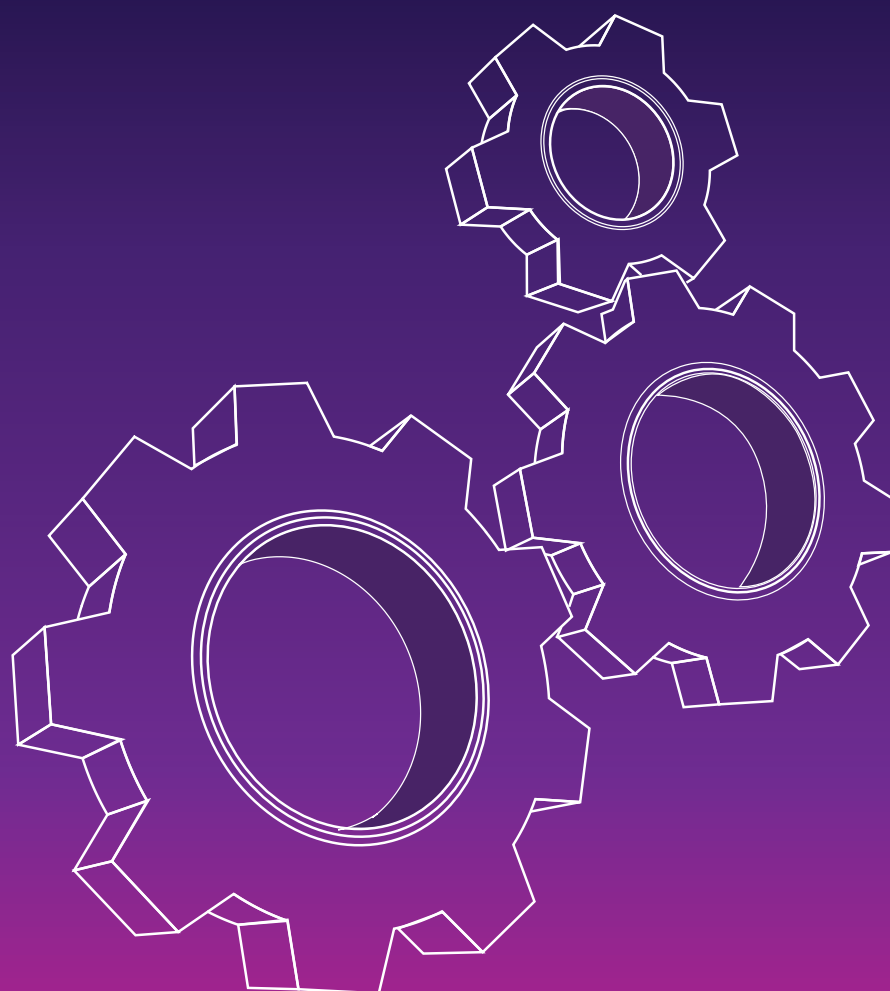


# MANUFACTURERS COMBINED POLICY BOOKLET



COVER  
MANUFACTURED  
FOR YOUR BUSINESS

# Helpline Services

## Available 24 hours each day, 7 days every week, all year round

These helpline services are provided which the Insured may use while this Policy is in force to discuss business problems in the following categories:

### Eurolaw Commercial Legal Advice

Unlimited access, over the telephone, to a team of lawyers for confidential legal advice on any commercial legal problem affecting the business such as:

- employment law
- criminal proceedings
- contract disputes
- landlord and tenant problems
- licences

and many more

Telephone legal advice can only be offered in respect of matters subject to laws of:

- the United Kingdom
- the Isle of Man and the Channel Islands
- any other member state of the European Union
- Switzerland and Norway.

The helpline operates 24 hours a day, 7 days a week throughout the year, the Insured may call at any time.

**This helpline is provided on Our behalf by DAS Legal Expenses Insurance Company Limited all calls are recorded.**

### Tax Advice

Unlimited access, over the telephone, to a team of tax specialists for confidential advice on any commercial tax problem affecting the business such as:

- Corporation Tax
- Value Added Tax
- imports & exports
- pension schemes

Telephone tax advice can only be offered in respect of matters subject to the laws of the United Kingdom.

The helpline operates 24 hours a day, 7 days a week throughout the year, the Insured may call at any time.

**This helpline is provided on Our behalf by DAS Legal Expenses Insurance Company Limited all calls are recorded.**

### Business Assistance

In the event of an unforeseen emergency affecting the Insured's business premises which causes damage or potential danger, DAS will contact a suitable repairer or contractor and arrange assistance on behalf of the Insured. All costs of the assistance provided will remain the responsibility of the Insured. Some examples of unforeseen emergencies are:

- burst pipes or blocked drains
- serious damage to the roof
- breakdown of the main heating system

The helpline operates 24 hours a day, 7 days a week throughout the year, the Insured may call at any time.

To contact any of the above helplines, simply telephone **0345 878 5024**.

Please ensure the Insured's Policy number is available when telephoning any of the above Helpline Services as this will be requested – the Policy number appears on the Schedule.

**This helpline is provided on Our behalf by DAS Legal Expenses Insurance Company Limited all calls are recorded.**

### Emergency Glazing & Security Assistance Helpline

Telephone **0345 878 5455**

The Company's glass replacement service provides an efficient replacement service for fixed internal and external glass 24 hours a day, 7 days a week throughout the year. In addition, replacement locks or emergency security measures are also available.

Provided the Damage is covered by this Policy, the cost will be settled by the Company directly with the Company's service providers. If, however, this Policy requires payment of the first amount of any claim, or if the Insured is Value Added Tax registered, the Company's service provider will invoice the Insured direct for this amount.

NOTE: Using any other repairer will not affect the Insured's right to claim under this Policy.

**This helpline is provided on Our behalf by Glassolutions and calls may be recorded.**

## What is in this Booklet

### Page

2	Introduction
3	General Definitions
5	General Conditions
8	Claims Conditions
10	General Exclusions
	Sections of the Policy
13	Section 1: Material Damage
26	Section 2: Business Interruption
35	Section 3: Goods in Transit
38	Section 4: Loss of Business Money
41	Section 5: Personal Accident (Assault)
43	Section 6: Employers' Liability
46	Section 7: Public Liability
52	Section 8: Products Liability
56	Section 9: Glass Breakage
57	Section 10: All Risks on Machinery and/or Apparatus
60	Section 11: Deterioration of Stock
66	Section 12: Engineering Damage to Machinery and Plant and Engineering Inspection
70	Section 13: Engineering Business Interruption
74	Section 14: Computer Insurance
81	Sections 11, 12a, 13 and 14 (Supplemental)
83	Section 15: Loss of Licence
85	Section 16: Fidelity Guarantee
87	Section 17: Legal Expenses
95	Important Information

# Manufacturers Combined Policy

NIG policies are underwritten by U K Insurance Limited. The Company will provide the insurance described in this Policy (subject to the terms, definitions, conditions, clauses and exclusions) for the Period of Insurance, which consists of individual Sections. The Policy should be read in conjunction with the Schedule which confirms the Sections you are covered for.

# General Definitions

**These definitions apply to this Policy. In addition other more specific definitions apply under some of the Policy Sections and are stated in those Policy Sections.**

**Any word or expression to which a particular meaning has been given in the General Definitions in this Policy or in the Definitions within the Sections of this Policy shall have that meaning wherever it appears when commencing with a capital letter in this Policy or the relevant Section respectively.**

## Average

Whenever an item is declared to be subject to average under this Policy, if the property covered thereby at the commencement of any Damage insured against under this Policy is collectively of greater value than its Sum Insured, then the Insured shall be considered as their own insurer for the difference and shall bear a rateable share of the loss accordingly.

## Business

The business as stated in the Schedule.

## Business Hours

The period during which the Premises are actually occupied by the Insured and/or Employees for the purposes of the Business.

## Company

U K Insurance Limited trading as NIG and/or such other authorised Insurer as U K Insurance Limited may contract to underwrite any part of this Policy.

## Damage

Accidental loss, destruction or damage.

## Employee

Any person while working for the Insured in connection with the Business who is:

- a** under a contract of service or apprenticeship with the Insured;
- b** under a contract of service or apprenticeship with some other employer and who is hired to or borrowed by the Insured;
- c** a labour master or a person supplied by a labour master;
- d** engaged by a labour only sub-contractor;
- e** a self-employed person performing work under a similar degree of control and direction by the Insured as a person under a contract of service or apprenticeship with the Insured;

- f** a driver or operator of hired-in plant;
- g** a trainee or person undergoing work experience; or
- h** a voluntary helper.

## Index Linking

Whenever a Sum Insured is declared to be subject to index linking under this Policy it is adjusted at monthly intervals as follows:

- a** in respect of Buildings and Tenants' Improvements – in accordance with the percentage change in the General Building Cost Information Service.
- b** in respect of Plant, Machinery, Trade Fixtures (and all other contents), Portable Hand Tools and Electronic Business Machines, Computers and Software – in accordance with the Durable Goods Section of the Retail Prices Index.
- c** in respect of Stock in Trade, Customers' Goods, Cigarettes and Tobacco, Wines and Spirits, Stock at Exhibitions, Estimated Gross Profit, Estimated Gross Revenue and Outstanding Debit Balances – in accordance with the Producer Price Index.

At each renewal of the Policy the premium will be adjusted to apply to the Sum Insured which then applies and the Company waives all rights to additional premium arising out of any index linking adjustments prior to renewal. The Company reserves the right to use alternative suitable indices to those mentioned at any time without prior notice if either index becomes unavailable or inappropriate.

## Insured

The person, persons, Limited Liability Partnerships or Limited or Public Limited Company, named in the Schedule and, in respect of Section 6: Employers' Liability, the Policyholder stated upon the Certificate of Employers Liability Insurance.

## Period of Insurance

- a** The period beginning with the Effective Date and ending with the Expiry Date (both stated in the New Business Schedule or latest effective Renewal Schedule as applicable); and
  - b** any subsequent period,
- for which the Insured shall pay and the Company shall agree to accept the Insured's premium.

## Policy

This policy including the Sections and the Schedule, all of which should be read together as one contract.

**Premises**

Premises at the address(es) stated in the Schedule occupied by the Insured for the purposes of the Business.

**Schedule**

The schedule applicable to this Policy.

**Sum Insured**

The sum insured as stated in the Schedule unless otherwise stated in this Policy.

**Vacant or Disused**

Vacant, unoccupied or not in use for the intended purpose.

# General Conditions

**These Conditions apply to this Policy. The Insured must comply with these Conditions. Where additional Conditions apply to a specific Section of this Policy, they are stated under that Section.**

## 1 Fair Presentation of the Risk

- a** The Insured has a duty to make to the Company a fair presentation of the risk before:
  - i** the inception of this Policy;
  - ii** an alteration made to this Policy, concerning changes in the risk which are relevant to the proposed alteration; and
  - iii** the renewal of this Policy; and
- b** In the event of a breach of such duty, if the breach is:
  - i** deliberate or reckless, the Company may:
    - a** in relation to an alteration made to this Policy, (notwithstanding the references to notice period and the refunding of premiums in General Condition 5 b) by notice to the Insured in writing at the Insured's last known address treat this Policy as cancelled with effect from the time when the alteration was made and retain any premiums paid;
    - b** in relation to the inception or renewal of this Policy, avoid this Policy and refuse all claims and retain any premiums paid;
  - ii** neither deliberate nor reckless and the Company would not have:
    - a** in relation to an alteration made to this Policy, agreed to the alteration on any terms, the Company may treat this Policy as if the alteration was never made, but in that event the Company:
      - i** will return any extra premium paid; or
      - ii** may (where the total premium was reduced as a result of the alteration), reduce proportionately the amount to be paid on a claim arising out of events after the alteration. The Company will pay on such claim a percentage of what it would otherwise have been liable to pay (whether on the original terms, or as varied), based on the total premium actually charged compared to the original premium charged; or
    - b** entered into this Policy on any terms, the Company may avoid this Policy and refuse all claims but will return any premiums paid; or

- iii** neither deliberate nor reckless and the Company:
  - a** would have entered into this Policy or agreed to the alteration made to this Policy, but on different terms (other than terms relating to the premium), this Policy or the alteration (as applicable) will be treated as if it had been entered into on those different terms if the Company so requires; and
  - b** in respect of an alteration made to this Policy:
    - i** would have agreed to the alteration, but would have charged an increased premium by more than the Company did or (in the case of an unchanged premium) would have increased the premium, the Company may reduce proportionately the amount to be paid on a claim arising out of events after the alteration.

The Company will pay on such claim a percentage of what it would otherwise have been liable to pay (whether on the original terms, or as varied, or under the different terms provided for by virtue of item **b iii a** above), based on the total premium actually charged compared to the premium that the Company would have charged;

- ii** (where the total premium was reduced as a result of the alteration), would have agreed to the alteration and the Company would have increased the premium, would not have reduced the premium, or would have reduced it by less than it did, the Company may reduce proportionately the amount to be paid on a claim arising out of events after the alteration.

The Company will pay on such claim a percentage of what it would otherwise have been liable to pay (whether on the original terms, or as varied, or under the different terms provided for by virtue of item **b iii a** above), based on the total premium actually charged compared to the original premium if the Company would not have changed it, and otherwise the increased or (as the case may be) reduced total premium the Company would have charged.

- c would have entered into this Policy (whether the terms relating to matters other than the premium would have been the same or different), but would have charged a higher premium, the Company may reduce proportionately the amount to be paid on a claim.

The Company will pay on such claim a percentage of what it would otherwise have been liable to pay (making provision for any different terms referred to in item **b iii a** above), based on the premium actually charged compared to the higher premium.

- c The Company shall be entitled to vary the premium and any terms in respect of any ongoing acceptance of cover (where agreed by the Company), in relation to a breach of the duty to make to the Company a fair presentation of the risk.

## 2 Reasonable Precautions

It is a condition precedent to the liability of the Company that the Insured must:

- a take all reasonable precautions to prevent or minimise loss, destruction, damage, accident or injury;
- b maintain the Premises, machinery, equipment and furnishings in a good state of repair;
- c exercise care in the selection and supervision of Employees; and
- d comply with all relevant statutory requirements, manufacturers' recommendations and other regulations relating to the use, inspection and safety of property and the safety of persons.

## 3 Change of Risk or Interest

- a It is a condition precedent to the liability of the Company that the Insured shall immediately notify the Company if any alteration be made either in the Business or at the Premises or in any property therein or in any other circumstances whereby the risk is increased other than in accordance with:
  - i Extensions I Non-Invalidation and M Capital Additions under Section 1: Material Damage, Extension 1 Automatic Cover under Section 12a: Engineering Damage to Machinery and Plant and Extension 1 Automatic Cover applying to Sub-Section 1 under Section 14: Computer Insurance, of this Policy; or
  - ii General Condition 1,
 at any time after the Effective Date (as stated in the Schedule) of the Period of Insurance.

- b This Policy shall cease to be in force if:

- i the Insured's interest in the Business ends, other than by death; or
- ii the Business is to be wound up or carried on by a liquidator or receiver or permanently discontinued,

at any time after the Effective Date (as stated in the Schedule) of the Period of Insurance, unless its continuance be agreed by the Company.

## 4 Adjustment of Premium

If any part of the premium or renewal premium is based on estimates declared by the Insured the Insured shall keep an accurate record containing all relevant particulars in making that estimate and shall allow the Company to inspect such record. In addition to any other declaration requirements specified in this Policy, the Insured shall within one month after the expiry of each Period of Insurance provide the Company with a declaration of:

- a wageroll, payments to sub-contractors, overall turnover, turnover in respect of exports to the United States of America and/or Canada and/or their dependencies or trust territories;
- b total annual carryings in respect of Section 3: Goods in Transit and Section 4: Loss of Business Money,

for such expired Period of Insurance.

The premium shall then be adjusted based on the difference between the estimate and the declaration. The difference in premiums shall be paid by or allowed to the Insured. Should the Insured fail to supply the information required under this Condition then the Company shall be entitled to charge a reasonable additional premium.

## 5 Cancellation

- a Cancellation Rights of the Insured
  - i This Policy may be cancelled by the Insured within 14 days of receipt of this Policy (this is known as the "cooling off" period). If the Insured elects to cancel within this period they must return all policy documentation to their broker, intermediary or agent, who must return such documentation to the Company and the Company will refund the full amount of premium paid by the Insured. If a claim has been made or an incident notified to the Company that could give rise to a claim during the "cooling off" period, this Policy will be treated by the Company as in force and no refund of premium will be made.



- ii If the Insured elects to cancel this Policy after the “cooling off” period has expired but still during any Period of Insurance, they must give 14 days notice to their broker, intermediary or agent. The Insured will be entitled to a proportionate refund of premium based on the number of days remaining in the Period of Insurance, unless a claim has been made (or an incident notified to the Company that could give rise to a claim) during the Period of Insurance when no refund of premium for the Period of Insurance will be made.
  - iii Where the Insured pays premiums by instalments any amount of premium returned under this General Condition will be reduced by any unpaid premiums or instalments due at the time of cancellation.
- b Cancellation Rights of the Company**
- i The Company may cancel this Policy (or any Section of it) at any time and in any Period of Insurance by giving a minimum of 14 days’ notice to the Insured at the Insured’s last known address.
  - ii If the Company cancels this Policy then the Insured will be entitled to a proportionate refund of premium, based on the number of days remaining in the Period of Insurance, unless a claim has been made (or an incident notified to the Company that could give rise to a claim) during the Period of Insurance when no refund of premium will be made.
  - iii Where the Insured pays premiums by instalments, any amount of premium refunded under this General Condition will be reduced by any unpaid premiums or instalments due at the time of cancellation.

In relation to cancellation in any of the circumstances outlined above, the Insured shall immediately return to the Company any effective Certificate(s) of Employers Liability Insurance.

The total amount refunded to the Insured will be calculated by the Company in accordance with the process set out above. The calculation made by the Company will be final and binding.

## 6 Instalments

- a Notwithstanding General Condition 5 b, where the premium under this Policy is payable by instalments and the Insured fails to pay one or more instalments, the Company may cancel this Policy by giving 7 days’ notice at the Insured’s last known address, and the Insured shall immediately return to the Company any effective Certificate(s) of Employers Liability Insurance.
- b Any amount of premium returned under this General Condition will be reduced by any unpaid premiums or instalments due at the time of cancellation.

The total amount of premium refunded to the Insured will be calculated by the Company in accordance with the process set out in General Condition 5 above. The calculation made by the Company will be final and binding.

## 7 Choice of Law

Under European Law, you and we may choose which law will apply to this contract. English Law will apply unless both parties agree otherwise. We have supplied this Agreement and other information to you in English and we will continue to communicate with you in English.

## 8 Contracts (Rights of Third Parties) Act 1999

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

# Claims Conditions

**These Conditions apply to this Policy. The Insured must comply with these Conditions. Where additional Conditions apply to a specific Section of this Policy, they are stated under that Section.**

## 1 Conditions Precedent

Every condition precedent to which this Policy or any Section or item thereof is, or may be, made subject shall, from the time the condition precedent attaches, apply and continue to be in force during the whole currency of this Policy. Non-compliance with any such condition precedent shall be a bar to any claim under the relevant Section(s) of this Policy, where the subject matter of the claim was caused by the non-compliance or to the extent that it was increased by the non-compliance.

## 2 Action by the Insured

It is a condition precedent to the liability of the Company that the Insured shall:

- a** immediately notify the Company on the happening of any incident which could result in a claim under this Policy.
- b** immediately notify the Company of, and deliver to the Company at their own expense, a claim with such detailed particulars and proofs as may reasonably be required by the Company and (if demanded) by the Company a statutory declaration of the truth of the claim and any matters connected therewith, within:
  - i** 7 days of the event giving rise to the claim, in the case of loss, destruction or damage, caused by riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances or malicious persons;
  - ii** 30 days of the expiry of the Indemnity Period (as defined in Section 2: Business Interruption, Section 13: Engineering Business Interruption, Sub-Section 3 of Section 14: Computer Insurance and Section 15: Loss of Licence, of this Policy respectively) in respect of business interruption claims; or
  - iii** 30 days of the event giving rise to the claim in the case of any other claim, or such further time as the Company may allow; and

notwithstanding items b i to iii above, the Insured shall immediately forward any claim by a third party or notice of any proceedings or any other correspondence and information received by the Insured relating to such claim on receipt;

- c** give immediate notification to the police in respect of:
  - i** vandalism;
  - ii** theft or any attempt thereof; or
  - iii** loss of money by any cause whatsoever, in relation to this Policy;
- d** make no admission of liability or offer, promise or payment, without the Company's written consent;
- e** inform the Company immediately of any impending prosecution, inquest or fatal accident enquiry or civil proceedings and send to the Company immediately every relevant document;
- f** take all reasonable action to minimise any interruption or interference with the Business;
- g** produce to the Company such books of account or other business books or documents or such other proofs, as may reasonably be required by the Company for investigating or verifying the claim; and
- h** in respect of Damage to the property insured under Sections 12a: Engineering Damage to Machinery and Plant and 14: Computer Insurance, of this Policy respectively, discontinue use of any damaged property unless the Company authorises otherwise until such property has been repaired to the satisfaction of the Company. Any damaged parts that are replaced shall be kept for inspection by the Company.

## 3 The Rights of the Company

The Company shall be entitled:

- a** on the happening of any loss, destruction or damage, in respect of which a claim is made under this Policy, and without thereby incurring any liability or diminishing any of the Company's rights under this Policy, to enter, take or keep possession of the premises where such loss, destruction or damage has occurred and to take possession of, or require to be delivered to the Company any property insured by this Policy and deal with such property for all reasonable purposes and in a reasonable manner;
- b** at its discretion to take over and conduct in the name of the Insured, or any other person, the defence or settlement of any claim and to prosecute at its own expense and for its own benefit any claim for indemnity or damages against any other persons in respect of any risk insured by this Policy, and the Insured shall give all information and assistance required by the Company;

- c to any property for the loss of which a claim is paid under this Policy and the Insured shall execute all such assignments and assurances of such property as may be reasonably required, but the Insured shall not be entitled to abandon any property to the Company; and
- d in the event of any Occurrence (as defined in Section: 6 Employers' Liability, Section 7: Public Liability and Section 8: Products Liability, of this Policy respectively) resulting in any claim(s) under Sections 6, 7 and/or 8, of this Policy respectively, to pay to the Insured the amount of the Indemnity Limit (as defined in Sections 6, 7 and 8, of this Policy respectively) for such Occurrence (less any sums already paid as damages in respect of such Occurrence and, in respect of Section 6 of this Policy, less costs and expenses, incurred before the date of payment) or any lesser amount for which the claim(s) can be settled, after such payment the Company shall have no further responsibility in connection with such claim(s), except in respect of Sections 7 and 8, of this Policy, for costs and expenses, incurred before the date of payment.

