income

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 4 – Employers' Liability and Section 5 – Property Owners' Public 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.

Section 9 – General Conditions

9.13 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.

9.14 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:
 - i) providing the Insurer with any additional information requested by the required date;
 - ii) completing any actions agreed between You and the Insurer by the required dates; or
 - iii) 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 9.3;
- e) leave the Policy terms, conditions and premium unaltered.

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 9.11 if information material to their acceptance of Your Proposal is discovered.

9.15 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.

Section 10 – General Exclusions

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.

10.1 *Applicable to Section 1 – Property Damage and Section 2 – Loss of Rental Income*

Sonic Bangs

The insurance by this Policy does not cover Damage caused by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

10.2 *Applicable to all Sections other than Section 4 – 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.

c) 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) or subsequent interruption with the Business in respect of Section 2 (Loss of Rental Income) 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 cover is insured by the Section.

Section 10 – General Exclusions

10.3 *Applicable to all Sections other than Section 3 – Terrorism and Section 4 – Employers’ Liability* **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.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

10.4 *Applicable to all Sections other than Section 4 – Employers’ Liability and Section 5 – Property Owners’ Public 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.

10.5 *Applicable to all Sections other than Section 6 – Equipment Breakdown* **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

Section 10 – General Exclusions

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.

3) Cyber Liability

This Insurance shall exclude liability arising directly or indirectly out of

(a) loss of alteration of or damage to or

(b) reduction in the functionality availability or operation of any computer system or programme hardware data information repository microchip integrated circuit or similar device in computer equipment or non-computer equipment as a result of your Activities

For the purpose of this Exclusion E-activities means any use of electronic networks including the internet and private networks intranets extranets electronic mail worldwide web and similar medium carried out by you or by any person persons partnership firm or company acting for you or on your behalf

4) 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 11 – 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 7 – Legal Expenses*) will be dealt with by:
Davies Managed Systems Limited of 2nd Floor, East Court, Riverside Park, Stoke-On-Trent, Staffordshire, ST4 4DA

If Your claim is under **Section 7 – Legal Expenses** will be dealt with by:
ARAG plc, 9 Whiteladies Road, Clifton, Bristol BS8 1NN

11.1 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 Loss of Rental Income; and
 - iii) 30 days after any other Damage, interruption or Injury;
- d) 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 7;
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.

11.2 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 11.1 or 11.2 above.

11.3 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.

Section 11 – Claims Procedure

11.4 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 12 – 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
1 Cornhill
London
EC3V 3ND
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 1-5 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 6 – Equipment Breakdown You should contact:

The Group Operations Manager
HSB Engineering Insurance Limited
Chancery Place,
50 Brown Street,
Manchester
M2 2JT
Phone: 0845 345 5510
Fax: 0845 345 5610
Email: complaints@hsbeil.com

If Your complaint relates to Section 7 – Legal Expenses You should contact:

Customer Relations Department
ARAG plc,
9 Whiteladies Road,
Clifton,
Bristol,
BS8 1NN
Phone: 0117 917 1561
Email: customerrelations@arag.co.uk

Section 12 – Enquiries and Complaints Procedure

Ultimately, should you remain dissatisfied with Lloyd's final response, you may, if eligible, refer your complaint to the Financial Ombudsman Service (FOS). The Financial Ombudsman Service is an independent service in the UK for settling disputes between consumers and businesses providing financial services.

The FOS's contact details are as follows:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Email: complaint.info@financial-ombudsman.org.uk

Telephone: +44 (0)300 123 9 123

Website: www.financial-ombudsman.org.uk

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 6788

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