#### 4 Fraudulent Claims

In the event of any claim under the Policy being submitted which in any respect is intentionally exaggerated or fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on the Insured's behalf to obtain benefit under this Policy, the Company:

- a shall not be liable to pay the claim;
- b may recover from the Insured any sums paid by the Company to the Insured in respect of the claim; and
- c may (notwithstanding the references to notice period and the refunding of premiums in General Condition 5 b) by notice to the Insured in writing at the Insured's last known address treat this Policy as having been cancelled with effect from the time of the fraudulent act and may:
  - i refuse all liability to the Insured under this Policy in respect of any event that gives rise to the liability of the Company occurring after the time of the fraudulent act; and
  - ii retain any premiums paid under this Policy.

#### 5 Subrogation

The Company shall be subrogated to the rights of recovery of the Insured against any third party. Accordingly, it is a condition precedent to the liability of the Company that any claimant under this Policy shall, at the request and expense of the Company, take and permit to be taken all necessary steps for the Company to enforce any rights against any other party in the name of the Insured before or after any payment is made by the Company.

#### 6 Other Insurances

Unless otherwise stated in this Policy:

- a if at the time of any Occurrence (as defined in Section 6: Employers' Liability, Section 7: Public Liability and Section 8: Products Liability, of this Policy respectively) incident, loss, destruction or damage, which gives rise to a claim, there is any other insurance effected by or on behalf of the Insured applicable to such Occurrence, incident, loss, destruction or damage, the liability of the Company shall be limited to its rateable proportion thereof; and
- b if any other such insurance is subject to any provision whereby it is excluded from ranking concurrently with this Policy, whether in whole or in part or from contributing rateably, then the liability of the Company hereunder shall be limited to any excess beyond the amount which would have been payable under such other insurance had this Policy not been effected.

#### 7 Arbitration

If any differences arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference will be referred to an arbitrator in England who will decide the matter in dispute according to English law and will be appointed by the parties in accordance with the relevant English statutory provisions for the time being in force. Where any such difference is to be referred to arbitration under this Condition, the making of an award will be a condition precedent to any right of action against the Company.

# General Exclusions

These General Exclusions set out what is not covered under this Policy. Where additional exclusions apply to a specific Section of this Policy, they are set out in that Section.

## This Policy does not cover

### 1 War, Government Action and Terrorism

- a loss, destruction or damage, to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any other costs directly or indirectly caused by or contributed to by or arising from:
  - i War, Government Action, Terrorism (or any action taken in controlling, preventing, suppressing or in any way relating to Terrorism); or
  - ii civil commotion in Northern Ireland;
- b legal liability of whatsoever nature or any costs or expenses whatsoever directly or indirectly caused by or contributed to by or arising from:
  - i War, Government Action, Terrorism (or any action taken in controlling, preventing, suppressing or in any way relating to Terrorism); or
  - ii civil commotion in Northern Ireland,

except to the extent stated in the Liability Provisions relating to this General Exclusion and set out below.

For the purpose of this General Exclusion and its Liability Provisions:

**War** shall mean war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to popular rising, military rising, insurrection, rebellion, revolution, or military or usurped power.

**Government Action** shall mean martial law, confiscation, nationalisation, requisition or destruction of property by or under the order of any government or public or local authority or any action taken in controlling, preventing, suppressing or in any way relating to War.

**Terrorism** shall mean any act or acts of any person or 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 and/or the threat thereof, of Her Majesty's government in the United Kingdom or any other government de jure or de facto.

In any action, suit or other proceedings, where the Company alleges that, by reason of this General Exclusion as far as it relates to Terrorism, any loss, destruction or damage or resulting loss or expense or other costs either directly or indirectly caused by or contributed to by or arising from such event is not covered by this insurance, the burden of proving that such loss, destruction, damage, expense or costs is covered shall be upon the Insured.

### Liability Provisions

Subject otherwise to the terms, definitions, conditions, clauses and exclusions, of this Policy, the Company will indemnify the Insured under Section 6: Employers' Liability, Section 7: Public Liability and Section 8: Products Liability, of this Policy, in respect of legal liability arising from Terrorism (or any action taken in controlling, preventing or suppressing Terrorism) provided that under:

- 1 Section 6 of this Policy, notwithstanding the Indemnity Limit (as defined in Section 6 of this Policy) stated in the Schedule, the Company's liability (inclusive of interest thereon and all costs and expenses) payable in respect of any one Occurrence (as defined in Section 6 of this Policy) or in the aggregate in respect of a series of such Occurrences arising out of any one original cause, shall not exceed £5,000,000;
- 2 Section 7 of this Policy, notwithstanding the Indemnity Limit (as defined in Section 7 of this Policy) stated in the Schedule, the Company's liability for all damages (including interest thereon) payable in respect of any one Occurrence (as defined in Section 7 of this Policy) or in the aggregate in respect of a series of such Occurrences arising out of any one original cause, shall not exceed £5,000,000 or the amount of the Indemnity Limit stated in the Schedule in Section 7 of this Policy, whichever is the lower;
- 3 Section 8 of this Policy, notwithstanding the Indemnity Limit (as defined in Section 8 of this Policy) stated in the Schedule, the Company's liability for all damages (including interest thereon) payable in respect of all Occurrences (as defined in Section 8 of this Policy) in the aggregate during any one Period of Insurance, shall not exceed £5,000,000 or the amount of the Indemnity Limit stated in the Schedule in Section 8 of this Policy, whichever is the lower; and

- 4 Section 7 and Section 8, of this Policy, notwithstanding items 2 and 3 above and the Indemnity Limit (as defined in Sections 7 and 8, of this Policy) stated in the Schedule, the Company's liability for all damages (including interest thereon and all costs and expenses) payable in respect of all Occurrences in the aggregate (as defined in Section 7 or Section 8, of this Policy, as relevant) arising out of Pollution or Contamination (as defined in Section 7 or Section 8, of this Policy, as relevant), consequent upon Terrorism and which are deemed to have Occurred during any one Period of Insurance, shall not exceed £5,000,000 in the aggregate under each Section or the amount of the Indemnity Limit in the aggregate stated in the Schedule in Section 7 and/or Section 8, of this Policy, whichever is the lower.

## 2 Sonic Bangs

loss, destruction or damage caused by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

## 3 Radioactive Contamination

loss, destruction or damage, to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any other costs either directly or indirectly caused by such loss, destruction or damage, or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

- a ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- b the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

NOTE: As far as this General Exclusion concerns Bodily Injury (as defined in the relevant Sections of this Policy) caused to any Employee, if such Bodily Injury arises out of and in the course of employment or engagement of such person by the insured, this General Exclusion shall apply only in respect of:

- i the legal liability of any principal; or
- ii legal liability assumed by the Insured under agreement and which would not have attached in the absence of such agreement.

## 4 Pollution or Contamination

loss, destruction or damage, caused by pollution or contamination, except (unless otherwise excluded) destruction of or damage to the property insured caused by:

- a pollution or contamination which itself results from a Defined Peril; or
- b a Defined Peril which itself results from pollution or contamination.

This Exclusion shall not apply to Section 6: Employers' Liability, Section 7: Public Liability and Section 8: Products Liability, of this Policy.

### NOTE: Defined Perils

For the purposes of this General Exclusion, Defined Perils are:

fire, lightning, explosion, earthquake, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons other than thieves, storm, flood, escape of water or oil from any tank apparatus or pipe, sprinkler leakage, theft or impact by any vehicle or animal.

## 5 Date Recognition

any claim which arises directly or indirectly from or consists of the failure or inability of any:

- a electronic circuit, microchip, integrated circuit, microprocessor, embedded system, hardware, software, firmware, program, computer, data processing equipment, telecommunication equipment or systems, or any similar device;

or

- b media or systems used in connection with anything referred to in a above,

whether the property of the Insured or not, at any time to achieve any or all of the purposes and consequential effects intended by the use of any number, symbol or word to denote a date and this includes without any limitation the failure or inability to recognise, capture, save, retain or restore and/or correctly to manipulate, interpret, transmit, return, calculate or process any date, data, information, command, logic or instruction as a result of:

- i recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time; or



- ii the operation of any command or logic which has been programmed or incorporated into anything referred to in a and b above.

In respect of Section 1: Material Damage, Section 2: Business Interruption, Section 4: Loss of Business Money and Section 10: All Risks on Machinery and/or Apparatus, of this Policy, this Exclusion shall not exclude subsequent Damage not otherwise excluded from this Policy which itself results from fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any tank or apparatus or pipe, theft or impact by any vehicle or animal.

NOTE: General Exclusion 5 shall not apply to Section 6: Employers' Liability of this Policy.

## 6 Marine Policies

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

## 7 Computer Virus and Hacking

- a Damage to any computer or other equipment or component or system or item which processes, stores, transmits or retrieves data, or any part thereof whether tangible or intangible (including but without limitation any information or programs or software), and whether the property of the Insured or not, where such Damage is caused by Virus or Similar Mechanism or Hacking
- b financial loss directly or indirectly caused by or arising from Virus or Similar Mechanism or Hacking

but this shall not exclude Damage or financial loss, which is not otherwise excluded from this Policy and which results from fire, lightning, explosion, earthquake, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, the acts of malicious persons (including the acts of thieves but excluding the acts of malicious persons which do not involve physical force or violence), storm, flood, escape of water or oil from any tank or apparatus or pipe, sprinkler leakage or impact by any vehicle or animal.

For the purpose of this Exclusion –

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

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

General Exclusion 7 shall not apply to Section 6: Employers' Liability, Section 7: Public Liability and Section 8: Products Liability, of this Policy.

# Section 1: Material Damage

In the event of Damage at the Premises to any Property Insured in connection with the Business occurring during the Period of Insurance and caused by any of the Perils (where stated as operative in the Schedule), the Company will pay to the Insured the value of such Property Insured or the amount of the Damage at the time of such Damage or, at its own option, reinstate or replace such property.

Provided that:

- a** the liability of the Company under this Section in total for all claims or series of claims, arising out of any one original cause, shall not exceed the Sum Insured for each item (or any other stated limit of liability); and
- b** unless otherwise stated, the Sum Insured (or any other stated limit of liability) applies in the aggregate to property collectively described by each item under this Section.

## Definitions

The definitions which apply to this Section are in addition to the General Definitions.

### Buildings

- a** structures (being built mainly of brick, stone, concrete or other non-combustible materials, unless otherwise advised to the Company);
- b** landlords' fixtures and fittings, in and on the structures described in a above;
- c** internal and external fixed glass, sanitary ware and signs;
- d** central heating systems;
- e** small outside structures, extensions, annexes and gangways;
- f** concrete, paved or asphalt forecourts, yards, terraces, drives or footpaths; and
- g** walls, gates and fences.

### Perils

- 1 a Fire** but excluding Damage caused by:
  - i** explosion resulting from fire;
  - ii** earthquake or subterranean fire;
  - iii a** its own spontaneous fermentation or heating; or
  - b** it undergoing any heating process or any process involving the application of heat; or
- b Lightning.**
- 2 Explosion**
  - a** of boilers or of gas, used for domestic purposes only but excluding Damage caused by earthquake or subterranean fire; or

- b** otherwise but excluding Damage caused by or consisting of the bursting by steam pressure, of a boiler, economiser or other vessel, machine or apparatus, in which internal pressure is due to steam only and belonging to or under the control of the Insured.

- 3 Aircraft** or other aerial devices, or articles dropped therefrom.

- 4 Earthquake, Subterranean Fire.**

- 5 Riot, civil commotion**, strikers, locked out workers, persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation, excluding Damage:

- a** caused by cessation of work; or
- b** due to confiscation, requisition or destruction, by or by order of the government or any public authority.

- 6 Malicious Persons** or vandals, excluding Damage:

- a** caused by such malicious persons or vandals, acting on behalf of or in connection with any political organisation;
- b** caused by cessation of work;
- c** due to confiscation, requisition or destruction by or by order of the government or any public authority;
- d** caused by Theft as defined in Peril 7 below;
- e** when the Premises are Vacant or Disused;
- f** in respect of property in the open unless agreed otherwise by the Company; or
- g** in respect of property in any structure which is incapable of being locked.

- 7 Theft or any attempt thereat**, involving:

- a** entry to or exit from the structures at the Premises by forcible and violent means excluding any such loss from any structure which is incapable of being locked; or
- b** violence or threat of violence, to the Insured or any director of the Insured or any partner of the Insured or Employee, or their families,

excluding Damage:

- i** in respect of property in the open unless agreed otherwise by the Company;
- ii** in respect of 7 a above when the Premises are Vacant or Disused; or
- iii** in respect of jewellery, precious stones, precious metals, bullion or furs, except where specifically stated in the Schedule as being insured.

**8 Storm, Tempest**, excluding Damage:

- a** caused by the escape of water from the normal confines of any natural or artificial water course, lake, reservoir, canal or dam;
- b** caused by inundation from the sea whether resulting from storm or otherwise;
- c** caused by frost, subsidence, ground heave or landslip;
- d** attributable solely to change in the water table level; or
- e** to walls (not forming part of the structure), fences, gates or moveable property in the open or in open sided structures.

**9 Flood** excluding Damage:

- a** caused by storm or tempest;
- b** caused by escape of water from any tank, apparatus or pipe;
- c** caused by frost, subsidence, ground heave or landslip;
- d** attributable solely to change in the water table level; or
- e** to walls (not forming part of the structure), fences, gates or moveable property in the open or in open sided structures.

**10 Escape of Water** from any tank, apparatus or pipe or escape of oil from any oil-fired heating installation, excluding Damage:

- a** caused by water discharged or leaking, from any automatic sprinkler installations;
- b** when the Premises are Vacant or Disused; or
- c** from any portable oil-fired heating installation.

**11 Impact** by:

- a** falling trees or boughs, excluding Damage caused by lopping, pruning or felling;
- b** collapse or breakage of television or radio receiving aerials or satellite dishes; or
- c** vehicles or animals.

**12 Accidental Discharge or Leakage of Automatic Sprinkler Installations**, excluding Damage caused by or attributable to:

- a** heat caused by fire;
- b** freezing when the Premises are Vacant or Disused;
- c** repairs, alterations or extensions to the structures and/or sprinkler installations; or
- d** defects in construction or condition, of which the Insured is aware.

**13 Any Accidental Cause** excluding:**a** Damage:

- i** caused by or specifically excluded in the Perils 1-12; or
- ii** caused by theft or any attempt thereat, not involving;
  - a** entry to or exit from structures, at the Premises by forcible and violent means; or
  - b** violence or threat of violence, to the Insured or any director of the Insured or any partner of the Insured or Employee, or their families;

**b** Damage to the Property Insured caused by or consisting of:

- i** inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, its own faulty or defective design or materials; or
- ii** faulty or defective workmanship, operational error or omission, on the part of the Insured or any of their Employees,

but this shall not exclude subsequent Damage which results from a cause not otherwise excluded by this Policy;

**c** Damage caused by or consisting of:

- i** corrosion, rust, wet or dry rot, shrinkage, evaporation, leakage, loss of weight, dampness, contamination, fermentation, dryness, marring, scratching, vermin or insects; or
- ii** change in temperature, colour, flavour, texture or finish, action of light,

Damage consisting of:

- iii** 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; or
- iv** mechanical or electrical breakdown or derangement, in respect of the particular machines, apparatus or equipment, in which such breakdown or derangement originates,

but this shall not exclude:

- i** such Damage not otherwise excluded by this Policy which itself results from any other Damage not otherwise excluded by this Policy; or
- ii** subsequent Damage which itself results from a cause not otherwise excluded by this Policy (unless more specifically insured);



- d** Damage caused by or consisting of:
- i** subsidence, ground heave or landslip;
  - ii** normal settlement or bedding down of new structures;
  - iii** acts of fraud or dishonesty;
  - iv** disappearance, unexplained or inventory shortage, misfiling or misplacing of information; or
  - v** electrical or magnetic injury, disturbance or erasure, of electronic records;
- e** destruction of or damage to a building or structure, caused by its own collapse or cracking;
- f** Damage in respect of movable property in the open or in open-sided structures, walls (not forming part of the structure), fences and gates, caused by wind, rain, hail, sleet, snow or dust;
- g** Damage to the Property Insured:
- i** caused by fire resulting from its undergoing any heating process or any process involving the application of heat; or
  - ii** (other than by fire or explosion) resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing, adjustment or repair;
- h** Damage:
- i** caused by freezing; or
  - ii** to fixed glass and sanitary ware,
- in respect of any building which is Vacant or Disused;
- i** Damage in respect of:
- i** jewellery, precious stones, precious metals, bullion or furs;
  - ii** property in transit;
  - iii** money, cheques, stamps, bonds, credit cards or securities of any description; or
  - iv** fixed glass and sanitary ware:
    - a** due to repairs or alterations, being carried out at the Premises;
    - b** during installation or removal, of such glass or sanitary ware; or
    - c** which was broken or cracked prior to the Effective Date (as stated in the Schedule);

- j** Damage in respect of:
- a** vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
  - b** property or structures in the course of construction or erection and materials or supplies in connection with all such property in course of construction or erection;
  - c** land, roads, piers, jetties, bridges, culverts or excavations; or
  - d** livestock, growing crops or trees,
- unless specifically mentioned as insured by this Section; or
- k** Damage occasioned by delay, embargo, nationalisation, confiscation, requisition, seizure or destruction, by or by order of the government or any public authority.

#### Plant, Machinery, Trade Fixtures (and all other contents)

- a** machinery, plant, fixtures, fittings, and other trade equipment;
- b** all office equipment and other contents at the Premises;
- c** money and stamps (excluding Damage by theft or any attempt thereat), not exceeding £2,500 in total for all claims or series of claims, arising out of any one original cause;
- d** patterns, models, moulds, plans and designs;
- e** documents, manuscripts and business books, but only for the value of the materials as stationery together with the cost of clerical labour expended in writing up such materials and not for the value to the Insured of the information contained therein;
- f** computer systems records for an amount not exceeding £25,000 in total, but only for the value of the materials together with reproduction costs including the cost of gathering information but excluding the value to the Insured of the information;
- g** directors' of the Insured, partners' of the Insured, visitors' and Employees', personal effects, in so far as they are not otherwise insured, including clothing, pedal cycles, tools, instruments and the like, for an amount not exceeding £500 per person in total for all claims or series of claims, arising out of any one original cause but any cover granted under this insurance for Damage by theft, shall not apply to personal effects partly or wholly of precious metal, jewellery, furs, money and securities of any description;

- h** wines, spirits, cigarettes and tobacco, held for entertainment purposes, for an amount not exceeding £250 in total for all claims or series of claims, arising out of any one original cause, in respect of Damage by theft or any attempt thereat (if such Damage is insured under this Section); and
- i** to the extent that they are not otherwise insured, motor vehicles, motor chassis, and contents thereof,

all the property of the Insured or held by them in trust for which they are responsible, BUT excluding portable hand tools, electronic business machines, computers and software, which is more specifically insured.

### Property Insured

The items stated in Section 1: Material Damage in the Schedule.

### Rent

The money paid or payable to or by the Insured in respect of accommodation and services, provided at the Premises.

### Stock in Trade

Stock and materials in trade, work in progress, finished goods and customers' goods, all the property of the Insured or held by them in trust for which the Insured is responsible, BUT excluding any property which is more specifically insured.

### Tenants' Improvements

Where the Insured is a tenant of the Premises, structural fixtures and fittings, the property of the Insured as occupier of the Premises.

### Extensions

**The insurance provided by this Section is extended to include the following:**

#### A Professional Fees

The insurance by each item on Buildings, Tenants' Improvements and Plant, Machinery, Trade Fixtures (and all other contents), as set out in the Schedule, where insured by this Section, includes the cost of architects', surveyors', consulting engineers' and legal fees, necessarily and reasonably incurred in the reinstatement or repair of the property consequent on its Damage but shall not include fees incurred for preparing any claim.

The maximum liability of the Company under this Extension and this Section, for any item, will in no case exceed the Sum Insured for that item.

#### B European Union, Public Authorities and Loss Prevention Council

The insurance by each item on Buildings, Tenants' Improvements and Plant, Machinery, Trade Fixtures (and all other contents), as set out in the Schedule, where insured by this Section, includes the cost of reinstatement of any Damage to the Property Insured and portions thereof not subject to Damage (other than foundations) incurred:

- a** solely by reason of the necessity to comply with European Union legislation, regulations under Acts of Parliament or local authority bye-laws; or
- b** where the Company requires the Insured to comply with current Loss Prevention Council (LPC) Rules for Automatic Sprinkler Installations, being the additional cost of reinstating water supply equipment which:
  - i** conformed to previous LPC Rules; or
  - ii** conformed to current LPC Rules when installed but fails to conform to subsequent amendments to those rules.

Provided that:

- i** the Insured receives a notice from the relevant body to comply after the Damage occurs;
- ii** the work of reinstatement is completed within 12 months of the date of the Damage or within such further time as the Company may allow; and
- iii** the total amount payable under this Extension and this Section, for any item, will not exceed:
  - a** in respect of the property subject to Damage, its Sum Insured; and
  - b** in respect of portions of the property not subject to Damage, 15% of the total amount for which the Company would have been liable had the property been wholly destroyed,

subject to the total amount payable in respect of iii a and b above under this Extension and this Section, in total for all claims or series of claims, arising out of any one original cause, for any item, not exceeding its Sum Insured.

#### C Theft Damage to Buildings

The cost of repairing Damage by theft or any attempt thereat, to Buildings at the Premises (whether or not Buildings are insured under this Section), if the Insured is responsible for the repairs and the Damage is not otherwise insured.

**D Damage to Framework (Glass)**

Any cover provided under this Section in respect of Damage to fixed glass, includes the reasonable costs of any necessary boarding up or temporary glazing, pending replacement of broken glass, and of removing and refixing window fittings and other obstacles to replacement.

**E Underground Services**

Damage for which the Insured is legally liable to underground pipes, cables, drains (and their relevant inspection covers), supplying services to and carrying waste from the Premises to the point of junction with public supply lines, mains and sewers.

**F Clearing of Drains**

The insurance in respect of Buildings, where insured under this Section, extends to cover expenses necessarily and reasonably incurred in cleaning, clearing and/or repairing drains, gutters and sewers, in consequence of Damage (not otherwise excluded) by any of the Perils insured against at the Premises.

**G Loss of Metered Water**

Cover for Damage caused by escape of water from any tank, apparatus or pipe (not being automatic sprinkler installations), where insured by this Section, includes the cost of water (calculated at the current rate per cubic metre) consumed as a direct result of the escape, subject to the amount payable under this Extension not exceeding £25,000 in total for all claims or series of claims, arising out of any one original cause.

**H Other Interests**

Interests of third parties which the Insured is required to include herein under the terms of any mortgage, property lease or hiring leasing or hire purchase agreement, are automatically deemed to be held covered under this Section subject to notification by the Insured to the Company of such interests as soon as is reasonably practicable.

**I Non-Invalidation**

This insurance shall not be invalidated by any act or omission or by any alteration, whereby the risk of Damage is increased unknown to or beyond the control of the Insured, provided that the Insured immediately they become aware thereof shall give notice to the Company and pay an additional premium if required by the Company.

**J Contracting Purchaser's Interest**

If at the time of Damage the Insured shall have contracted to sell their interest in any Buildings hereby insured and the purchase is subsequently completed, the purchaser, on completion of the purchase, shall be entitled to benefit under this Policy in respect of such Damage (if and so far as the property is not otherwise insured against such Damage by him or on his behalf) without prejudice to the rights and liabilities of the Insured or the Company until completion.

**K Mortgagees / Freeholders / Lessors**

The act or neglect of any mortgagor, leaseholder, lessee or occupier, of any Buildings hereby insured whereby the risk of Damage is increased without the knowledge of any mortgagee, freeholder or lessor, shall not prejudice the interest of the latter parties in this insurance provided such parties shall notify the Company immediately on becoming aware of such increased risk and pay additional premium if required by the Company.

**L Subrogation Waiver**

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

- a** any company which is the parent or subsidiary of the Insured; or
- b** any company which is a subsidiary of a parent of the Insured,

in each case within the meaning of the Companies Act 2006 or Companies (Northern Ireland) Order, as applicable, at the time the Damage occurs.

**M Capital Additions**

The insurance by this Section on Buildings, Tenants' Improvements and Plant, Machinery, Trade Fixtures (and all other contents) includes:

- a** alterations, additions and improvements, to such property but not appreciation in value; and
- b** any such property newly acquired and/or newly erected, anywhere in the United Kingdom, the Channel Islands or the Isle of Man, in so far as the same is not otherwise insured.

Provided that:

- i** the maximum liability of the Company under this Extension shall not exceed 10% of the total Sum Insured for all items in respect of Buildings, Tenants' Improvements and Plant, Machinery, Trade Fixtures (and all other contents), or in the aggregate £1,000,000, whichever is less;

- ii the Insured undertakes to advise the Company of the change of risk as soon as practicable and to pay the additional premium required by the Company from its inception date; and
- iii the provisions of this Extension shall be fully reinstated following advice to the Company of the change in risk.

#### **N Cost of Debris Removal/Re-erection**

The insurance by each item on Buildings, Tenants' Improvements, Plant, Machinery, Trade Fixtures (and all other contents) and Stock in Trade, includes costs and expenses necessarily incurred by the Insured with the consent of the Company in:

- a removing debris;
- b dismantling and/or demolishing;
- c shoring up or propping; or
- d re-erecting, fitting and fixing, in respect of Plant, Machinery, Trade Fixtures (and all other contents) only,

in respect of the portion of such Property Insured which is the subject of a claim under this Section.

The maximum liability of the Company under this Extension and this Section, for any item, will in no case exceed the Sum Insured for that item.

The Company will not pay for any costs or expenses:

- i incurred in removing debris except from the site of any property which is the subject of a claim under this Section and the area immediately adjacent to such site; or
- ii arising from pollution or contamination, of property not insured by this Section.

#### **O Temporary Removal (Cleaning, Renovation or Repair)**

The insurance by each item on Tenants' Improvements and Plant, Machinery, Trade Fixtures (and all other contents), where insured by this Section, includes such property while it is temporarily removed from the Premises for the purposes of cleaning, renovation, or repair, to any other premises within the United Kingdom, Channel Islands or the Isle of Man or in transit by road, rail or inland waterway, to or from such premises.

Provided that the maximum liability of the Company under this Extension in respect of any item insured under this Extension shall not exceed 15% of the Sum Insured on each item and in the case of documents, manuscripts, plans and the like, 15% of the total value thereof.

The cover provided by this Extension is subject to the following:

- a Cover includes theft or any attempt, thereat, excluding Damage in respect of jewellery, precious stones, precious metals, bullion or furs, except where specifically stated in the Schedule as being insured.
- b In respect of such property in transit (whilst in the Insured's control), Conditions 1 and 2 as set out in Section 3: Goods in Transit of this Policy and the Exclusions as set out in Section 3 of this Policy, whether Section 3 is operative or otherwise. Where there is any conflict between the Exclusions as set out in Section 3 and the Exclusions under this Section in this regard, those set out in Section 3 of this Policy shall take precedence.
- c Such property not being more specifically insured.

#### **P Temporary Removal (Transferred Between the Premises)**

The insurance by each item on Plant, Machinery, Trade Fixtures (and all other contents) and Stock in Trade, where insured by this Section, includes such property whilst being transferred between the Premises by road, rail or inland waterway, between the Premises.

Provided that the maximum liability of the Company under this Extension in respect of any item insured under this Extension, in respect of any such transfers at any one time shall be the lesser of:

- a 15% of the total Sum Insured for all such items; or
- b £50,000 in the aggregate.

The cover provided by this Extension is subject to the following:

- a In respect of such property in transit (whilst in the Insured's control), Conditions 1 and 2 as set out in Section 3: Goods in Transit of this Policy and the Exclusions as set out in Section 3 of this Policy, whether Section 3 is operative or otherwise. Where there is any conflict between the Exclusions as set out in Section 3 of this Policy and the Exclusions under this Section in this regard, those set out in Section 3 of this Policy shall take precedence.
- b Such property not being more specifically insured.

**Q Stock at Exhibitions**

Where a Sum Insured is stated for Stock at Exhibitions in the Schedule, the insurance in respect of Stock in Trade (where insured by this Section), includes such property while it is at any indoor exhibition within:

- 1** the United Kingdom, Channel Islands or the Isle of Man; or
- 2** any other countries within the European Economic Area;

or in transit by road, rail, sea, inland waterway or air, to or from such exhibition.

The cover provided by this Extension is subject to the following:

- a** Cover in respect of theft or any attempt thereat, (where insured by this Section), only applies under this Extension where such cover involves forcible and violent entry to or exit from the exhibition premises but excluding Damage:
  - i** from any structure which is incapable of being locked;
  - ii** in respect of property in the open unless agreed otherwise by the Company; or
  - iii** in respect of jewellery, precious stones, precious metals, bullion or furs, except where specifically stated in the Schedule as being insured.
- b** In respect of such property in transit (whilst in the Insured's control), Conditions 1 and 2 as set out in Section 3: Goods in Transit of this Policy and the Exclusions as set out in Section 3, whether Section 3 is operative or otherwise. Where there is any conflict between the Exclusions as set out in Section 3 of this Policy and the Exclusions under this Section in this regard, those set out in Section 3 of this Policy shall take precedence.
- c** Such property not being more specifically insured.
- d** In respect of cover in the situations applicable to item 2 of this Extension:
  - i** the maximum liability of the Company under this Extension, shall be the lesser of:
    - a** the Sum Insured for Stock at Exhibitions; or
    - b** £25,000; and
  - ii** cover is restricted to exhibitions which do not exceed 7 days duration.

**R Fire Brigade and Rescue Services Damage to Grounds**

Damage caused by the Fire Brigade and rescue services or other emergency services equipment or personnel, in the course of combating fire, to the grounds at the Premises as far as the Insured is responsible for the cost of repair, provided that the maximum liability of the Company under this Extension in respect of any one event of such Damage shall not exceed £25,000 in the aggregate.

**S Lock Replacement**

The cost of changing locks on doors, windows, safes and strongrooms, at the Premises following theft, where insured by this Section, of keys from the Premises or from the home of the Insured or of any partner of the Insured or director of the Insured or Employee entrusted with keys, provided that the maximum liability of the Company under this Extension as a result of any one event of such theft shall not exceed £25,000 in the aggregate.

**T Contract Price**

In respect only of goods sold but not delivered and for which the Insured is responsible, subject to a sale contract, which following Damage, is cancelled by reason of its conditions wholly or to the extent of the Damage, the Company's liability will be based on the contract price. For the purposes of this insurance, the value of all goods to which this Extension could apply in the event of Damage will be ascertained similarly.

**U Trace and Access**

In the event of Damage resulting from escape of water or oil, where insured by this Section, the Company will pay costs necessarily and reasonably incurred in locating the source of such Damage and subsequently making good, subject to the maximum liability of the Company under this Extension not exceeding £25,000 in total for all claims or series of claims, arising out of any one original cause.



## V Fire Extinguishment and Security Equipment Expenses

Costs reasonably and necessarily incurred with the consent of the Company in:

- a** refilling fire extinguishment appliances, replacing used sprinkler heads and refilling sprinkler tanks; and
- b** re-setting fire and/or intruder alarms and/or closed circuit television equipment,

resulting from Damage to the Property Insured under this Section, subject to the following:

- i** It is a condition precedent to the liability of the Company under this Section that the Insured maintains all such equipment in accordance with the manufacturer's instructions;
- ii** The Company shall not be liable under this Extension in respect of any costs recoverable from the Insured's maintenance company or fire and rescue services; and
- iii** The Company's liability under this Extension shall not exceed £25,000 in total for all claims or series of claims, arising out of any one original cause.

## W Loss of Rent

Loss of Rent (where a Sum Insured is stated for Rent in the Schedule), which applies only if the Buildings at the Premises or any part thereof to which Rent relates are unfit for occupation in consequence of their Damage and then the amount payable shall not exceed such proportion of the Sum Insured for loss of Rent as the period necessary for reinstatement bears to the maximum rental period, being the number of months stated in the Schedule.

## X Subsidence, Ground Heave and Landslip (shown as Endorsement A in the Schedule if operative)

This Extension is only operative if the letter A also appears against Endorsements operative: in the Schedule. The Perils insured under this Section are extended to include subsidence or ground heave, of any part of the site on which the Premises stand and landslip, but excluding:

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

- v** fire, subterranean fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe;

- c** Damage which commenced prior to the Effective Date (as stated in the Schedule); or

- d** Damage resulting from:

- i** demolition, construction, structural alteration or repair of any property; or

- ii** groundworks or excavation,

at the same Premises;

### Excess applicable to this Extension

The cover provided by this Extension does not cover the amount of the Subsidence Excess stated in the Schedule being the first part of each and every claim.

All claims or series of claims, arising out of any one original cause, will be treated as one claim.

### Additional Condition applicable to this Extension

The Insured shall notify the Company immediately of any demolition, groundworks, excavation or construction, being carried out on any adjoining site and the Company shall then have the right to vary the terms or cancel this cover.

## Y Unauthorised Use of Gas, Water or Electricity

The Company will pay the costs for which the Insured is responsible for gas, water or electricity, arising from their unauthorised use by persons occupying the Premises without the permission of the Insured provided that the Insured takes all practical steps to end the unauthorised use as soon as it is discovered. The amount payable under this Extension shall not exceed £25,000 in total for all claims or series of claims, arising out of any one original cause.

## Z Cost of Fuel Spillage Clean-up

The Company will pay costs necessarily and reasonably incurred in removing spilt fuel from the Insured's Premises following accidental escape of fuel caused by any of the Perils (where stated as operative in the Schedule), subject to the maximum liability of the Company under this Extension not exceeding £25,000 in total for all claims or series of claims, arising out of any one original cause.

### AA Trade Samples

Damage to the Insured's trade samples whilst in the Insured's control, anywhere in the United Kingdom, Channel Islands, the Isle of Man or any other countries within the European Economic Area, including while in transit thereto or therefrom.

Provided that the maximum liability of the Company under this Extension in respect of any individual trade sample insured under this Extension shall not exceed £500, subject to a maximum amount of £10,000 in total for all claims or series of claims, arising out of any one original cause.

The cover provided by this Extension is subject to the following:

- a** Cover includes theft or any attempt thereat, excluding Damage in respect of jewellery, precious stones, precious metals, bullion or furs, except where specifically stated in the Schedule as being insured.
- b** In respect of such property in transit, Conditions 1 and 2 as set out in Section 3: Goods in Transit of this Policy and the Exclusions as set out in Section 3 of this Policy, whether Section 3 is operative or otherwise. Where there is any conflict between the Exclusions as set out in Section 3 and the Exclusions under this Section in this regard, those set out in Section 3 of this Policy shall take precedence.
- c** Such property not being more specifically insured.

### AB Further Investigation Expenses

In the event of Damage to Buildings insured by this Section, if in the opinion of a competent construction professional there is, in respect of the same event, reasonable possibility of Damage to other:

- a** portions of the same Buildings, which is not immediately apparent; or
- b** Buildings, for which the Insured is responsible, in the immediate vicinity,

the Company will pay costs necessarily and reasonably incurred by the Insured with the consent of the Company, in establishing whether or not such other Damage has occurred.

Provided that:

- i** cover in respect of b above, is subject to such Buildings in the immediate vicinity, subsequently being found to have suffered Damage for which the Company is liable under this Section; and
- ii** the maximum liability of the Company under this Extension shall not exceed £5,000 in the aggregate during any one Period of Insurance.

### AC Loss Minimisation and Prevention Expenditure

The costs necessarily and reasonably incurred by the Insured with the consent of the Company, in preventing, reducing or mitigating:

- a** imminent Damage which would have been insured under this Section; or
- b** otherwise alleviating Damage insured under this Section during and after the event of such Damage.

Provided that:

- i** the impending Damage was not reasonably foreseeable at the inception of the Period of Insurance and would be the inevitable outcome if such costs and expenses were not incurred;
- ii** the impending Damage did not arise from any defect in the Property Insured;
- iii** the impending Damage is not more specifically insured; and
- iv** the maximum liability of the Company under this Extension shall not exceed £25,000 in total for all claims or series of claims, arising out of any one original cause.

### Clauses

The following Clauses apply to this Section.

#### 1 Designation

For the purpose of determining where necessary the item or column heading under which any property is insured, the Company agrees to accept the designation under which such property has been entered in the Insured's books.

#### 2 Reinstatement Basis of Settlement

In the event that any property, other than Stock in Trade insured by this Section, is subject to Damage, the basis upon which the amount payable under such items is to be calculated shall be the cost of Reinstatement subject to the Provisions set out below.

"Reinstatement" means:

- A** the rebuilding or replacement, of property lost or destroyed; or
- B** the repair or restoration, of property damaged, in either case to a condition substantially the same as but not better or more extensive than its condition when new together with, insofar as the insurance by the item provides, due allowance for:
  - a** the additional cost of Reinstatement to comply with any European Union or public authority requirements;

- b professional fees; and
- c debris removal costs.

### Provisions

- 1 No payment beyond the amount which would have been payable had this Clause not been operative shall be made:

- a unless the work of Reinstatement is commenced and carried out with reasonable despatch;
- b until the cost of Reinstatement has been incurred; and
- c unless any other insurance covering the Insured's interest in the property at the time of Damage is on the same basis of Reinstatement as this Policy,

and if no such payment is made, then the rights and liabilities of the Company and the Insured, shall be those which would have applied had this Clause not been operative.

- 2 Reinstatement may be carried out at another site and in any manner suitable to the Insured, subject to the liability of the Company not being increased as a result.
- 3 In the event of partial Damage to Property Insured the Company's liability for any loss shall not exceed the cost which would have been incurred had such property been totally destroyed.
- 4 Notwithstanding the General Definition of Average, each item insured under this Clause is declared to be separately subject to the following Condition of Average:

If the Sum Insured on any item at the time of Damage is less than 85% of the cost of reinstating the whole of the Property Insured by such item at the time of Reinstatement, then the liability of the Company shall not exceed that proportion of the amount of the Damage which the said Sum Insured shall bear to the sum representing the total cost of reinstating the whole of such property at that time.

### 3 Day One (Non Adjustable)

Where the Insured has stated the Declared Value in respect of each item against which a Declared Value is stated in the Schedule and upon which the premium has been calculated accordingly, this Clause shall apply subject to the Provisions set out below:

Declared Value means the Insured's assessment of the cost of Reinstatement of the Property Insured arrived at in accordance with paragraph A of Clause 2 (Reinstatement Basis of Settlement) above at the level of costs applying at the Effective Date (as stated in the Schedule) of the Period

of Insurance (ignoring inflationary factors which may operate subsequently) together with, insofar as the insurance by the item provides, due allowance for:

- a the additional cost of Reinstatement to comply with any European Union or public authority requirements;
- b professional fees; and
- c debris removal costs

### Provisions

- 1 At the inception of each Period of Insurance, the Insured shall notify the Company of the Declared Value of the Property Insured by each item of Property Insured to which this Clause applies. In the absence of such declaration, the last amount declared by the Insured shall be taken as the Declared Value for the ensuing Period of Insurance.
- 2 Where by reason of Provision 1 of Clause 2 above no payment is to be made beyond the amount which would have been payable if Clause 2 above had not been incorporated therein, the rights and liabilities of the Company and the Insured, in respect of Damage, shall be subject to the terms, definitions, conditions, clauses and exclusions, of the Policy, including Average as if Clause 2 above had not been incorporated, except that the Company's liability in respect of each item of Property Insured to which this Clause applies shall not exceed its Sum Insured.
- 3 For the purpose of this Clause, Provision 4 of Clause 2 above is restated as follows:
  - 4 Notwithstanding the General Definition of Average, each item insured under this Clause is declared to be separately subject to the following Condition of Average:
 

If the Declared Value of any item at the time of the Damage is less than the cost of reinstating the whole of the Property Insured by such item at the inception of the Period of Insurance, then the liability of the Company shall not exceed that proportion of the amount of the Damage which said Declared Value shall bear to the sum representing the total cost of reinstating the whole of such property at the inception of the Period of Insurance.
- 4 The Company's liability in respect of each item of Property Insured to which this Clause applies shall not exceed its Sum Insured.



#### 4 Workmen

Workmen are allowed in and about the Premises for the purpose of carrying out new works or alterations, repairs, decoration, plant installation or general maintenance, without prejudice to the terms, definitions, conditions, clauses and exclusions, of this Policy.

#### 5 Reinstatement of Losses

Unless written notice to the contrary is given by either the Company or the Insured, the Sums Insured (or any other stated limit of liability) under this Section shall not be reduced by the amount of any loss and the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the Expiry Date of the Period of Insurance (as stated in the Schedule).

This Clause does not apply where the Sum Insured (or any other stated limit of liability) is applied as a maximum in any one Period of Insurance.

#### 6 Average

Each item of Property Insured by this Section is similarly but separately subject to Average as defined in the General Definitions.

#### 7 Index Linking

The Sums Insured in respect of Buildings, Tenants' Improvements, Plant, Machinery, Trade Fixtures (and all other contents), Portable Hand Tools and Electronic Business Machines, Computers and Software, Stock in Trade, Customers' Goods, Cigarettes and Tobacco, Wines and Spirits and Stock at Exhibitions, are subject to Index Linking as defined in the General Definitions.

#### 8 Non-Ferrous Raw Materials

Where a Sum Insured is stated for Non-Ferrous Raw Materials in the Schedule:

- a** this shall be deemed to be the Declared Value for such item, upon which the premium has been calculated accordingly and this Clause shall apply subject to the Provisions set out below:

For the purposes of this Clause, Declared Value shall mean the Insured's assessment of the value of the Non-Ferrous Raw Materials under this Section at the Effective Date (as stated in the Schedule) of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with, insofar as the insurance by the item provides, due allowance for debris removal costs.

#### Provisions

- 1** At the inception of each Period of Insurance, the Insured shall notify the Company of the Declared Value of the Non-Ferrous Raw Materials to which this Clause applies. In the absence of such declaration, the last amount declared by the Insured shall be taken as the Declared Value for the ensuing Period of Insurance.
  - 2** The Company's liability in respect of Non-Ferrous Raw Materials to which this Extension applies shall be limited to 125% of the Declared Value.
  - 3** Clause 6 Average under this Section does not apply to this Clause.
- b i** the cover provided by Extensions N and P of this Section will also apply; but
  - ii** Clause 2 (Reinstatement Basic of Settlement) shall not apply,
- in respect of such Non-Ferrous Raw Materials.

#### Conditions

The following Conditions apply to this Section.

##### 1 Theft Protections

It is a condition precedent to the liability of the Company that all fastenings and protections on the Premises and all additional fastenings and protections which have been stipulated by the Company, shall be maintained during the currency of this insurance and put into full and effective operation at all times outside Business Hours.

##### 2 Intruder Alarm

**This Condition is only operative if the Intruder Alarm Condition appears under Section Endorsements in the Schedule for this Section.**

The following Definitions apply to this Condition and are in addition to the General Definitions and the Section Definitions.

##### Intruder Alarm System

The component parts including the means of communication used to transmit signals.

##### Alarmed Buildings

The Buildings or those portions of the Buildings, at the Premises protected by the Intruder Alarm System.

##### Responsible Person

The Insured or any person authorised by the Insured to be responsible for the security of the Buildings at the Premises.

### Keyholder

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

It is a condition precedent to the liability of the Company in respect of Damage caused by theft or any attempt thereat, involving entry to or exit from the Buildings at the Premises by forcible and violent means, that:

- 1 the Buildings at the Premises are protected by an Intruder Alarm System installed as agreed with the Company;
- 2 the Intruder Alarm System shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance with the intruder alarm installers or other installers/engineers as agreed with the Company;
- 3 no alteration to or substitution of:
  - a any part of the Intruder Alarm System;
  - b the procedures agreed with the Company for police or any other response to any activation of the Intruder Alarm System; or
  - c the maintenance contract,
 shall be made without the agreement of the Company;
- 4 the Alarmed Buildings shall not be left without at least one Responsible Person therein without the agreement of the Company:
  - a unless the Intruder Alarm System is set in its entirety with the means of communication used to transmit signals in full operation; or
  - b if the Police have withdrawn their response to alarm calls;
- 5 all keys to the Intruder Alarm System are removed from the Buildings at the Premises when they are left unattended;
- 6 the Insured maintains secrecy of codes for the operation of the Intruder Alarm System and no details of same are left in the Buildings at the Premises;
- 7 the Insured shall appoint at least two Keyholders and lodge written details (which must be kept up to date) with the alarm company and/or police authorities;
- 8 in the event of notification of any activation of the Intruder Alarm System or interruption of the means of communication, during any period that the Intruder Alarm System is set, a Keyholder shall:
  - a attend the Buildings at the Premises as soon as reasonably possible;
  - b inspect the Buildings at the Premises for any signs of break-in or disturbance; and
  - c subject to condition 4 of this Condition, reset the Intruder Alarm System in its entirety with the means of communication used to transmit signals in full operation; and
- 9 in the event of the Insured receiving any notification:
  - a that police attendance in response to alarm signals/call from the Intruder Alarm System may be withdrawn or the level of response reduced or delayed;
  - b from a local authority or magistrate imposing any requirement for abatement of nuisance; or
  - c that the Intruder Alarm System cannot be returned to or maintained in full working order,
 the Insured shall advise the Company as soon as possible and in any event not later than 10.00a.m. on the Company's next working day and comply with any subsequent requirements stipulated by the Company.

### Excess

This Section does not cover and the Company shall not be liable for the amount of the Section Excess stated in the Schedule being the first part of each and every claim, for Damage caused by any of the Perils 6 to 13 inclusive but in respect of the Peril 11, such Excess shall only apply to the first amount of each and every claim for Damage caused by impact by vehicles or animals where such vehicles or animals are under the control of the Insured.

All claims or series of claims, arising out of any one original cause, will be treated as one claim.

## Exclusions

**The Company shall not be liable under this Section for:**

- 1** loss of market, loss of use, monetary devaluation or any other loss arising as an indirect consequence of the Damage (other than loss of Rent when insured as an item under this Section);
- 2** property let out on hire;
- 3** loss resulting from the Insured voluntarily parting with title or possession, of any property if induced to do so by deception;
- 4** Damage to any part of any electrical plant or apparatus, directly caused by breakdown, leakage of electricity or excessive pressure therein, by its own short circuiting or overrunning or electrical surges or spikes in the electricity supply, but Damage to any other part of such plant or apparatus or to other Property Insured by the spread of fire therefrom, is not excluded;
- 5** showcases, automatic or vending machines or their contents, situate outside the structures at the Premises unless specifically stated in the Schedule;
- 6** loss insured by a fidelity guarantee insurance; or
- 7** any claim for which more specific insurance applies under any of Sections 11 to 14, of this Policy.

## Section 2: Business Interruption

If Damage by:

- 1 any of the Perils (other than the Peril 2); or
- 2 Subsidence, Ground Heave and Landslip (shown as Endorsement A in the Schedule if operative);

insured under Section 1: Material Damage of this Policy or by Explosion (as defined in this Section), occurs during the Period of Insurance to property used by the Insured at the Premises for the purposes of the Business and causes interruption to or interference with the Business at the Premises or if the Insured is unable to trace or establish Outstanding Debit Balances in whole or in part due to the Insured as a result of the Insured's books of account or other business books or records at the Premises being subject to Damage during the Period of Insurance, then the Company will indemnify the Insured for the amount of loss resulting from such interruption, interference or Damage, in accordance with the basis of cover stated in the Schedule and described below.

Provided that payment shall have been made or liability admitted for the Damage under an insurance policy covering the interest of the Insured in the property or payment would have been made or liability admitted, for the Damage, but for the operation of a proviso in the insurance excluding liability for losses below a specified amount.

And provided that the liability of the Company under this Section in total for all claims or series of claims, arising out of any one original cause, shall in no case exceed:

- 1 133.33% of the Estimated Gross Profit or Estimated Gross Revenue or Estimated Gross Rentals, Sum Insured (as applicable); and
- 2 the Sum Insured for Increase in Cost of Working, Additional Increased Cost of Working, Outstanding Debit Balances and any other item insured hereunder (as applicable), unless otherwise stated.

### Definitions

The definitions which apply to this Section are in addition to the General Definitions.

NOTE: In relation to the Rate of Gross Profit, Standard Turnover, Standard Gross Revenue and Standard Gross Rentals, adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or special circumstances affecting the Business, either before or after the Damage, which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as accurately as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

### Customers' Accounts

The Insured's accounts of all customers who are trading with the Insured on a credit or hire purchase basis.

### Estimated Gross Profit

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

### Estimated Gross Rentals

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

### Estimated Gross Revenue

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

### Explosion

- a of boilers or of gas, used for domestic purposes only but excluding Damage caused by earthquake or subterranean fire; or
- b otherwise but excluding Damage caused by the bursting by steam pressure, of any vessel, machine or apparatus (not being a boiler or economiser, on the Premises), in which internal pressure is due to steam only and belonging to or under the control of the Insured.

### Gross Profit

The amount by which:

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

NOTE: For the purpose of this Definition, the amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's usual accounting methods, due provision being made for depreciation.

### Gross Rentals

The money paid or payable to the Insured by tenants in respect of accommodation and services, provided at the Premises.

### Gross Revenue

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

### Indemnity Period

The period beginning with the occurrence of the Damage and ending when the results of the Business shall cease to be affected by the Damage but not exceeding the Indemnity Period being the number of months stated in the Schedule.

### Outstanding Debit Balances

The total last amount recorded by the Insured under the provisions of Clause 7 Monthly Records adjusted for:

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

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

### Rate of Gross Profit

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

### Standard Gross Rentals

The Gross Rentals during the period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period.

### Standard Gross Revenue

The Gross Revenue during the period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period.

### Standard Turnover

The Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period.

### Turnover

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

### Uninsured Working Expenses

The sum of:

- 1** purchases (net of discounts);
- 2** bad debts;
- 3** packaging carriage and freight; and
- 4** discounts allowed.

### Basis of Cover

#### Estimated Gross Profit (Declaration Linked Basis)

The insurance in respect of Estimated Gross Profit (when shown in the Schedule if operative) is limited to loss of Gross Profit due to (a) reduction in Turnover and (b) increase in cost of working, and the amount payable as indemnity thereunder shall be:

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

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

#### Estimated Gross Rentals (Declaration Linked Basis)

The insurance in respect of Estimated Gross Rentals (when shown in the Schedule if operative) is limited to loss of Gross Rentals due to (a) loss of Gross Rentals and (b) increase in cost of working, and the amount payable as indemnity thereunder shall be:

- a** in respect of loss of Gross Rentals: the amount by which the Gross Rentals during the Indemnity Period shall in consequence of the Damage fall short of the Standard Gross Rentals; and



- b** in respect of increase in cost of working: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Rentals 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 thereby avoided,

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

#### Estimated Gross Revenue (Declaration Linked Basis)

The insurance in respect of Estimated Gross Revenue (when shown in the Schedule if operative) is limited to loss of Gross Revenue due to (a) reduction in Gross Revenue and (b) increase in cost of working, and the amount payable as indemnity thereunder shall be:

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

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

#### Cost of Document Replacement

The insurance under this item (when shown in the Schedule if operative) is limited to legal, clerical and other charges, necessarily incurred in consequence of the Damage in the replacement or restoration of deeds and other documents (including stamps thereon), manuscripts, plans, specifications and writings of every description and books (written and printed), books of account, card indexes and other business records, including such property if and in so far as it is not otherwise insured whilst temporarily at premises not in the occupation of the Insured or whilst in transit, in each case, within the United Kingdom, the Channel Islands or the Isle of Man.

#### Outstanding Debit Balances

The insurance in respect of Outstanding Debit Balances (when shown in the Schedule if operative) is limited to loss sustained by the Insured directly due to the Damage and the total amount payable shall not exceed:

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

Provided that:

- i** if the Sum Insured be less than the Outstanding Debit Balances the amount payable shall be proportionately reduced; and
- ii** it is a condition precedent to the liability of the Company that the Insured's books of account or other business books or records in which Customers Accounts' are shown, are kept in fire resistant cabinets when not in use.

#### Increase in Cost of Working

The insurance in respect of increase in cost of working (when shown as a separate item in the Schedule if operative) is limited to the additional expenditure necessarily and reasonably incurred solely in order to minimise any interruption or interference, with the Business during the Indemnity Period.

#### Additional Increased Cost of Working

The insurance in respect of additional increased cost of working (when shown in the Schedule if operative) is limited to the reasonable costs for the additional cost of working which:

- a** is necessarily and reasonably incurred due to Damage, solely to maintain the Business during the Indemnity Period; and
- b** exceeds the amount recoverable in respect of increase in cost of working stated under:
  - i** Estimated Gross Profit;
  - ii** Estimated Gross Rentals; or
  - iii** Estimated Gross Revenue,
 (when shown in the Schedule if operative), in Basis of Cover of this Section.

### Professional Accountants Charges

Where insurance is arranged on Estimated Gross Profit or Estimated Gross Revenue or Estimated Gross Rentals or Increase in Cost of Working (when shown as a separate item in the Schedule if operative) or Additional Increased Cost of Working or Outstanding Debit Balances, under this Section, the Company will also pay to the Insured (within the Sum Insured for whichever is applicable) the reasonable charges payable by the Insured to their professional accountants for producing any particulars or details, contained in the Insured's books of account or other business books or documents or such other proofs, information or evidence, as may be required by the Company, and for reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents.

### Extensions

**Any cover for loss in respect of Gross Profit or Gross Revenue, as insured by this Section, resulting from interruption to or interference with the Business in consequence of Damage to property, is extended to include such loss at or in the undernoted situations and will be deemed to be loss resulting from Damage to property used by the Insured at the Premises for the purposes of the Business:**

#### A Unspecified Suppliers

The premises of:

- a** the Insured's suppliers; or
- b** the suppliers of the Insured's suppliers, if the Insured's supplier concerned is specifically specified in the Schedule,

(but excluding the premises of any supply undertaking from which the Insured obtains electricity, gas, water or telecommunications services), all in the United Kingdom, the Channel Islands or the Isle of Man.

Provided that for the purposes of this Extension the term "Insured's suppliers" means manufacturers or processors of components, goods or materials.

#### B Unspecified Customers

The premises of:

- a** any of the Insured's customers; or
- b** the customers of the Insured's customers (if the Insured's customer concerned is specifically specified in the Schedule),

in the United Kingdom, the Channel Islands or the Isle of Man.

Provided that for the purposes of this Extension the term "customers" means:

- i** in respect of a above, those companies, organisations or individuals, with whom at the time of the Damage the Insured has contracts or trading relationships, to supply goods or services;
- ii** in respect of b above, those companies, organisations or individuals, with whom at the time of the Damage the Insured's customer has contracts or trading relationships, to supply goods or services.

#### C Storage Sites

Any premises in the United Kingdom, the Channel Islands or the Isle of Man, not owned or occupied by the Insured, where property of the Insured is stored.

#### D Property in Transit

Whilst in transit in the United Kingdom, the Channel Islands or the Isle of Man.

#### E Contract Sites

Any situation in the United Kingdom, the Channel Islands or the Isle of Man, where the Insured is carrying out a contract.

#### F Public Utilities

At any:

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

from which the Insured obtains electricity, gas, water or telecommunications services all in the United Kingdom, the Channel Islands or the Isle of Man.

#### G Denial of Access

In the vicinity of the Premises preventing or hindering access to or use of such Premises, whether the Premises or property of the Insured therein shall be subject to Damage or not, but excluding the property of any supply undertaking from which the Insured obtains electricity, gas, water or telecommunications services.

Provided that after the application of all the terms, definitions, conditions, clauses and exclusions, of the Policy, the Company's liability in total for all claims or series of claims, arising out of any one original cause, shall not exceed:

- a** in respect of Extensions A to F:
  - i** the limit stated in the Schedule against Extensions A to F; or
  - ii** where both a percentage limit and a monetary limit is stated in the Schedule against a specific Extension, the lesser of:
    - a** the stated percentage limit being a percentage of the Estimated Gross Profit or Estimated Gross Revenue limit of liability; or
    - b** the stated monetary limit
- b** in respect of Extension G, the Estimated Gross Profit or Estimated Gross Revenue, limit of liability.

**Any cover for loss in respect of Gross Profit or Gross Revenue, as insured by this Section, is extended to include:**

#### **H National Lottery**

Loss resulting from interruption to or interference with the Business at the Premises, in consequence of an Employee or Employees terminating their employment with the Insured as a direct result of a confirmed win during the Period of Insurance on the National Lottery in the United Kingdom.

Provided that after the application of all the terms, definitions, conditions, clauses and exclusions, of the Policy:

- a** the Company's liability under this Extension in total for all claims or series of claims, arising out of any one original cause, shall not exceed the Estimated Gross Profit or Estimated Gross Revenue, limit of liability; and
- b** the Indemnity Period under this Extension shall not exceed 3 months.

Notwithstanding the General Definition of Employee, for the purpose of this Extension, Employee shall mean:

Any person while working for the Insured in connection with the Business who is under a contract of service or apprenticeship, with the Insured.

Notwithstanding the Definition of Indemnity Period under this Section, for the purpose of this Extension, Indemnity Period shall mean:

The period beginning with the date of the confirmed win on the National Lottery and ending when the results of the Business shall cease to be affected by such win.

#### **I Public Emergency**

Loss resulting from interruption to or interference with the Business at the Premises in consequence of the actions or advice of a competent Public Authority, due to an emergency likely to endanger life or property, in the vicinity of the Premises, which commencing during the Period of Insurance, prevents or hinders the use of or access to the Premises, excluding:

- a** any loss during the first four hours;
- b** cover provided by Extension L Bomb Scares;
- c** labour disputes;
- d** any loss occurring in Northern Ireland; or
- e** infectious or contagious disease.

Provided that after the application of all the terms, definitions, conditions, clauses and exclusions, of the Policy, the Company's liability under this Extension in total for all claims or series of claims, arising out of any one original cause, shall not exceed £50,000.

Notwithstanding the Definition of Indemnity Period under this Section, for the purpose of this Extension, Indemnity Period shall mean:

The period beginning with the use of or access to the Premises being prevented or hindered and ending when the results of the Business shall cease to be affected by such prevention or hindrance, but not exceeding the Indemnity Period being the number of months stated in the Schedule.

#### **J Closure**

Loss resulting from interruption to or interference with the Business at the Premises in consequence of closure of any part of the Premises, commencing during the Period of Insurance, by a competent Public Authority due to defective drains or other sanitary arrangements, vermin or pests.

Provided that after the application of all the terms, definitions, conditions, clauses and exclusions, of the Policy, the Company's liability under this Extension in total for all claims or series of claims, arising out of any one original cause, shall not exceed £50,000.

Notwithstanding the Definition of Indemnity Period under this Section, for the purpose of this Extension, Indemnity Period shall mean:

The period beginning with the closure of any part of the Premises and ending when the results of the Business shall cease to be affected by such closure but not exceeding the Indemnity Period being the number of months stated in the Schedule.



## K Disease

Loss resulting from interruption of or interference with the Business at the Premises in consequence of:

- a** murder or suicide, occurring at the Premises;
- b** the occurrence of the following diseases:  
Acute Encephalitis, Acute Poliomyelitis, Anthrax, Chickenpox, Cholera, Diphtheria, Dysentery, Legionellosis, Legionnaires Disease, Leprosy, Leptospirosis, Malaria, Measles, Meningococcal Infection, Mumps, Ophthalmia Neonatorum, Paratyphoid Fever, Bubonic Plague, Rabies, Rubella, Scarlet Fever, Smallpox, Tetanus, Tuberculosis, Typhoid Fever, Viral Hepatitis, Whooping Cough or Yellow Fever, at the Premises: or
- c** poisoning directly caused by the consumption of food or drink, provided at the Premises.

Provided that:

- i** the use of the Premises is restricted on the order or advice of a competent authority commencing during the Period of Insurance; and
- ii** after the application of all the terms, definitions, conditions, clauses and exclusions, of the Policy, the Company's liability under this Extension under each of a to c above shall not exceed £50,000 in the aggregate and in any one Period of Insurance.

Notwithstanding the Definition of Indemnity Period under this Section, for the purpose of this Extension, Indemnity Period shall mean:

The period beginning with the restriction on the use of the Premises and ending when the results of the Business shall cease to be affected by such closure but not exceeding the Indemnity Period being the number of months stated in the Schedule.

## L Bomb Scares

Loss resulting from interruption to or interference with the Business at the Premises in consequence of the suspected or actual presence of an incendiary or explosive device which commencing during the Period of Insurance, prevents or hinders access to the Premises, excluding:

- a** any loss during the first four hours; or
- b** any loss occurring in Northern Ireland.

Provided that after the application of all the terms, definitions, conditions, clauses and exclusions, of the Policy, the Company's liability under this Extension in total for all claims or series of claims, arising out of any one original cause, shall not exceed £50,000.

Notwithstanding the Definition of Indemnity Period under this Section, for the purpose of this Extension, Indemnity Period shall mean:

The period beginning with the access to the Premises being prevented or hindered and ending when the results of the Business shall cease to be affected by such prevention or hindrance, but not exceeding the Indemnity Period being the number of months stated in the Schedule.

**Where any cover for loss in respect of Gross Profit or Gross Revenue, is insured by this Section, the insurance provided by this Section is extended to include:**

## M Essential Personnel

Loss resulting from interruption to or interference with the Business at the Premises during the Period of Insurance in consequence of the:

- a** death of any of the Insured's Principals; or
- b** total and permanent disablement of any of the Insured's Principals, which prevents them from attending to their normal occupation,

occurring during the Period of Insurance due to injury caused by accidental and violent means.

The Company will only pay the additional costs and/or expenses that the Insured necessarily and reasonably incurs, solely in order to minimise any interruption or interference, with the Business, during the Indemnity Period, which but for such additional costs and/or expenses would have taken place.

Provided that the Company's liability under this Extension shall not exceed £25,000 in the aggregate and in any one Period of Insurance.

For the purposes of this Extension Principals shall mean:

Any person who is an owner, partner, company director or trustee, of the Business.

Notwithstanding the Definition of Indemnity Period under this Section, for the purpose of this Extension, Indemnity Period shall mean:

The period beginning with occurrence of the situations described in a or b of this Extension and ending when the results of the Business shall cease to be affected by such situation but not exceeding the Indemnity Period being the number of months stated in the Schedule.

## N Exhibition Expenses

The irrecoverable expenses of the Insured in respect of any trade exhibition in the United Kingdom, Channel Islands or the Isle of Man, following Damage occurring during the Period of Insurance by:

- a** any of the Perils (other than the Peril 2); or
- b** Subsidence, Ground Heave and Landslip, shown as Endorsement A in the Schedule if operative;

insured under Section 1: Material Damage of this Policy or by Explosion (as defined in this Section):

- i** at the exhibition venue; or
- ii** to your property for use in connection with the exhibition whilst at the Premises or whilst in transit by road, rail or inland waterway.

Provided that:

- a** in the event of the exhibition not being held (or the Insured being unable to exhibit at all) in consequence of the Damage, the amount payable shall be limited to the irrecoverable expenses that the Insured has paid or is liable to pay, in respect of the exhibition;
- b** if the exhibition does not run (or the Insured is unable to exhibit) for the intended period in consequence of the Damage, the amount payable shall be the loss computed in accordance with provision a above, adjusted for the period that the Insured could not exhibit,

subject to the Company's liability under this Extension not exceeding £25,000 in the aggregate and in any one Period of Insurance.

**Any cover for loss in respect of Gross Profit or Gross Revenue, as insured by this Section, is extended to include:**

## O Accidental Failure of Public Supply

Loss resulting from interruption to or interference with the Business at the Premises in consequence of:

- a** Failure of Electricity;
- b** Failure of Gas;
- c** Failure of Water; or
- d** Failure of Telecommunications.

The Company shall not be liable under this Extension:

- 1** in respect of cover which is more specifically insured under Extension F of this Section; or
- 2** for loss arising directly or indirectly from any failure:
  - i** which does not involve a cessation of supply for at least 4 consecutive hours in respect of items **a, b**

and **c** above and 12 consecutive hours in respect of item **d** above;

- ii** caused by the deliberate act of any supply undertaking unless by the exercise by any such undertaking of its power to withhold or restrict supply or services for the sole purpose of safeguarding life or protecting the supply undertaking's system;
- iii** caused by strikes or any labour or trade dispute; or
- iv** caused by atmospheric or weather conditions but this shall not exclude failure due to damage to equipment caused by such conditions.

Provided that after the application of all the terms, definitions, conditions, clauses and exclusions of the Policy:

- a** the Indemnity Period under this Extension shall not exceed 3 months; and
- b** the Company's liability under this Extension in total for all claims or series of claims, arising out of any one original cause, shall not exceed £25,000.

For the purpose of this Extension:

Failure of Electricity shall mean:

The accidental total or partial failure of the public supply of electricity at the terminal point of the supply undertaking's service feed to the Premises.

Failure of Gas shall mean:

The accidental total or partial failure of the public supply of gas at the supply undertaking's meters at the Premises.

Failure of Water shall mean:

The accidental total or partial failure of the public supply of water at the supply undertaking's main stop cock serving the Premises (other than by drought).

Failure of Telecommunications shall mean:

The accidental total or partial failure of the public supply of telecommunications services at the incoming line terminals or receivers at the Premises.

Notwithstanding the Definition of Indemnity Period under this Section, for the purpose of this Extension, Indemnity Period shall mean:

The period beginning with the failure of the public supply and ending when the results of the Business shall cease to be affected by such failure.

Any cover for loss in respect of Gross Profit or Gross Revenue, as insured by this Section, resulting from interruption to or interference with the Business in consequence of Damage to jigs, models, templates, moulds, dies, tools, plans, drawings or designs, all the property of the Insured or held by them in trust for which they are responsible, is extended to include:

#### **P Patterns at Third Party Premises**

Such loss at the premises of the undernoted, in the United Kingdom, Channel Islands or the Isle of Man, which are not owned or occupied by the Insured, and will be deemed to be loss resulting from Damage to property used by the Insured at the Premises for the purposes of the Business:

- a** machine makers;
- b** engineers;
- c** founders; and
- d** other metal workers.

Provided that after the application of all the terms, definitions, conditions, clauses and exclusions, of the Policy, the Company's liability in total for all claims or series of claims, arising out of any one original cause, shall not exceed the Estimated Gross Profit or Estimated Gross Revenue, limit of liability.

## **Clauses**

The following Clauses apply to this Section.

### **1 Departmental**

If the Business is conducted in departments, the independent trading results of which are ascertainable, the provisions of items a and b of the Estimated Gross Profit or Estimated Gross Revenue or Estimated Gross Rentals, when insured under this Section, under Basis of Cover in this Section shall apply separately to each department affected by the Damage.

### **2 Payments on Account**

Payments on account will be made to the Insured during the Indemnity Period if desired.

### **3 Accumulated Stocks**

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in Turnover (where applicable) due to the Damage, is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of raw materials, work in progress or finished goods, at the Premises or elsewhere.

### **4 Renewal Clause**

**(applicable to Estimated Gross Profit or Estimated Gross Revenue or Estimated Gross Rentals)**

The Insured shall, prior to each renewal of the Policy, provide the Company with the Estimated Gross Profit or Estimated Gross Revenue or Estimated Gross Rentals, whichever is applicable, for the financial year most nearly concurrent with the ensuing period of insurance, or a proportionately increased multiple thereof where the Indemnity Period exceeds 12 months.

### **5 Standing Charges**

**(applicable to Estimated Gross Profit)**

If any of the standing charges of the Business are not insured by this Section (having been deducted in arriving at the Gross Profit as defined herein) then in computing the amount recoverable hereunder as increase in cost of working, that proportion only of any additional expenditure shall be brought into account which the Gross Profit bears to the sum of the Gross Profit and the uninsured standing charges.

### **6 Premium Adjustment Clause**

**(applicable to Estimated Gross Profit or Estimated Gross Revenue or Estimated Gross Rentals)**

The first and annual premiums in respect of Estimated Gross Profit or Estimated Gross Revenue or Estimated Gross Rentals, whichever is applicable, are provisional and are based on the Estimated Sum Insured.

The Insured shall provide the Company not later than six months after the expiry of each Period of Insurance a declaration confirmed by the Insured's auditors of the Gross Profit or Gross Revenue or Gross Rentals, whichever is applicable, earned during the financial year most nearly concurrent with such Period of Insurance.

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

If the declaration (adjusted as provided above and proportionately increased where the Indemnity Period exceeds 12 months):

- a** is less than the Estimated Gross Profit or Estimated Gross Revenue or Estimated Gross Rentals, whichever is applicable, for the relative Period of Insurance, the Company will allow a pro rata return of the premium paid but not exceeding one half of such premium; or

- b** is greater than the Estimated Gross Profit or Estimated Gross Revenue or Estimated Gross Rentals, whichever is applicable, for the relative Period of Insurance, a pro rata addition to the premium paid shall be immediately payable by the Insured to the Company.

## **7 Monthly Records (applicable to Outstanding Debit Balances)**

The Insured shall at the end of each month record the total amount of debit balances outstanding as set out in Customers Accounts' at that date and such record shall be kept at a place other than the Insured's own premises. If the recorded amount exceeds the Sum Insured applicable at the date of such record then, for the purposes of this Clause only, the Insured shall be deemed to have recorded such Sum Insured.

## **8 Reinstatement of Losses**

Unless written notice to the contrary is given by either the Company or the Insured, the Sums Insured (or any other stated limit of liability) under this Section shall not be reduced by the amount of any loss and the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the Expiry Date of the Period of Insurance (as stated in the Schedule).

This Clause does not apply where the Sum Insured (or any other stated limit of liability) is applied as a maximum in any one Period of Insurance.

## **9 Alternative Trading**

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

## **10 Index Linking**

The Sums Insured in respect of Estimated Gross Profit or Estimated Gross Revenue and Outstanding Debit Balances, are subject to Index Linking.

## **11 Value Added Tax**

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

## **Exclusions**

**The Company shall not be liable under this Section for:**

- 1** loss arising directly or indirectly from:
  - a** erasure, loss, distortion or corruption, of information on computer systems or other records, programmes or software, caused deliberately by rioters, strikers, locked out workers, persons taking part in labour disturbances or civil commotion or malicious persons; or
  - b** other erasure, loss, distortion or corruption, of information on computer systems or other records, programmes or software, unless resulting from any of the Perils 1 to 12 of Section 1: Material Damage of this Policy in so far as it is not otherwise excluded; or
- 2** loss for which more specific insurance applies under any of Sections 11 to 14, of this Policy.

# Section 3: Goods in Transit

In the event of Damage to Property In Transit by the Method of Conveyance stated as letter A and/or B, in the Schedule, within the Territorial Limits and occurring during the Period of Insurance, the Company will subject to the Limit of Liability under this Section pay to the Insured the value of such Property or the amount of the Damage at the time of such Damage or, at its own option, replace or repair such Property.

## Definitions

**The definitions which apply to this Section are in addition to the General Definitions.**

### Property

Merchandise and goods (including tools), used in connection with the Business belonging to or the responsibility of the Insured.

### In Transit

#### 1 In respect of Method of Conveyance A:

Whilst the Property is being loaded upon, carried by, temporarily housed upon or being unloaded from the vehicle and concluding when the Property has either been placed at the Premises or receipt acknowledged by the consignee. This shall include a period of temporary garaging not exceeding 30 days during the journey.

#### 2 In respect of Method of Conveyance B:

Whilst the Property is in the custody or control of the carrier until delivered to the consignee's premises and receipt acknowledged or in the case of return transit, placed at the Insured's Premises. This shall include a period of temporary garaging not exceeding 30 days during the journey.

### Method of Conveyance

**A** Vehicles owned or operated, by the Insured (including by such vehicles involving sea or air transits, between the territories in the Territorial Limits).

**B** Carriers other than the Insured by means of road, rail or air freight.

### Territorial Limits

The United Kingdom, the Channel Islands, the Isle of Man and the Republic of Ireland.

### Limit of Liability

The liability of the Company under this Section in total for all claims or series of claims, arising out of any one original cause, at any one location and to any one load or combination of loads of Property In Transit, which shall not exceed the Sums Insured.

## Extensions

In the event of Damage to Property In Transit by Method of Conveyance A for which the Company has admitted liability under this Section, the insurance provided by this Section extends to include:

### A Damage to Packing Materials

Damage to packing materials, pallets, protective sheeting, ropes, tarpaulins, chains and toggles, belonging to the Insured, while being carried on the vehicle, subject to a limit of £10,000 in total for all claims or series of claims, arising out of any one original cause;

### B Transfer Costs

The additional costs necessarily incurred in transferring such Property to another vehicle and carrying to the original destination, consequent upon fire or overturning or collision of the conveying vehicle, subject to a limit of £10,000 in total for all claims or series of claims, arising out of any one original cause;

### C Reloading Costs

The additional costs necessarily incurred in:

**a** reloading such Property which has fallen from the conveying vehicle; or

**b** resecuring such Property where there is a dangerous movement of the load,

subject to a limit of £10,000 in total for all claims or series of claims, arising out of any one original cause;

### D Debris Removal Costs

The additional costs necessarily incurred in removing debris, consequent upon Damage to the Property In Transit, subject to a limit of £10,000 in total for all claims or series of claims, arising out of any one original cause;

### E Personal Effects

Damage to personal effects belonging to the driver and/or attendant, whilst carried in any vehicle which is conveying Property In Transit, up to an amount not exceeding £500 per person in total for all claims or series of claims, arising out of any one original cause; and

### F Substituted Vehicles

Damage to Property In Transit arising out of the use of any vehicle substituted by the Insured whilst their own vehicle is undergoing service or repair, up to an amount not exceeding the Sum Insured applicable to the vehicle undergoing service or repair in total for all claims or series of claims, arising out of any one original cause.



Clauses

The following Clauses apply to this Section.

1 Reinstatement (Tools) Clause

In the event of tools used by the Insured in connection with the Business and insured by this Section being subject to Damage, the basis upon which the amount payable in respect of such property is to be calculated, shall be the cost of Reinstatement subject to the Provisions set out below.

“Reinstatement” means:

- A the replacement of property lost or destroyed; or
- B the repair or restoration, of property damaged,
- in either case to a condition substantially the same as but not better or more extensive than its condition when new.

Provisions

- 1 No payment beyond the amount which would have been payable had this Clause not been operative shall be made:

a unless the work of Reinstatement is commenced and carried out with reasonable despatch;

b until the cost of Reinstatement has been incurred; and

c unless any other insurance covering the Insured's interest in the property at the time of Damage is on the same basis of Reinstatement as this Policy,

and if no such payment is made, then the rights and liabilities of the Company and the Insured, shall be those which would have applied had this Clause not been operative.
- 2 In the event of partial Damage to such property, the Company's liability for any loss shall not exceed the cost which would have been incurred had such property been totally destroyed.

2 Average

Each Sum Insured by this Section is similarly but separately subject to Average, as defined in the General Definitions.

3 Reinstatement of Losses

Unless written notice to the contrary is given by either the Company or the Insured, the Sums Insured (or any other stated limit of liability) under this Section shall not be reduced by the amount of any loss and the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the Expiry Date of the Period

of Insurance (as stated in the Schedule).  
This Clause does not apply where the Sum Insured (or any other stated limit of liability) is applied as a maximum in any one Period of Insurance.

Conditions

The following Conditions apply to this Section.

It is a condition precedent to the liability of the Company that:

- 1 in respect of Method of Conveyance A, that whenever the loaded vehicle is left unattended during The Periods set out below then the corresponding Security Measures stated below shall apply:

The Periods	Security Measures to Apply
a Between the hours of 6am and 9pm	1
b Between the hours of 9pm and 6am	1 and 2

Security Measure 1

All keys must be removed from the vehicle, all doors and similar openings be locked, all windows be tightly closed and any special locking devices, immobilisers or alarms fitted be in operation.

Security Measure 2

The vehicle must be housed in a locked building or in an open vehicle enclosure which is securely locked and/or guarded under constant surveillance.

- 2 the Insured shall keep their vehicles in a good state of repair and in efficient roadworthy condition.
- 3 in respect of Method of Conveyance B, the Insured shall obtain a receipt from the carrier for all Property sent and if requested by the Company, produce it in the event of any claim.

Excess

This Section does not cover and the Company shall not be liable for the amount of the Excess stated in the Schedule being the first part of each and every claim, in respect of Damage arising out of any one original cause at any one location and to any one load or combination of loads of Property In Transit.

All claims or series of claims arising out of any one original cause, will be treated as one claim.

## Exclusions

**The Company shall not be liable under this Section for Damage to any Property In Transit arising out of or attributable to:**

- 1** wear and tear, deterioration, contamination, mildew, damp, rust, corrosion, insect or vermin;
- 2** inherent vice, latent defect, action of light or atmospheric or climatic conditions;
- 3** spillage, leakage, evaporation, loss of weight or shrinkage;
- 4** mechanical and/or electrical derangement or breakdown;
- 5** electrical or magnetic injury, disturbance or erasure, of electronic records; or
- 6** breakdown of refrigeration and/or insufficient insulation, unless caused by or directly traceable to fire, lightning or collision or overturning of the conveying vehicle;
- 7** defective or inadequate packing or insufficient addressing; or
- 8** delay, confiscation, requisition, embargo or nationalisation, by or by order of the government or any public authority;

**The Company also shall not be liable under this Section in respect of:**

- 9** explosives or other dangerous goods (the term “dangerous goods” means goods specified in the Special Classification of Dangerous Goods issued by the railway authorities or otherwise not accepted for rail transport on the grounds of their dangerous or hazardous nature);
- 10** money and other negotiable instruments of every description, securities, deeds, Bonds, bills of exchange, promissory notes, jewellery, precious stones and metals and articles made therefrom, bullion, furs and livestock;
- 11** Property carried by the Insured for hire or reward;
- 12** Damage to Property in or on soft topped, open topped, open sided or curtain sided vehicles, caused by theft or attempted theft (unless the conveying vehicle is stolen at the same time) or storm; or
- 13** depreciation, loss of market or any other loss arising as an indirect consequence of the Damage.

**The Company shall not be liable under this Section for:**

- 14** loss insured by a fidelity guarantee insurance; or
- 15** any claim for which more specific insurance applies under any of Sections 11 to 14, of this Policy.

# Section 4: Loss of Business Money

The Company will indemnify the Insured for Damage, by any cause not excluded, to Money and Non-negotiable Currency, in any of the Situations occurring during the Period of Insurance.

Provided that the liability of the Company under this Section in total for all claims or series of claims, arising out of any one original cause, shall in no case exceed in respect of:

- 1 Money, the Maximum Amounts stated in the Schedule against each Situation; and
- 2 Non-negotiable Currency, the Maximum Amount stated in the Schedule for Non-negotiable Currency.

## Definitions

The definitions which apply to this Section are in addition to the General Definitions.

### Money

Cash, Bank and Currency Notes, Uncrossed Cheques, Girocheques, Postal Orders or Money Orders, unused current Postage Stamps, unaffixed National Insurance Stamps, National Savings and Holidays with Pay Stamps, Trading Stamps, Luncheon Vouchers, Mobile Phone Talk Vouchers, Gift Tokens, Consumer Redemption Vouchers, Travel Tickets, validated tickets for the National Lottery and Gaming Machine Tokens, all belonging to the Insured or for which responsibility has been accepted by the Insured, in connection with the Business.

### Non-negotiable Currency

Crossed Cheques, Girocheques, Postal Orders, Money Orders, Bankers' Drafts, or Giro Drafts, Unexpired Units in Franking Machines, Stamped National Insurance Cards, National Savings Certificates, Premium Bonds, Credit and Debit Card Sales Vouchers and Value Added Tax Purchase Invoices, all belonging to the Insured or for which responsibility has been accepted by the Insured, in connection with the Business.

### Situations

#### a Transit/Contract Sites

In transit in the custody of the Insured or any authorised person acting on behalf of the Insured or by registered post or at any of the Insured's contract sites while the Employees are working at such sites.

#### b Bank Night Safe

In a bank night safe.

#### c Premises During Business Hours

In an enclosed building at the Premises during Business Hours (not in an automated teller machine).

#### d Premises Outside Business Hours In Safe

In a locked safe (as agreed with the Company) in an enclosed building in the Business portion at the Premises outside Business Hours.

#### e Premises Outside Business Hours Not In Safe

Not in a locked safe or automated teller machine, in an enclosed building at the Premises outside Business Hours.

#### f Travellers/Collectors

In the custody of travellers and collectors, for a maximum period of 24 hours but not in private dwellings.

#### g Private Dwellings

In the private dwelling of the Insured or any partner of the Insured or director of the Insured or Employee if authorised by the Insured.

#### h ATM

Whilst within any automated teller machine (ATM) at the Premises:

- a in an enclosed building; or
  - b externally fitted in a building,
- at the Premises and where the filling of such automated teller machine is the responsibility of the Insured.

## Extensions

The insurance provided by this Section extends to include the following:

### 1 Damage to Safes

Damage to:

- a any safe, strongroom, franking machine or automated teller machine for which the Insured is responsible; and
- b any container or waistcoat, whilst being used for carrying Money,

resulting from theft or attempted theft of Money, up to an amount not exceeding the cost of repair or replacement.

### 2 Damage to Personal Effects

Damage to clothing and personal effects (including money), belonging to the Insured or any partner of the Insured or director of the Insured or Employee, resulting from theft or attempted theft of Money, up to an amount not exceeding £1,000 for any one person in total for all claims or series of claims, arising out of any one original cause.



### 3 Credit Cards

The Company will indemnify the Insured for any amount for which the Insured becomes liable under the terms of issue of any bank charge, credit, debit or cash card, used only in connection with the Business following fraudulent use by any unauthorised person. The liability of the Company shall not exceed £500 for the total of all claims under this Extension during any one Period of Insurance.

Provided that the Insured reports the loss to the issuing company immediately and to the police within 24 hours of discovering the loss and has complied with the conditions of issue of the card.

### Clause

The following Clause applies to this Section.

#### Reinstatement of Losses

Unless written notice to the contrary is given by either the Company or the Insured, the Maximum Amounts stated in the Schedule (or any other stated limit of liability) under this Section, shall not be reduced by the amount of any loss and the Insured shall pay the appropriate extra premium on the amount of the loss from the date of the loss to the Expiry Date of the Period of Insurance (as stated in the Schedule).

This Clause does not apply where the Maximum Amount stated in the Schedule (or any other stated limit of liability) is applied as a maximum in any one Period of Insurance.

### Conditions

The following Conditions apply to this Section.

It is a condition precedent to the liability of the Company that:

#### 1 Money Records

A complete record of all Money and Non-negotiable Currency, on the Premises, must be kept in a secure place other than in any safe or other receptacle, containing the Money or Non-negotiable Currency.

#### 2 Safe Keys

Safe keys be removed from the Premises outside Business Hours.

#### 3 Safes

Details of the safes used for containing Money must be lodged with the Company by the Insured.

### 4 Cash Tills

After Business Hours all cash tills must have their drawers left open with all contents other than small change removed elsewhere.

### 5 Transit Limits

Money (other than Non-negotiable Currency) in transit must be accompanied by the following numbers of responsible persons

Amount of Money in transit at any one time	Accompaniment requirement
Up to and including £3,000	1 person
Over £3,000 up to and including £6,000	2 persons
Over £6,000 up to and including £12,000	3 persons
Over £12,000	Approved security company

### 6 Theft Protections

All fastenings and protections on the Premises at the Effective Date of the Period of Insurance (as stated in the Schedule) and all additional fastenings and protections which have been stipulated by the Company, shall be maintained during the Period of Insurance and put into full and effective operation at all times outside Business Hours.

### 7 Intruder Alarm

Also applicable to this Section is Condition 2 as set out in Section 1: Material Damage of this Policy, if such Condition is operative under Section 1, for the Premises concerned.

### 8 Automated Teller Machine

In respect of Damage to Money whilst within any automated teller machine (ATM) where insured by this Section:

- a such ATM must be emptied at the end of each working day and the money within transferred to a safe approved by the Company for the amount of cash involved. Such transfer is to be carried out only after the Premises has been cleared of all customers then locked to deny further access to the Premises and whilst there are at least two responsible persons present in the Premises during the transfer. Alternatively the cash must be deposited in a bank night safe with the transfer to the bank being undertaken in accordance with the Transit Limits requirement in Condition 5 of this Section.

- b** outside of Business Hours the ATM door and security container within must be left open, empty and unlocked.
- c** whenever the ATM is opened, the Premises concerned must be cleared of all customers then locked to deny further access to the Premises and at least two responsible persons are to be present in the Premises.
- d** notices must be prominently displayed within the Premises concerned stating that the ATM is protected by a smoke generating and/or banknote degradation system and holds no cash outside of working hours.

## Exclusions

### **The Company shall not be liable under this Section for Damage:**

- 1** arising from fraud or dishonesty of any partner of the Insured or director of the Insured or Employee, if not discovered within 14 working days of the occurrence of the Damage;
- 2** insured by a fidelity guarantee insurance;
- 3** from unattended motor vehicles;
- 4** arising from the use of any form of payment which proves to be counterfeit, false, fraudulent, invalid, uncollectible or irrecoverable, for any reason;
- 5** occurring outside the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland; or
- 6** due to errors, omissions, depreciation in value, loss of market or indirect loss of any kind.

# Section 5: Personal Accident (Assault)

In the event of Injury to any Insured Person during the Period of Insurance whilst engaged in their occupation in the Business, which within 24 months is the sole cause of any of the Contingencies detailed below, the Company will pay under this Section the Benefits stated in the Schedule (unless otherwise stated in this Section), to the Insured or their legal representative.

## Definitions

The definitions which apply to this Section are in addition to the General Definitions.

### Injury

Accidental bodily injury caused solely and directly by violence occurring during theft or attempted theft of Money or Non-negotiable Currency, defined in Section 4: Loss of Business Money of this Policy, at any of the Situations described in Section 4 of this Policy or of other property from the Premises during Business Hours.

### Insured Person

The Insured or any partner of the Insured or director of the Insured or Employee, aged not less than 16 years or more than 75 years.

### Contingencies

- 1 Death (which shall not be presumed by the disappearance of the Insured Person)
- 2 Loss of Limbs or Sight
- 3 Permanent Total Disablement
- 4 Temporary Total Disablement
- 5 Temporary Partial Disablement
- 6 Medical Expenses

### Loss of Limbs

Physical separation of one or more hands or feet or permanent and total loss of use of one or more hands or feet.

### Loss of Sight

Total and irrecoverable loss of sight in one or both eyes.

### Permanent Total Disablement

A disablement which permanently and continuously disables the Insured Person totally and absolutely from attending to their usual occupation, not being disablement following Loss of Limbs or Loss of Sight.

### Temporary Total Disablement

A disablement which prevents the Insured Person from continuously attending to their usual occupation.

### Temporary Partial Disablement

A disablement which prevents the Insured Person from engaging in or giving attention to a substantial part of their usual occupation.

### Medical Expenses

The cost of medical, surgical or other remedial attention, treatment or appliances, given or prescribed by a qualified member of the medical profession and all hospital nursing home and ambulance charges.

### Extension

The insurance provided by this Section extends to include the following:

#### Victim Support

If as a result of the theft or attempt thereof of Money or other non-negotiable Currency, at any of the situations under Section 4: Loss of Business Money of this Policy or of other property from the Premises during Business Hours, the Insured Person shall suffer social and/or emotional impairment following assault or violence, or threat thereof, the Company shall pay the fees for professional counselling but not exceeding:

- a any hourly cost of more than £40;
- b £1,000 for any Insured Person in total for all claims or series of claims, arising out of any one original cause; and
- c £5,000 in total for all Insured Persons and in total for all claims or series of claims, arising out of any one original cause.

### Conditions

The following Conditions apply to this Section.

- 1 The following Benefit limitations apply:
  - a No further Benefit shall be payable to the same Insured Person after payment of any Benefit for Injury under Contingencies 2 or 3.
  - b Benefit under Contingency 3 is not payable before 104 weeks from the date of Injury or following a payment of Benefit under Contingency 2.
  - c Any Benefit paid under Contingency 4 shall be deducted from any Benefit thereafter becoming payable under Contingencies 1, 2 or 3.

- d** Benefit under Contingencies 4 or 5 or any combination thereof:
  - i** is payable for a maximum of 104 weeks from the date of commencement of the first of these Contingencies to occur.
  - ii** shall be payable when the total amount has been agreed by the Company or at the request of the Insured at intervals of not less than four weeks (but not in advance) commencing four weeks after receipt by the Company of written notice of the Injury for which the Benefit is to be paid by the Company.
- e** Benefit under Contingency 5 is payable at a rate of 25% of the amount payable as Benefit under Contingency 4.
- f** Benefit under Contingency 6 shall be reimbursement up to a sum of £1,000.
- 2** In the event of death of an Insured Person, the Company shall be entitled to have a post-mortem examination at its own expense.
- 3** In the event of disablement of an Insured Person, the Insured Person must immediately place himself under the care of a qualified medical practitioner and, as often as may be required, submit to medical examination at the Company's expense.
- 4** All certificates, information and evidence, required by the Company, shall be furnished at the expense of the Insured under this Section and shall be in such form and of such nature as the Company shall prescribe.

## Exclusion

The Company shall not be liable under this Section in respect of any death or disablement attributable to or accelerated by any pre-existing physical or mental condition.

# Section 6: Employers' Liability

The Company will, subject to the Indemnity Limit, indemnify the Insured under this Section against:

- 1 **a** all sums which the Insured shall become legally liable to pay as damages (including interest thereon); and
- b** claimants' costs and expenses, if the Insured is ordered to pay them or paid with the Company's written consent, in respect of an Occurrence;
- 2 all costs and expenses, incurred by the Insured with the Company's written consent in defending any claim under this Section; and
- 3 the solicitor's fees incurred with the Company's written consent for representation at proceedings in any court of summary jurisdiction in respect of any alleged act causing or relating to any Occurrence which may be the subject of indemnity under this Section or at any coroner's inquest or fatal accident inquiry.

## Definitions

The definitions which apply to this Section are in addition to the General Definitions.

### Bodily Injury

Bodily injury which shall include death, disease or illness.

### Business

For the purpose of this Section only, the General Definition of Business is extended to include:

- a** the ownership, repair, maintenance and decoration of the Premises;
- b** private work undertaken by any Employee for the Insured, or with the Insured's consent, for any director of the Insured or partner of the Insured or other Employee; and
- c** the provision and management of canteen, sports, social and welfare organisations, for the benefit of Employees and fire, security, first aid, medical and ambulance services.

### Indemnity Limit

The Company's liability (inclusive of interest thereon and all costs and expenses) under this Section payable in respect of any one Occurrence or in the aggregate in respect of a series of Occurrences arising out of any one original cause, shall not exceed the Indemnity Limit stated in the Schedule.

### Occurrence

Bodily Injury caused to any Employee anywhere within the Territorial Limits during the Period of Insurance and arising out of and in the course of employment or engagement, of such person by the Insured in the Business.

### Territorial Limits

The United Kingdom, the Channel Islands and the Isle of Man.

### Extensions

The insurance provided by this Section is extended to include the following:

#### A Court Attendance Costs

In the event of any of the undernoted persons attending court as a witness at the request of the Company in connection with a claim in respect of which the Insured is entitled to indemnity under this Section, the Company will pay compensation to the Insured at the following rates per day for each day on which attendance is required:

- |  |       |
|--|-------|
| <b>a</b> any director of the Insured or partner of the Insured | £500  |
| <b>b</b> any Employee  | £250. |

#### B Cross Liabilities

Where the Insured comprises more than one party, the Company will treat each party as the Insured as if a separate Policy had been issued to each provided that nothing in this Extension will increase the liability of the Company beyond the amount for which the Company would have been liable had this Extension not applied.

#### C Health and Safety at Work etc. Act 1974

The Company will indemnify the Insured and, at the Insured's request, any director of the Insured or partner of the Insured or any Employee, against legal costs and expenses, incurred in defending prosecutions for a breach of the Health and Safety at Work etc. Act 1974 or similar legislation in Northern Ireland, the Channel Islands or the Isle of Man, committed or alleged to have been committed in the course of the Business during the Period of Insurance.

The Company will also pay prosecution costs for which the Insured is legally liable and any costs incurred with the Company's written consent, in appealing against any judgment given.

Provided that this indemnity shall not apply to the payment of fines or penalties.

## D Indemnity to Principals

The Company will, at the request of the Insured, indemnify any principal to the extent required by a contract between the Insured and the principal, in respect of legal liability arising from the performance of work by the Insured for such principal.

Provided that:

- a the Company shall retain sole conduct and control of any claim; and
- b the principal shall observe, fulfil and be subject to the terms, definitions, conditions, clauses and exclusions, of this Policy, in so far as they can apply.

## E Indemnity to Others

The Insured shall also include:

- a personal representatives of the Insured in the event of the death of the Insured, but only in respect of legal liability incurred by the Insured; and
- b if the Insured so requests:
  - i any director of the Insured or partner of the Insured or Employee, while acting in connection with the Business, provided that the Insured would have been entitled to indemnity under this Section if the claim had been made against the Insured; and
  - ii any officer or member, of the Insured's canteen, sports, social or welfare organisations and fire, security, first aid, medical and ambulance services, in his/her respective capacity as such.

Provided that such persons shall observe, fulfil and be subject to the terms, definitions, conditions, clauses and exclusions, of this Policy, in so far as they can apply.

## F Unsatisfied Court Judgments

In the event of a judgment for damages being obtained by any Employee or the personal representatives of any Employee, in respect of Bodily Injury caused to the Employee during any Period of Insurance and occurring in connection with the Business against any person or company, operating from premises within the Territorial Limits in any court situated in the Territorial Limits and remaining unsatisfied in whole or in part six months after the date of such judgment, the Company will, at the Insured's request, pay to the Employee or the personal representatives of the Employee the amount of such damages and any awarded costs, to the extent that they remain unsatisfied.

Provided that:

- a there is no appeal outstanding; and
- b if any payment is made under the terms of this Extension, the Employee or the personal representatives of the Employee, shall assign the judgment to the Company.

## G Work Overseas

The indemnity provided under this Section is extended to apply in respect of legal liability for Bodily Injury caused to an Employee whilst temporarily engaged in work outside the Territorial Limits in connection with the Business provided that such Employee is ordinarily resident within the Territorial Limits.

## H Corporate Manslaughter and Corporate Homicide Act 2007

The Company will indemnify the Insured against legal costs and expenses, incurred with the Company's prior written consent, in defence of any criminal proceedings (including any appeal against conviction arising from such proceedings) brought in respect of a charge, or investigations in connection with a charge, of corporate manslaughter or corporate homicide, under the Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Isle of Man or the Channel Islands, committed or alleged to be committed in the course of the Business during the Period of Insurance.

Provided that:

- a the Company's liability under this Extension shall be limited to a maximum amount of £1,000,000 in the aggregate and in any one Period of Insurance;
- b this Extension shall only apply to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands;
- c the Company must consent to the appointment of any solicitor or counsel, acting on behalf of the Insured;
- d the Insured shall immediately notify the Company of receipt of any summons or other process, served upon the Insured, which may give rise to proceedings arising from the cover under this Extension; and
- e before the Company consent to fund any appeal, advice must have been received from Counsel that there is a strong probability that the appeal will be successful. Any information in support of this assertion requested by the Company shall be supplied by the Insured.



It is understood that the Company will have no liability under this Extension:

- i if the Insured have committed any deliberate or intentional criminal act that gives rise to a charge of corporate manslaughter or corporate homicide;
- ii for any fines or penalties, of any kind; or
- iii where the Insured can obtain indemnity for the costs of defending a criminal proceeding in relation to corporate manslaughter or corporate homicide, from any other source or insurance or where but for the existence of this Extension the Insured would have obtained indemnity from any other source or insurance.

## Conditions

The following Conditions apply to this Section.

### 1 Provisions of Law

The indemnity provided by this Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of legal liability to Employees within the Territorial Limits but the Insured shall repay to the Company all sums paid by the Company which the Company would not have been liable to pay but for the provisions of such law.

### 2 Certificate of Employers Liability Insurance

If this Policy or Section is cancelled, any Certificate of Employers Liability Insurance shall be similarly cancelled from the same date.

## Exclusions

The Company shall not be liable under this Section in respect of Bodily Injury:

- 1 caused to any Employee (other than the driver) being carried in or upon a motor vehicle or entering or getting onto or alighting from a motor vehicle, where such Bodily Injury is caused by or arises out of the use by the Insured of a motor vehicle on a road. For the purpose of this Exclusion the expressions "motor vehicle", "use" and "road", shall have the same meanings as they are used in Section VI of the Road Traffic Act 1988; or
- 2 arising in connection with any visits to or work on, any offshore rig or platform. A visit to or work on, any offshore rig or platform, shall be deemed to commence at the time of embarkation onto a conveyance at the point of final departure to such rig or platform and continue until the time of disembarkation from a conveyance onto land on return from such offshore rig or platform.

# Section 7: Public Liability

The Company will, subject to the Indemnity Limit, indemnify the Insured under this Section against:

- 1 **a** all sums which the Insured shall become legally liable to pay as damages (including interest thereon); and
  - b** claimants' costs and expenses, if the Insured is ordered to pay them or paid with the Company's written consent,
- in respect of the Occurrences;
- 2 all costs and expenses, incurred by the Insured with the Company's written consent in defending any claim under this Section; and
  - 3 the solicitor's fees incurred with the Company's written consent for representation at proceedings in any court of summary jurisdiction in respect of any alleged act causing or relating to any Occurrence which may be the subject of indemnity under this Section or at any coroner's inquest or fatal accident inquiry.

## Definitions

The definitions which apply to this Section are in addition to the General Definitions.

### Asbestos

Asbestos, asbestos fibres or any derivatives of asbestos.

### Bodily Injury

Bodily injury which shall include death, disease or illness.

### Business

For the purpose of this Section only, the General Definition of Business is extended to include:

- a** the ownership, repair, maintenance and decoration of the Premises;
- b** private work undertaken by any Employee for the Insured or, with the Insured's consent, for any director of the Insured or partner of the Insured or other Employee; and
- c** the provision and management of canteen, sports, social and welfare organisations, for the benefit of Employees and fire, security, first aid, medical and ambulance services.

### Craft

Any vessel or craft or thing, made or intended to float on or in or travel through water, air or space.

### Indemnity Limit

The Company's liability under this Section for all damages (including interest thereon) payable in respect of any one Occurrence or in the aggregate in respect of a series of

Occurrences arising out of any one original cause, shall not exceed the Indemnity Limit stated in the Schedule.

### Occurrences

- 1 accidental Bodily Injury to any person;
- 2 Damage to Property;
- 3 accidental obstruction, trespass, nuisance or interference with any easement of air, light, water or way; or
- 4 wrongful arrest, detention, imprisonment or eviction of any person, malicious prosecution or invasion of the right of privacy,

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

### Pollution or Contamination

- a** All pollution or contamination of buildings or other structures or of water or land or the atmosphere; and
- b** all Damage or Bodily Injury, directly or indirectly caused by such pollution or contamination.

### Products Supplied

Any goods (including their containers, packaging, labelling and instructions for use) manufactured, sold, supplied, hired out, repaired, renovated, serviced, altered, erected, installed or treated, by or on behalf of the Insured, in connection with the Business and no longer in the charge or control of the Insured.

### Property

Material property.

### Territorial Limits

The United Kingdom, the Channel Islands and the Isle of Man.

### Extensions

The insurance provided by this Section is extended to include the following:

#### A Court Attendance Costs

In the event of any of the undernoted persons attending court as a witness at the request of the Company in connection with a claim in respect of which the Insured is entitled to indemnity under this Section, the Company will pay compensation to the Insured at the following rates per day for each day on which attendance is required:

- |  |       |
|--|-------|
| <b>a</b> any director of the Insured or partner of the Insured | £500  |
| <b>b</b> any Employee  | £250. |

## B Health and Safety at Work etc. Act 1974

The Company will indemnify the Insured and, at the Insured's request, any director of the Insured or partner of the Insured or any Employee, against legal costs and expenses, incurred in defending prosecutions for a breach of the Health and Safety at Work etc. Act 1974 or similar legislation in Northern Ireland, the Channel Islands or the Isle of Man, committed or alleged to have been committed in the course of the Business during the Period of Insurance.

The Company will also pay prosecution costs for which the Insured is legally liable and any costs incurred with the Company's written consent, in appealing against any judgment given.

Provided that this indemnity shall not apply to the payment of fines or penalties.

## C Cross Liabilities

Where the Insured comprises more than one party, the Company will treat each party as the Insured as if a separate Policy had been issued to each provided that nothing in this Extension will increase the liability of the Company beyond the amount for which the Company would have been liable had this Extension not applied.

## D Member to Member Liability

The indemnity provided by this Section is extended to indemnify any member of the Insured's sports or social organisations, in respect of legal liability for accidental Bodily Injury or Damage to Property, sustained by fellow members of such organisations while engaged in the activities of such organisations.

## E Indemnity to Principals

The Company will, at the request of the Insured, indemnify any principal to the extent required by a contract between the Insured and the principal, in respect of legal liability arising from the performance of work by the Insured for such principal.

Provided that:

- a** the Company shall retain sole conduct and control of any claim; and
- b** the principal shall observe, fulfil and be subject to the terms, definitions, conditions, clauses and exclusions, of this Policy, in so far as they can apply.

## F Indemnity to Others

The Insured shall also include:

- a** personal representatives of the Insured in the event of the death of the Insured, but only in respect of legal liability incurred by the Insured; and
- b** if the Insured so requests:
  - i** any director of the Insured or partner of the Insured or Employee, while acting in connection with the Business, provided that the Insured would have been entitled to indemnity under this Section if the claim had been made against the Insured; and
  - ii** any officer or member, of the Insured's canteen, sports, social or welfare organisations and fire, security, first aid, medical and ambulance services, in his/her respective capacity as such.

Provided that such persons shall observe, fulfil and be subject to the terms, definitions, conditions, clauses and exclusions, of this Policy, in so far as they can apply.

## G Leased or Rented Premises

Exclusion 4 of this Section shall not apply to legal liability for Damage to any premises (including their fixtures and fittings) leased, rented or hired, to the Insured.

Provided that the indemnity provided by this Section shall not apply to Damage by any cause against which the lease or tenancy agreement stipulates that insurance shall be effected by the lessee or tenant.

## H Defective Premises Act 1972

The indemnity provided by this Section is extended to indemnify the Insured under this Section in respect of legal liability incurred by the Insured under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975, in connection with any business premises or land, disposed of by the Insured.

Provided that this Extension shall not apply to:

- a** the cost of rectifying any damage or defect, in the premises or land disposed of; or
- b** legal liability for which the Insured is entitled to indemnity under any other policy.

## I Overseas Personal Liability

The indemnity provided by this Section is extended to indemnify the Insured and, at the Insured's request, any director of the Insured or partner of the Insured or any Employee, or any family member accompanying them, while temporarily outside the Territorial Limits in connection with the Business against legal liability as provided by this Section incurred in a personal capacity.

Provided that this indemnity shall not apply:

- a** to legal liability arising out of the ownership or tenure of any land or building; or
- b** where indemnity is provided by any other insurance.

## J Data Protection Act 1998

The Company will indemnify the Insured and, at the Insured's request, any director of the Insured or partner of the Insured or any Employee, against the sums which the Insured or any director of the Insured or partner of the Insured or any Employee become(s) legally liable to pay as compensation under Section 13 of the Data Protection Act 1998 for damage or distress, caused in connection with the Business during the Period of Insurance, provided that the Insured is:

- a** registered in accordance with the terms of the Data Protection Act 1998; and
- b** not in business as a computer bureau.

The total amount payable including all costs and expenses, under this Extension, in respect of all claims occurring in the aggregate during any one Period of Insurance is limited to £500,000.

The indemnity provided by this Extension shall not apply to:

- i** any damage or distress, caused by any deliberate act or omission, by the Insured, the result of which could reasonably have been expected by the Insured having regard to the nature and circumstances of such act or omission;
- ii** any damage or distress, caused by any act of fraud or dishonesty;
- iii** the costs and expenses of rectifying, rewriting or erasing data;
- iv** legal liability arising from the recording, processing or provision of data for reward or to determine the financial status of any person; or
- v** the payment of fines or penalties.

## K Work Overseas

The indemnity provided under this Section is extended to apply:

- a** within any member country of the European Union outside of the Territorial Limits where any person is temporarily engaged on the Business of the Insured; and
- b** elsewhere in the world where any person is temporarily engaged in non-manual work in connection with the Business of the Insured,

Provided that such Employee is ordinarily resident within the Territorial Limits.

## L Motor Contingent Liability

Notwithstanding Exclusion 5 under this Section, the indemnity provided by this Section extends to indemnify the Insured against legal liability arising out of the use in the course of the Business of any motor vehicle which is not the property of, nor provided by, the Insured.

Provided that this indemnity shall not apply:

- a** for loss, destruction or damage, to such vehicle or any property contained therein;
- b** whilst such vehicle is being driven by the Insured;
- c** whilst such vehicle is being driven with the consent of the Insured by any person who does not hold a licence to drive such vehicle;
- d** for legal liability for which the Insured is entitled to indemnity under any other insurance; or
- e** for legal liability arising outside the Territorial Limits.

## M Corporate Manslaughter and Corporate Homicide Act 2007

The Company will indemnify the Insured against legal costs and expenses, incurred with the Company's prior written consent, in defence of any criminal proceedings (including any appeal against conviction arising from such proceedings) brought in respect of a charge, or investigations in connection with a charge, of corporate manslaughter or corporate homicide, under the Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Isle of Man or the Channel Islands, committed or alleged to be committed in the course of the Business during the Period of Insurance.

Provided that:

- a** the Company's liability under this Extension shall be limited to a maximum amount of £1,000,000 in the aggregate and in any one Period of Insurance;

- b** this Extension shall only apply to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands;
- c** the Company must consent to the appointment of any solicitor or counsel, acting on behalf of the Insured;
- d** the Insured shall immediately notify the Company of receipt of any summons or other process, served upon the Insured, which may give rise to proceedings arising from the cover under this Extension; and
- e** before the Company consent to fund any appeal, advice must have been received from Counsel that there is a strong probability that the appeal will be successful. Any information in support of this assertion requested by the Company shall be supplied by the Insured.

It is understood that the Company will have no liability under this Extension:

- i** if the Insured have committed any deliberate or intentional criminal act that gives rise to a charge of corporate manslaughter or corporate homicide;
- ii** for any fines or penalties, of any kind; or
- iii** where the Insured can obtain indemnity for the costs of defending a criminal proceeding in relation to corporate manslaughter or corporate homicide, from any other source or insurance or where but for the existence of this Extension the Insured would have obtained indemnity from any other source or insurance.

## Conditions

The following Conditions apply to this Section.

### 1 Costs Inclusive in U.S.A. and Canada

Where indemnity is provided under this Section for liability in respect of Occurrences in the United States of America or Canada or their dependencies or trust territories, the Indemnity Limit stated in the Schedule shall be the maximum amount payable by the Company under this Section inclusive of all costs and expenses.

### 2 Use of Heat

It is a condition precedent to the liability of the Company that the undernoted precautions must be complied with whenever the following equipment is used anywhere other than at the Insured's Premises.

#### a Blow Lamps or Blow Torches

- i** The area in which the blow lamps or blow torches is to be used is cleared of loose combustible material.

- ii** Lighted blow lamps or blow torches are continuously attended and extinguished immediately after use.
- iii** Blow lamps and blow torches are filled only in the open.
- iv** A fire extinguisher, as deemed necessary in accordance with your fire risk assessment or, where such assessment is not required by legislation, a suitable fire extinguisher appropriate for the work being undertaken, is kept available for immediate use within close proximity of the area in which the equipment is to be used.
- v** A thorough examination is made in and about the area in which the work using the equipment has been undertaken, immediately after each period of work and again between 30 and 60 minutes after termination of such work for the day.

#### b Welding or Flame Cutting Equipment

- i** The area in which the welding or flame cutting equipment is to be used is cleared of loose combustible material.
- ii** Other combustible material, including floors in the area in which the welding or flame cutting equipment is to be used, is covered with overlapping sheets of incombustible material.
- iii** Lighted welding or flame cutting equipment is continuously attended and extinguished immediately after use.
- iv** Before applying heat to metal work built into or projecting through walls, partitions, ceilings or floors, examination is made to ensure that the other side of the metal work is not in hazardous proximity to combustible material which may be ignited by direct or conducted heat.
- v** A fire extinguisher, as deemed necessary in accordance with your fire risk assessment or, where such assessment is not required by legislation, a suitable fire extinguisher appropriate for the work being undertaken, is kept available for immediate use within close proximity of the area in which the equipment is to be used.
- vi** A thorough examination is made in and about the area in which the work using the welding or flame cutting equipment has been undertaken, including behind walls, partitions, ceilings or floors, immediately after each period of work and again between 30 and 60 minutes after termination of such work for the day.



### c Vessels for Heating of Bitumen or Bituminous Compounds

- i Vessels for Heating of Bitumen or Bituminous Compounds are continuously attended and used only in the open whilst heating is taking place.
- ii If used on a roof or within a building such vessels shall be placed on a flat surface of non-combustible material.

## Excesses

The Company shall not be liable for the first amount of each and every claim under this Section in respect of the following Damage occurring elsewhere than at the Premises:

- A Damage to Property other than as described in paragraphs B and C below;
- B Damage to Property arising out of the application of heat or the heating of bitumen or similar bituminous compounds; or
- C Damage to underground pipes or cables,

shown as Excesses A, B and C respectively in the Schedule.

All claims or series of claims, arising out of any one original cause, will be treated as one claim.

## Exclusions

**The Company shall not be liable under this Section in respect of:**

- 1 the cost of replacing or making good faulty, defective or incorrect:
  - a workmanship; or
  - b Products Supplied;
- 2 legal liability arising from advice, design, formula or specification, provided by or on behalf of the Insured for a fee or in circumstances where a fee would normally be charged;
- 3 legal liability for Bodily Injury caused to any Employee arising out of and in the course of such person's employment or engagement, by the Insured in the Business;
- 4 legal liability for Damage to Property belonging to or in the charge of or under the control of the Insured, but this Exclusion shall not apply to property of directors' of the Insured or partners' of the Insured, Employees' or visitors' or any premises (including contents) which are temporarily occupied by the Insured for the purpose of work in connection with the Business (not being buildings which are owned by or leased, rented or hired to the Insured);
- 5 legal liability caused by or arising from the ownership, possession or use by or on behalf of the Insured of any:
  - a Craft other than hand propelled watercraft; or
  - b mechanically propelled vehicle (or trailer attached thereto) licensed for road use, other than legal liability caused by or arising from:
    - i the use of plant as a tool of trade on site or at Premises;
    - ii the loading or unloading of such vehicle; or
    - iii the movement of any such vehicle not the property of the Insured which is interfering with the performance of the Business,
 but this indemnity shall not apply if, in respect of such liability, compulsory insurance or security is required under any legislation governing the use of the vehicle;
- 6 legal liability arising out of Products Supplied other than:
  - a food or drink, sold or supplied for consumption by the Insured's directors, partners, Employees or visitors; or
  - b the disposal of furniture and office equipment, originally intended solely for use by the Insured in connection with the Business and which is no longer required for that purpose;
- 7 liquidated damages, fines or penalties;
- 8 punitive, exemplary or aggravated damages or any additional damages resulting from the multiplication of compensatory damages;
- 9 legal liability in respect of Pollution or Contamination, other than that caused by a sudden identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during any one Period of Insurance provided that:
  - a all Pollution or Contamination, which arises out of any one original cause, shall be deemed to have occurred at the time such original cause takes place;
  - b the liability of the Company under this Section for all damages (including interest thereon) payable in respect of all Pollution or Contamination, which is deemed to have occurred during any one Period of Insurance, shall not exceed in the aggregate the amount of the Indemnity Limit stated in the Schedule; and
  - c this Exclusion does not apply to the United States of America and/or Canada and/or their dependencies or trust territories;



- 10** legal liability in respect of Pollution or Contamination, occurring in the United States of America and/or Canada and/or their dependencies or trust territories;
- 11** legal liability arising in connection with any visits to or work on, any offshore rig or platform. A visit to or work on, any offshore rig or platform, shall be deemed to commence at the time of embarkation onto a conveyance at the point of final departure to such rig or platform and continue until the time of disembarkation from a conveyance onto land on return from such offshore rig or platform;
- 12 a** exposure to;
- b** inhalation of;
- c** fears of the consequences of exposure to or inhalation of; or
- d** the costs incurred by anyone in repairing, removing, replacing, recalling, rectifying, reinstating or managing (including those of any persons under any statutory duty to manage) any property arising out of the presence of,
- Asbestos including any product containing Asbestos; or
- 13** legal liability assumed by the Insured under agreement which would not have attached in the absence of such agreement.

# Section 8: Products Liability

The Company will, subject to the Indemnity Limit, indemnify the Insured under this Section against:

- 1 a** all sums which the Insured shall become legally liable to pay as damages (including interest thereon); and
  - b** claimants' costs and expenses, if the Insured is ordered to pay them or paid with the Company's written consent,
- in respect of the Occurrences;
- 2** all costs and expenses, incurred by the Insured with the Company's written consent in defending any claim under this Section; and
  - 3** the solicitor's fees incurred with the Company's written consent for representation at proceedings in any court of summary jurisdiction in respect of any alleged act causing or relating to any Occurrence which may be the subject of indemnity under this Section or at any coroner's inquest or fatal accident inquiry.

## Definitions

The definitions which apply to this Section are in addition to the General Definitions.

### Asbestos

Asbestos, asbestos fibres or any derivatives of asbestos.

### Bodily Injury

Bodily injury which shall include death, disease or illness.

### Business

For the purpose of this Section only, the General Definition of Business is extended to include:

- a** the ownership, repair, maintenance and decoration of the Premises;
- b** private work undertaken by any Employee for the Insured or, with the Insured's consent, for any director of the Insured or partner of the Insured or other Employee; and
- c** the provision and management of canteen, sports, social and welfare organisations, for the benefit of Employees and fire, security, first aid, medical and ambulance services.

### Indemnity Limit

The Company's liability under this Section for all damages (including interest thereon) payable in respect of all Occurrences in the aggregate during any one Period of Insurance shall not exceed the Indemnity Limit stated in the Schedule.

## Occurrences

- 1** accidental Bodily Injury to any person; or
  - 2** Damage to Property,
- occurring anywhere in the world during the Period of Insurance and caused by any Products Supplied in or from the United Kingdom, the Channel Islands or the Isle of Man.

## Pollution or Contamination

- a** All pollution or contamination of buildings or other structures or of water or land or the atmosphere; and
- b** all Damage or Bodily Injury, directly or indirectly caused by such pollution or contamination.

## Products Supplied

Any goods (including their containers, packaging, labelling and instructions for use) manufactured, sold, supplied, hired out, repaired, renovated, serviced, altered, erected, installed or treated, by or on behalf of the Insured, in connection with the Business and no longer in the charge or control of the Insured.

## Property

Material property.

## Extensions

The insurance provided by this Section is extended to include the following:

### A Court Attendance Costs

In the event of any of the undernoted persons attending court as a witness at the request of the Company in connection with a claim in respect of which the Insured is entitled to indemnity under this Section, the Company will pay compensation to the Insured at the following rates per day for each day on which attendance is required:

- |  |       |
|--|-------|
| <b>a</b> any director of the Insured or partner of the Insured | £500  |
| <b>b</b> any Employee  | £250. |

### B Health and Safety at Work etc. Act 1974

The Company will indemnify the Insured and, at the Insured's request, any director of the Insured or partner of the Insured or any Employee, against legal costs and expenses, incurred in defending prosecutions for a breach of the Health and Safety at Work etc. Act 1974 or similar legislation in Northern Ireland, the Channel Islands or the Isle of Man, committed or alleged to have been committed in the course of the Business during the Period of Insurance.

The Company will also pay prosecution costs for which the Insured is legally liable and any costs incurred with the Company's written consent, in appealing against any judgment given.

Provided that this indemnity shall not apply to the payment of fines or penalties.

### C Consumer Protection and Food Safety Acts

The Company will indemnify the Insured and, at the Insured's request, any director of the Insured or partner of the Insured or Employee, against legal costs and expenses, incurred with the Company's written consent in connection with the defence of any proceedings or an appeal against conviction arising from such proceedings, brought for a breach of:

- a Part 2 of the Consumer Protection Act 1987; or
- b Section(s) 7, 8, 14 and/or 15 of the Food Safety Act 1990,

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

Provided that this indemnity shall not apply to:

- i the payment of fines or penalties;
- ii proceedings or appeals in respect of any deliberate act or omission by any director of the Insured or partner of the Insured or Employee; or
- iii costs or expenses, insured by any other policy of insurance.

### D Cross Liabilities

Where the Insured comprises more than one party, the Company will treat each party as the Insured as if a separate Policy had been issued to each provided that nothing in this Extension will increase the liability of the Company beyond the amount for which the Company would have been liable had this Extension not applied.

### E Indemnity to Others

The Insured shall also include:

- a personal representatives of the Insured in the event of the death of the Insured, but only in respect of legal liability incurred by the Insured; and
- b if the Insured so requests:
  - i any director of the Insured or partner of the Insured or Employee, while acting in connection with the Business, provided that the Insured would have been entitled to indemnity under this Section if the claim had been made against the Insured; and

- ii any officer or member, of the Insured's canteen, sports, social or welfare organisations and fire, security, first aid, medical and ambulance services, in his/her respective capacity as such.

Provided that such persons shall observe, fulfil and be subject to the terms, definitions, conditions, clauses and exclusions, of this Policy, in so far as they can apply.

### F Data Protection Act 1998

The Company will indemnify the Insured and, at the Insured's request, any director of the Insured or partner of the Insured or any Employee, against the sums which the Insured or any director of the Insured or partner of the Insured or any Employee become(s) legally liable to pay as compensation under Section 13 of the Data Protection Act 1998 for damage or distress, caused in connection with the Business during the Period of Insurance, provided that the Insured is:

- a registered in accordance with the terms of the Data Protection Act 1998;
- and
- b not in business as a computer bureau.

The total amount payable including all costs and expenses, under this Extension, in respect of all claims occurring in the aggregate during any one Period of Insurance is limited to £500,000.

The indemnity provided by this Extension shall not apply to:

- i any damage or distress, caused by any deliberate act or omission, by the Insured, the result of which could reasonably have been expected by the Insured having regard to the nature and circumstances of such act or omission;
- ii any damage or distress, caused by any act of fraud or dishonesty;
- iii the costs and expenses of rectifying, rewriting or erasing data;
- iv legal liability arising from the recording, processing or provision of data for reward or to determine the financial status of any person; or
- v the payment of fines or penalties.

## G Corporate Manslaughter and Corporate Homicide Act 2007

The Company will indemnify the Insured against legal costs and expenses, incurred with the Company's prior written consent, in defence of any criminal proceedings (including any appeal against conviction arising from such proceedings) brought in respect of a charge, or investigations in connection with a charge, of corporate manslaughter or corporate homicide, under the Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Isle of Man or the Channel Islands, committed or alleged to be committed in the course of the Business during the Period of Insurance.

Provided that:

- a the Company's liability under this Extension shall be limited to a maximum amount of £1,000,000 in the aggregate and in any one Period of Insurance;
- b this Extension shall only apply to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands;
- c the Company must consent to the appointment of any solicitor or counsel, acting on behalf of the Insured;
- d the Insured shall immediately notify the Company of receipt of any summons or other process, served upon the Insured, which may give rise to proceedings arising from the cover under this Extension; and
- e before the Company consent to fund any appeal, advice must have been received from Counsel that there is a strong probability that the appeal will be successful. Any information in support of this assertion requested by the Company shall be supplied by the Insured.

It is understood that the Company will have no liability under this Extension:

- i If the Insured have committed any deliberate or intentional criminal act that gives rise to a charge of corporate manslaughter or corporate homicide;
- ii for any fines or penalties, of any kind; or
- iii where the Insured can obtain indemnity for the costs of defending a criminal proceeding in relation to corporate manslaughter or corporate homicide, from any other source or insurance or where but for the existence of this Extension the Insured would have obtained indemnity from any other source or insurance.

## H Vendor's Liability

If the Insured so requests the Company will indemnify any legal personality (hereinafter referred to as "Vendor") but

only in connection with the sale or distribution of any Products Supplied in the course of the Vendor's business and only in so far as is necessary to meet the terms of any agreement between the Insured and the Vendor.

Provided that:

- a this Extension shall not apply to liability caused by or arising from:
  - i any alteration, treatment or preparation, made by the Vendor to any Products Supplied;
  - ii labelling, packing or repacking, by the Vendor of any Products Supplied other than repacking into the original packing;
  - iii any failure by the Vendor to maintain any Products Supplied in a merchantable quality;
  - iv any advice or express warranty, given by the Vendor other than in accordance with the instructions given by the Insured;
  - v any distribution or sale, for a purpose unauthorised by the Insured; or
  - vi the fault or negligence of the Vendor;
- b the Vendor is not a subsidiary or parent company of the Insured;
- c the Vendor shall observe, fulfil and be subject to the terms, definitions, conditions, clauses and exclusions, of this Policy, in so far as they can apply;
- d nothing in this Extension will increase the liability of the Company beyond the amount for which the Company would have been liable had this Extension not applied; and
- e the Vendor is not a person, company or organisation, operating within the United States of America and/or Canada and/or their dependencies or trust territories.

## Conditions

The following Condition applies to this Section.

### Costs Inclusive in U.S.A. and Canada

Where indemnity is provided under this Section for liability in respect of Occurrences in the United States of America or Canada or their dependencies or trust territories, the Indemnity Limit stated in the Schedule shall be the maximum amount payable by the Company under this Section inclusive of all costs and expenses.

## Exclusions

**The Company shall not be liable under this Section in respect of:**

- 1** Damage to or the cost of repair, alteration, replacement, removal or recall of any Products Supplied, which give rise to a claim hereunder or any refund for such Products Supplied;
- 2** legal liability arising from advice, design, formula or specification, provided by or on behalf of the Insured for a fee or in circumstances where a fee would normally be charged;
- 3** legal liability for Bodily Injury caused to any Employee arising out of and in the course of such person's employment or engagement, by the Insured in the Business;
- 4** legal liability caused by or arising from Property in the Insured's charge or control;
- 5** Products Supplied which to the knowledge of the Insured are to be used as a critical part in connection with the flying or navigation of any aircraft, spacecraft, rocket, missile or satellite;
- 6** liquidated damages, fines or penalties;
- 7** punitive, exemplary or aggravated damages or any additional damages resulting from the multiplication of compensatory damages;
- 8** legal liability in respect of Pollution or Contamination, other than that caused by a sudden identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during any one Period of Insurance provided that:
  - a** all Pollution or Contamination, which arises out of any one original cause, shall be deemed to have occurred at the time such original cause takes place; and
  - b** this Exclusion does not apply to the United States of America and/or Canada and/or their dependencies or trust territories;
- 9** legal liability in respect of Pollution or Contamination, occurring in the United States of America and/or Canada and/or their dependencies or trust territories;
- 10** Products Supplied which, to the knowledge of the Insured are exported to the United States of America and/or Canada and/or their dependencies or trust territories, unless otherwise agreed by the Company;
- 11 a** exposure to;
- b** inhalation of;
- c** fears of the consequences of exposure to or inhalation of; or
- d** the costs incurred by anyone in repairing, removing, replacing, recalling, rectifying, reinstating or managing (including those of any persons under any statutory duty to manage) any property arising out of the presence of,
 

Asbestos including any product containing Asbestos; or
- 12** legal liability assumed by the Insured under agreement (other than under any condition or warranty of goods, implied by law) unless such liability would have attached in the absence of such agreement.

# Section 9: Glass Breakage

In the event of breakage of Glass or Sanitary Ware, for which the Insured is responsible, at the Premises occurring during the Period of Insurance, the Company will under this Section, replace such property or, at its option, pay to the Insured the costs of replacement of such property.

Provided that the Company shall not be liable to replace or pay for the replacement of such property exactly but only as nearly as circumstances permit.

## Definitions

**The definitions which apply to this Section are in addition to the General Definitions.**

### Glass

All fixed glass including shelves, showcases and mirrors.

### Sanitary Ware

Fixed baths, washbasins, pedestals, bidets, shower trays, sinks, lavatory pans and cisterns.

## Extensions

**The Company will also indemnify the Insured under this Section in respect of:**

- 1 damage to frames or framework, following breakage of Glass;
- 2 the cost of removal or replacement of fixtures and fittings necessarily incurred to effect replacement of Glass, as a result of breakage of such Glass;
- 3 the cost of replacing alarm foil, lettering, painting, embossing, silvering or other ornamental work on Glass, following breakage of such Glass;
- 4 accidental damage to goods incidental to the Insured's Business caused by breakage of Glass in display windows; and
- 5 any boarding up costs reasonably incurred following breakage of Glass.

Provided that the liability of the Company under any or all of Extensions 2, 3 and 4 of this Section in total for all claims or series of claims, arising out of any one original cause, shall not exceed the Sum Insured.

### Damage to Signs Extension

In the event of Damage to any sign, for which the Insured is responsible, at the Premises during the Period of Insurance, the Company will replace or repair such property or, at its option, pay to the Insured the costs of replacement of such property if a Sum Insured appears against Damage to Signs in the Schedule.

Provided that the liability of the Company under this Extension in total for all claims during any one Period of Insurance shall not exceed the Sum Insured.

### Exclusions applicable to this Extension

The Company shall not be liable under this Extension in respect of:

- 1 Damage occasioned by or happening through repair, removal or erection, wear and tear, depreciation or deterioration;
- 2 Damage to any part caused by mechanical or electrical defect; or
- 3 Damage to tubes unless the glass is fractured.

## Clauses

**The following Clause applies to this Section.**

### Reinstatement of Losses

Unless written notice to the contrary is given by either the Company or the Insured, the Sums Insured (or any other stated limit of liability) under this Extension shall not be reduced by the amount of any loss and the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the Expiry Date of the Period of Insurance (as stated in the Schedule).

### Excess

This Section does not cover and the Company shall not be liable for the amount of the Section Excess stated in the Schedule being the first part of each and every claim.

All claims or series of claims, arising out of any one original cause, will be treated as one claim.

## Exclusions

**The Company shall not be liable under this Section in respect of:**

- 1 breakage caused by fire, lightning, explosion or storm;
- 2 breakage occurring:
  - a when the Premises are Vacant or Disused; or
  - b during installation or removal, of Glass or Sanitary Ware;
- 3 breakage of any panes which were cracked or fractured, prior to the inception of this insurance;
- 4 Glass in signs and light fittings;
- 5 Glass in greenhouses or conservatories, unless specifically accepted by the Company; or
- 6 any indirect loss as a consequence of the breakage.



# Section 10: All Risks on Machinery and/or Apparatus

In the event of Damage by any cause (not otherwise excluded under this Policy) to any of the Property Insured in connection with the Business, occurring within the Geographical Limits stated in the Schedule during the Period of Insurance, the Company will pay to the Insured, the value of such Property Insured or the amount of the Damage at the time of such Damage or, at its own option, reinstate or replace such property.

Provided that:

- a** the liability of the Company under this Section in total for all claims or series of claims, arising out of any one original cause, shall not exceed the Sum Insured for each item (or any other stated limit of liability); and
- b** unless otherwise stated, the Sum Insured (or any other stated limit of liability) applies in the aggregate to any property collectively described by each item under this Section.

## Definitions

The definitions which apply to this Section are in addition to the General Definitions.

### Geographical Limit A

The Premises.

### Geographical Limit B

Anywhere in the United Kingdom, the Channel Islands and the Isle of Man.

### Geographical Limit C

Europe which means anywhere in the United Kingdom, the Channel Islands, the Isle of Man and the countries of the European Union.

### Geographical Limit D

Worldwide which means anywhere in the world.

### Property Insured

The machinery and/or apparatus stated in Section 10: All Risks on Machinery and/or Apparatus in the Schedule being the property of the Insured or property for which the Insured is responsible.

## Extensions

- 1** In respect of any vending machine described in the Schedule, the insurance provided by this Section extends to include the contents (other than cash) of such machine provided that:
  - a** Damage to such contents occurs at the same time as Damage to the machine itself; and

- b** the liability of the Company under this Extension in total for all claims or series of claims, arising out of any one original cause, shall not exceed £100.

- 2** Also applicable to this Section are Extensions B, H, I, K and L, as set out in Section 1: Material Damage of this Policy, whether Section 1 is operative or otherwise.

## Clauses

The following Clauses apply to this Section.

### 1 Average

Each item of property insured under this Section is similarly but separately subject to Average, as defined in the General Definitions.

### 2 Section 1: Material Damage Clauses

Also applicable to this Section are Clauses 2 and 5, as set out in Section 1: Material Damage of this Policy, whether Section 1 is operative or otherwise.

## Conditions

The following Conditions apply to this Section.

### 1 Theft Protections

It is a condition precedent to the liability of the Company that all fastenings and protections on the Premises and all additional fastenings and protections which have been stipulated by the Company, shall be maintained during the currency of this insurance and put into full and effective operation at all times outside Business Hours.

### 2 Intruder Alarm

Also applicable to this Section is Condition 2 as set out in Section 1: Material Damage of this Policy, if such Condition is operative under Section 1, for the Premises concerned.

### 3 Property in Transit

The cover provided by this Section in respect of the Property Insured in transit (whilst in the Insured's control), is subject to:

- a** Conditions 1 and 2, as set out in Section 3: Goods in Transit of this Policy and the Exclusions as set out in Section 3, whether Section 3 is operative or otherwise. Where there is any conflict between the Exclusions as set out in Section 3 of this Policy and the Exclusions under this Section in this regard, those set out in Section 3 of this Policy shall take precedence.
- b** such property not being more specifically insured.

## Excess

This Section does not cover and the Company shall not be liable for the amount of the Excess stated in the Schedule being the first part of each and every claim.

All claims or series of claims, arising out of any one original cause, will be treated as one claim.

## Exclusions

**The Company shall not be liable under this Section in respect of:**

### 1 Damage to the Property Insured caused by or consisting of:

- a** inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, its own faulty or defective design or materials;
- b** faulty or defective workmanship, operational error or omission, on the part of the Insured or any of their Employees; or
- c** the bursting by steam pressure, of a boiler (not being a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus, in which internal pressure is due to steam only and belonging to or under the control of the Insured,

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

### 2 Damage to the Property Insured caused by or consisting of:

- a** corrosion, rust, wet or dry rot, shrinkage, evaporation, leakage, loss of weight, dampness, contamination, fermentation, dryness, marring, scratching, vermin or insects; or
- b** change in temperature, colour, flavour, texture or finish, action of light.

Damage to the Property Insured consisting of:

- c** joint leakage, failure of welds, cracking, fracturing, collapse or overheating, of boilers, economisers, superheaters, pressure vessels, or any range of steam and feed piping in connection therewith; or
- d** mechanical or electrical breakdown or derangement in respect of the particular machines, apparatus or equipment, in which such breakdown or derangement originates,

but this shall not exclude:

- i** such Damage not otherwise excluded which itself results from any of the Perils Numbers 1-12 within

Section 1 of this Policy or from any other Damage not otherwise excluded from this Policy; or

- ii** subsequent Damage which itself results from a cause not otherwise excluded by this Policy (unless more specifically insured);

### 3 Damage to the Property Insured caused by or consisting of:

- a** theft or any attempt thereat;
  - i** from the Premises unless involving entry to or exit from the structures at the Premises by forcible and violent means but not;
    - a** from any structure which is incapable of being locked; or
    - b** property in the open unless agreed otherwise by the Company;
  - ii** other than from the Premises between the hours of 9pm and 6am unless the Property Insured is in the personal custody of the Insured or any partner or director of the Insured or Employee or in a securely locked or occupied building; or
  - iii** from any building which is Vacant or Disused;
- b** subsidence, ground heave or landslip unless resulting from fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe;
- c** normal settlement or bedding down of new structures;
- d** acts of fraud or dishonesty;
- e** disappearance, unexplained or inventory shortage, misfiling or misplacing of information; or
- f** electrical or magnetic injury, disturbance or erasure, of electronic records other than by lightning;

### 4 Damage in respect of movable property in the open or in open-sided structures, fences and gates, caused by wind, rain, hail, sleet, snow, flood or dust;

### 5 Damage to the Property Insured:

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

- 6** Damage to the Property Insured:
- a** caused by freezing;
  - b** caused by escape of water from any tank, apparatus or pipe or escape of oil from any fixed oil-fired heating installation; or
  - c** caused (other than by fire or explosion) by malicious persons or vandals;
- in any building which is Vacant or Disused;
- 7** Damage occasioned by delay, embargo, nationalisation, confiscation, requisition, seizure or destruction, by or by order of the government or any public authority;
- 8** loss of market, loss of use, monetary devaluation or any other indirect loss arising as a consequence of the Damage;
- 9** Damage to any part of any electrical plant or apparatus, directly caused by breakdown, leakage of electricity or excessive pressure therein, by its own short circuiting or overrunning or electrical surges or spikes in the electricity supply but Damage to any other part of such plant or apparatus or to other Property Insured by the spread of fire therefrom, is not excluded;
- 10** property let out on hire;
- 11** loss resulting from the Insured voluntarily parting with title or possession, of any property if induced to do so by deception;
- 12** loss insured by a fidelity guarantee insurance; or
- 13** any claim for which more specific insurance applies under any of Sections 11 to 14, of this Policy.

# Section 11: Deterioration of Stock

In the event of Damage at the Premises occurring during the Period of Insurance, to the Property Insured, being stock in any cold chamber, by deterioration or putrefaction in consequence of an Occurrence, the Company will pay up to the Limit of Indemnity under this Section.

The term “stock in any cold chamber” shall include stock which at the time of the Occurrence giving rise to such deterioration or putrefaction is at the Premises but not in a cold chamber and which, but for the Occurrence, would in the normal course be placed in the cold chamber.

## Definitions

The definitions which apply to this Section are in addition to the General Definitions.

### Limit of Indemnity

The liability of the Company under this Section in total for all claims or series of claims, arising out of any one original cause, shall not exceed the Sum Insured.

The Sum Insured applies in the aggregate to property collectively described under this Section.

### Occurrence

- a Rise or fall in temperature in the cold chamber as a result of any cause not excluded.
- b Action of refrigerant fumes which have escaped from the cold chamber machinery.

### Property Insured

The property stated in Section 11: Deterioration of Stock in the Schedule.

## Extensions

### 1 Cleaning and Disinfection

In respect of each claim for Damage for which liability is accepted under this Section, the insurance provided by this Section extends to include costs necessarily and reasonably incurred by the Insured for the cleaning and disinfection of the cold chamber up to a maximum amount of £5,000 in total for all claims or series of claims, arising out of any one original cause.

### 2 Further Extensions

Certain further Extensions apply to this Section as stated under Sections 11, 12a, 13 and 14 (Supplemental), of this Policy.

## Clauses

The following Clause applies to this Section.

### Average

Each item of Property Insured by this Section is similarly but separately subject to Average as defined in the General Definitions.

### Conditions

Certain further Conditions apply to this Section as stated under Sections 11, 12a, 13 and 14 (Supplemental), of this Policy.

### Excess

This Section does not cover and the Company shall not be liable for the amount of the Excess stated in the Schedule being the first part of each and every claim.

All claims or series of claims, arising out of any one original cause, will be treated as one claim.

## Exclusions

The Company shall not be liable under this Section in respect of:

- 1 Damage to the cold chamber machinery;
- 2 Deterioration or putrefaction resulting from Damage at the Premises caused by or arising from:
  - a fire, lightning, explosion, earthquake, flood, storm, tempest, inundation, escape of water from water containing apparatus, leakage from sprinkler installations, aircraft or other aerial devices or articles dropped therefrom; or
  - b theft or any attempted theft;
- 3 any indirect loss as a consequence of the Damage; or
- 4 Damage consequent upon the total or partial failure of the public supplies of electricity or any communications network caused by:
  - a the deliberate act of any supply authority unless performed for the sole purpose of safeguarding life or protecting a part of any supply authority's system;
  - b a scheme of rationing unless necessitated solely by physical damage to a part of the supply authority's system;
  - c strike or lock-out, total or partial withdrawal of labour or partial or complete cessation of work; or
  - d drought.

Certain further Exclusions apply to this Section as stated under Sections 11, 12a, 13 and 14 (Supplemental), of this Policy.

# Section 12: Engineering Damage to Machinery and Plant and Engineering Inspection

## Section 12a : Engineering Damage to Machinery and Plant

In the event of sudden and unforeseen Damage at the Premises:

- 1 to the Property Insured occurring during the Period of Insurance by Explosion, Collapse or Breakdown; or
- 2 occurring during the Period of Insurance by Fragmentation, the Company will pay up to the Limit of Indemnity.

### Definitions

The definitions which apply to this Section are in addition to the General Definitions.

#### Breakdown

- a The actual breaking, failure, distortion or burning out, of any part of the Property Insured whilst in ordinary use, arising from defects in the Property Insured, causing its sudden stoppage and necessitating repair or replacement, before it can resume work;
- b Fracturing of any part of the Property Insured by frost when such fracture renders the Property Insured 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;
- d Error or omission of the operator(s) during normal operation of the Property Insured other than in respect of failure to maintain; or
- e Joint leakage, failure of welds, cracking, fracturing, overheating, of boilers, economisers, superheaters, pressure vessels, or any range of associated steam piping.

#### Collapse

The sudden and dangerous distortion (whether or not attended by rupture) of any part of the Property Insured 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).

#### Explosion

The sudden and violent rending of the Property Insured 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 Property Insured together with forcible ejection of the contents.

#### Fragmentation

Damage caused by impact to surrounding property belonging to or in the custody and control of the Insured and for which the Insured is responsible, resulting from fragmentation of any part of the Property Insured excluding Damage:

- a to the Property Insured causing the Damage or any Property Insured directly driving or driven by the Property Insured;
- b to property being handled, conveyed, heated, cooled or processed by or contained in the Property Insured;
- c caused by leakage or by lack of heat, cooling, light, power or steam; or
- d caused by and occurring during testing of Property Insured.

#### Hazardous Substance

Any substance other than ammonia that has been declared to be hazardous to health or the environment by a governmental authority.

#### Hired in Plant

Equipment hired by the Insured as a temporary replacement for owned or leased Property Insured which is temporarily located at any other location or in transit for the purpose of repair, service, overhaul or maintenance but not Property Insured on free loan.

#### Limit of Indemnity

The liability of the Company under this Section in total for all claims or series of claims, arising out of any one original cause, which shall not exceed the amount specified as Limit Any One Occurrence stated in the Schedule for each item stated in the Schedule.

The Limit Any One Occurrence applies in the aggregate to property collectively described under this Section.

#### Pressure Plant

Property Insured which stores fluids either below or above atmospheric pressure including boilers, radiators, and associated apparatus and pipework.

### Property Insured

Installed machinery and plant and mobile plant, owned by or leased to the Insured for the purpose of the Business, as described in Section 12a: Engineering Damage to Machinery and Plant in the Schedule at the Premises, excluding:

- a** supporting structures, lift enclosures (other than landing gates), rail tracks, anchorage bolts or fixing appliances, brickwork, masonry, foundations or chimneys;
- b** vehicles other than purpose built lifting and handling machinery;
- c** prototype and experimental machinery and plant;
- d** computer or data processing equipment unless linked and wholly dedicated to the control of any machine or production or treatment process;
- e** office equipment;
- f** communication or alarm systems;
- g** vending machines; and
- h** stock in trade and products of the Business.

### Reinstatement

Where Property Insured is subject to Damage to the extent that repair is uneconomic or impractical:

- a** if a building, its re-building; or
- b** if not a building, its replacement by similar Property Insured or property,

but in either case in a condition equal to but not better or more extensive than the Property Insured's condition when new.

Where Property Insured is damaged, the repair of the damaged item to a condition substantially the same as that immediately before the occurrence of the damage.

Reinstatement shall include additional costs incurred to comply with European Union Legislation, Building or other Regulations under or framed in pursuance of any Act of Parliament or with Bye-Laws of any Municipal or Local Authority, in force prior to the event, or in respect of Extension 8 EEI (Environmental & Efficiency Improvements) where necessary.

Provided that:

- i** the liability of the Company shall not exceed the Limit of Indemnity for Damage to the Property Insured;
- ii** the work of Reinstatement must be commenced and carried out expeditiously and must be completed within 12 months of the Damage or within any further time the Company may allow and may be carried out wholly or partially upon another site (if Legislation, Acts of

Parliament, Regulations or Bye-Laws require) provided that the liability of the Company is not increased;

- iii** where Property Insured is partially subject to Damage, the liability of the Company shall not exceed the sum which the Company would have been called upon to pay for Reinstatement in the event of total destruction;
- iv** no payment beyond the amount which would have been payable had Condition 1 Basis of Settlement not been incorporated shall be made until the cost of Reinstatement has been incurred;
- v** no payment beyond the amount which would have been payable had Condition 1 Basis of Settlement not been incorporated shall be made if at the time of Damage to the Property Insured it is covered by any other insurance held by or on behalf of the Insured which is not upon a Reinstatement basis;
- vi** the amount recoverable shall not include:
  - vi.i** the cost incurred in complying with any Legislation, Acts of Parliament, Regulations or Bye-Laws;
  - vi.i.i** any notice had been served upon the Insured prior to the happening of the Damage; or
  - vi.i.ii** in respect of any Property Insured or other property not subject to Damage or portions not subject to Damage of Property Insured or other property;
  - vi.ii** the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the Property Insured or by the owner, by reason of compliance with any Legislation, Acts of Parliament, Regulations or Bye-Laws; and
- vii** where by reason of the above Provisions no payment will be made beyond the amount which would have been payable if Condition 1 Basis of Settlement had not been incorporated, the rights and liability of the Company and the Insured in respect of the Damage shall be subject to the terms, definitions, conditions, clauses and exclusions, of this Policy, as if Condition 1 Basis of Settlement had not been incorporated.

### Re-siting

The actual physical removal of Property Insured or a major part thereof from one site to another within the Premises.



## Extensions

**Cover provided by this Section extends to include:**

### 1 Automatic Cover

Newly acquired Property Insured from the time its installation and testing is completed and such Property Insured is ready to commence normal working at the Premises.

Provided that:

- a** such Property Insured belongs to an item description stated in Section 12a: Engineering Damage to Machinery and Plant in the Schedule and is of a type similar to that which the Insured previously declared their intention to insure;
- b** such Property Insured shall be insured to the same extent as Property Insured of a similar type;
- c** such Property Insured is free from defects so far as the Insured is aware and complies with any statutory obligations concerning its examination and certification; and
- d** the Insured shall inform the Company in writing of such Property Insured within 12 months of installation and shall pay the additional premium required by the Company.

### 2 Temporary Removal

Damage to the Property Insured occurring within the European Union or European Free Trade Area, whilst temporarily located at any other location or in transit, for the purposes of repair, service, overhaul or maintenance.

### 3 Machinery Movement

Damage to Property Insured during Re-siting not exceeding £25,000 in total for all claims or series of claims, arising out of any one original cause for Damage, for which liability is accepted by the Company.

### 4 Damage to Own Surrounding Property – Pressure Explosion

Damage to surrounding property owned by or leased to the Insured and for which the Insured is responsible caused by Explosion of Pressure Plant not exceeding the Limit of Indemnity for Damage for which liability is accepted by the Company.

This Extension does not cover Damage:

- a** to the Property Insured causing the Damage or any Property Insured directly driving or driven by the Property Insured;

- b** to property being handled, conveyed, heated, cooled or processed by or contained in the Property Insured; or
- c** caused by leakage or by lack of heat, cooling, light, power or steam.

### 5 Hired in Plant

The legal liability of the Insured under the terms of the hiring agreement to pay:

- a** for the Damage to the Hired in Plant; and
- b** continuing hiring charges for Hired in Plant following Damage insured under a above,

whilst the Hired in Plant is at the Premises or in transit (other than by sea or air) between Premises, not exceeding a limit of £50,000 in total for all claims or series of claims, arising out of any one original cause for Damage, for which liability is accepted by the Company.

Where legal proceedings have been initiated against the Insured in respect of an indemnifiable incident under this Extension, the Company will at its sole discretion pay all reasonable legal expenses actually incurred by the Insured in defending such action.

The liability of the Company under this Extension shall not exceed £50,000 in total for all claims or series of claims, arising out of any one original cause for Damage, for which liability is accepted by the Company.

### 6 Cost of Substitute Equipment

The cost of hire charges incurred by the Insured for the necessary hire of substitute Property Insured of a similar type and capacity following Damage to the Property Insured during the period of repair or until the Property Insured is permanently replaced, not exceeding £10,000 in total for all claims or series of claims, arising out of any one original cause for Damage, for which liability is accepted by the Company.

### 7 Hazardous Substances

The increase in cost to repair, replace, clean up or dispose of Property Insured affected by a Hazardous Substance, not exceeding £25,000 in total for all claims or series of claims, arising out of any one original cause for Damage, for which liability is accepted by the Company.

### 8 EEI (Environmental & Efficiency Improvements)

The additional costs involved, should Property Insured require replacement following an indemnifiable occurrence under this Section, to replace the Property Insured with equipment that is better for the environment, safer and more efficient than the Property Insured being replaced, not exceeding 125% of what the cost would have been to

replace with like kind, capacity, size, quality and function or £25,000 in total for all claims or series of claims, arising out of any one original cause, whichever is the less, subject always to the Limit of Indemnity under this Section.

## 9 Emergency Services

Emergency service charges for which the Insured may be liable, not exceeding £10,000 in total for all claims or series of claims, arising out of any one original cause for Damage, for which liability is accepted by the Company.

## 10 Further Extensions

Certain further Extensions as stated under Sections 11, 12a, 13 and 14 (Supplemental), of this Policy.

## Conditions

The following Conditions apply to this Section.

### 1 Basis of Settlement

In respect of:

- a** Property Insured less than three years old at the time of a claim; or
- b** Pressure Plant,

the amount payable by the Insured under this Section shall be for the Reinstatement of the Property Insured.

### 2 Restricted Life

The indemnity provided under this Section in respect of conveyor belts and refractory materials, forming a component part of the Property Insured which have a limited working life, shall be restricted to the value of such part or parts at the time of the indemnifiable occurrence due allowance having been made for the length of time the part or parts have been in service.

### 3 Multiple Lifting Operations

It is a condition precedent to the liability of the Company under this Section that during any operation in which a load is shared between any items of Property Insured classed as lifting plant or lifting equipment (whether insured under this Section or not), the lifting operation must be conducted in accordance with all relevant legislation and in addition, if the lifting operation involves the use of cranes the crane operation must be conducted in accordance with the BS7121 Codes of Practice or any replacement thereof.

## 4 Hiring Conditions

The insurance provided by Extension 5 Hired in Plant of this Section will indemnify the Insured to the extent required by the following conditions of hire, which have been evidenced in writing and accepted and exchanged between all bound parties:

- a** the Model Conditions for the Hiring of Plant recommended by the Construction Plant-hire Association or the Scottish Plant Owners Association or conditions not more onerous; or
- b** specific conditions agreed by the Company in writing and endorsed upon this Section.

In the event of a loss involving hire conditions more onerous than those covered by this Section the indemnity provided will be limited to liability under a or b above as applicable.

## 5 Further Conditions

Certain further Conditions apply to this Section as stated under Sections 11, 12a, 13 and 14 (Supplemental), of this Policy.

## Excess

This Section does not cover and the Company shall not be liable for the amount of the Excess stated in the Schedule being the first part of each and every claim.

All claims or series of claims, arising out of any one original cause, will be treated as one claim.

## Exclusions

The Company shall not be liable for:

- 1** Damage to Property Insured caused by or from:
  - a** fire, lightning, explosion (other than Explosion as defined in this Section), earthquake, flood, storm, tempest, inundation, escape of water from water containing apparatus, leakage from sprinkler installations, aircraft or other aerial devices or articles dropped therefrom; or
  - b** theft or attempted theft,
 but Damage to any Property Insured under this Section by its own Explosion as a result of any such cause is not excluded.

This Exclusion shall not apply in respect of Property Insured under:

- i Extension 2 Temporary Removal whilst temporarily located at any other location and/or in transit, for the purposes of repair, service, overhaul or maintenance; or
- ii Extension 5 Hired in Plant;
- 2 Damage to Property Insured during installation, erection, dismantling, transportation or removal, other than transportation or removal under its own power whilst at the Premises or as provided under Extensions 2 Temporary Removal and 3 Machinery Movement;
- 3 any indirect loss as a consequence of the Damage unless specifically provided for elsewhere within this Section; or
- 4 Damage to:
  - a safety or protective devices due to their functioning;
  - b tyres by cuts, bursts, punctures or the application of brakes, unless arising from a malicious act;
  - c batteries other than Damage due to extraneous cause; or
  - d tools, cutting edges, moulds, dies, patterns, non-metallic linings, pulverising and crushing surfaces, flexible pipes, trailing cables, driving belts or bands or parts requiring periodic renewal.

Certain further Exclusions apply to this Section as stated under Sections 11, 12a, 13 and 14 (Supplemental), of this Policy.

## Section 12b: Engineering Inspection

In consideration of the Fees and subject to the terms, definitions and clauses, of this Section 12b, HSB agrees to provide the Client with HSB Services as specified in this Section 12b.

### Definitions

**The definitions which apply to this Section are in addition to the General Definitions.**

#### Client

The owner/user of Plant subject to Thorough Examination/Inspection.

#### HSB Services

- a The periodic performance of a Thorough Examination/Inspection of Plant within Normal Working Hours; and

- b The provision of a Report of Thorough Examination/Inspection within a reasonable time or within legal requirements if prescribed by applicable Statutory Regulations.

### Competent Person

An Engineer Surveyor employed and authorised by HSB to perform the Thorough Examination/Inspection.

### Fees

The amount payable for the HSB Services within the premium stated in the Schedule or as varied from time to time in accordance with Clause 3 of this Section 12b.

### HSB

HSB Engineering Insurance Limited.

### Inspection

An inspection of Plant, which is exempt or excluded from the requirement for a periodic thorough examination or examination in accordance with a Written Scheme, as specified in the Statutory Regulations.

Unless otherwise agreed in writing, any such inspection will be visual in nature limited by the design of the Plant and the extent to which the Client has prepared the Plant and made available a safe means of access to the Plant and may include such tests as are deemed appropriate to establish general condition and standard of Plant maintenance by a Competent Person. Any such inspection will not be deemed to comply with any specific regulations or Statutory Regulations unless specified in the Schedule.

### Normal Working Hours

8:00 a.m. to 6:00 p.m. Monday to Friday excluding public, bank and local holidays.

### Plant

The machinery, appliances and equipment stated in the Schedule.

### Report

A document in HSB's standard format issued to the Client electronically or on paper that provides details of the Thorough Examination/Inspection of the Plant that was undertaken.

### Statutory Regulations

The following statutory regulations (as amended or extended by any enactment or statutory re-enactment thereof) as may be applicable to the Thorough Examination of Plant at the time of any such Thorough Examination:

- a** The Lifting Operations and Lifting Equipment Regulations
- b** The Pressure Systems Safety Regulations
- c** The Provision and Use of Work Equipment Regulations, Part IV ("PUWER Part IV")
- d** The Control of Substances Hazardous to Health Regulations (as amended)
- e** The Workplace (Health Safety and Welfare) Regulations
- f** The Control of Major Accident Hazard Regulations
- g** The Electricity at Work Regulations
- h** The Dangerous Substances and Explosive Atmospheres Regulations
- i** The Factories Act 1955 (as amended by the Safety in Industry Act 1980)
- j** The Safety in Industry Act 1980
- k** The Safety Health and Welfare at Work (General Application) (Amendment) Regulations
- l** The Safety Health and Welfare at Work (Quarries) Regulations.

### Term

The duration of this Section 12b as stated in the Schedule unless terminated in accordance with Clause 4 of this Section 12b or this Policy is cancelled in accordance with the General Condition 1, 5 and/or 6, of this Policy.

### Thorough Examination

A thorough examination of Plant or examination of Plant in accordance with a Written Scheme, which is carried out solely in accordance with the requirements of the Statutory Regulations, which apply to the Plant at the time of examination.

Unless otherwise agreed in writing, the scope of any such prescribed examination shall not include approval or verification of the fitness for purpose of any design or design features of Plant, performing or witnessing tests of a non-routine nature (unless stipulated as the responsibility of the Competent Person in a HSE (Health & Safety Executive) or SAFed (Safety Assessment Federation) Approved Code of Practice or Guidance) including but not limited to; in the case of boiler/pressure Plant, ultrasonic, radiographic, hydrostatic or other non-destructive testing; in the case of lifting and handling Plant, any proof load stability anchorage

supplementary or similar test in accordance with industry guidance or thorough examination as required when exceptional circumstances have occurred; in the case of mechanical power press Plant subject to the requirements of PUWER 98 Part IV, the examination of enclosed parts and tests thereof; and in respect of local exhaust ventilation Plant, the initial appraisal of the Plant.

### Written Scheme

A document drawn up by a Competent Person in accordance with Regulation 8 of the Pressure Systems Safety Regulations which contains information about selected items of Plant that form a pressure system including but not limited to the parts which require examination and the nature and frequency of such examinations.

### Clauses

The following Clauses apply to this Section 12b.

#### 1 Provision of HSB Services

- a** HSB shall provide to the Client the HSB Services at the Premises within Normal Working Hours during the Term subject to the terms, definitions and clauses, of this Section 12b, and in consideration of which the Client shall pay the Fees.
- b** HSB will comply with the Client's safe systems of work, provided such systems are notified to HSB in advance of any Thorough Examination/Inspection.
- c** During the Term of this Section 12b, HSB may:
  - i** decline to undertake any Thorough Examination/Inspection if, at its sole discretion, to do so would pose a health, safety or welfare risk;
  - ii** appoint sub-contractors to provide services to support the Thorough Examination/Inspection and shall retain responsibility for the execution of any such sub-contracted work;
  - iii** make a charge in addition to the Fees if:
    - a** the Client requests and HSB agrees to perform HSB Services outside Normal Working Hours;
    - b** the Client requires additional hard copies of Reports;
    - c** the Client fails to prepare or make the Plant available at the date and time agreed;
    - d** the Client requires additional services; or
    - e** the Client requires the Competent Person to undertake training or particular risk assessment, specific to the Client's own premises or the Client's health, safety and welfare procedures.

## 2 Client Responsibilities

During the Term of this Section 12b, the Client shall:

- a** retain sole responsibility for the care, custody and control of the Plant at all times;
- b** allow HSB access to the Premises and Plant at such reasonable times during Normal Working Hours or as shall be agreed between the Client and HSB;
- c** provide HSB with:
  - i** a safe working environment on the Premises on which the Plant is located; and
  - ii** a safe physical means by which to gain access to perform the HSB Services;
- d** have the Plant properly prepared, dismantled and reassembled, as necessary, in order to enable HSB to carry out the appropriate Thorough Examination/Inspection; and
- e** cooperate with and, upon request, provide HSB with information and data relating to the Plant as required by the Competent Person to perform the HSB Services including without limitation full information concerning any modification to the Plant that has been made since the last Thorough Examination/Inspection and in respect of Plant that is capable of being moved from one location to another, the precise location of any such Plant.

## 3 Fees

- a** The Company shall charge Fees for the provision of HSB Services and any such Fees shall be subject to Value Added Tax (or any other similar tax or duty levied by any government or other authority) at the appropriate rate stated in the Schedule. Any such taxes or duties will be payable by the Client in addition to the Fees.
- b** The Fees shall be calculated on Plant as notified by the Client to the Company at the start of the Term, and the Client shall pay the Fees at the start of the Term or as otherwise agreed in writing between the parties.
- c** The Client agrees that the Company may adjust the Fees:
  - i** to take into account any charges identified in Clause 1 c iii of this Section 12b;
  - ii** during and at the end of the Term to take into account any Premises or individual items of Plant added to or deleted from the Schedule;
  - iii** upon any renewal of this Section 12b; or
  - iv** where the Term is greater than 12 months, annually to take into account any changes to the Plant, the

intervals between Thorough Examination/ Inspections, and the retail price index, and the Client's payment of any such adjusted Fees shall be deemed acceptance by the Client of the adjusted Fees.

## 4 Term and Termination

- a** The Term of this Section 12b is as stated in the Schedule unless terminated in accordance with this Clause or this Policy is cancelled in accordance with the General Condition 1, 5 and/or 6, of this Policy.
- b** The Company may terminate this Section 12b at any time by giving 30 days' written notice to the Client.
- c** Either the Client or the Company may terminate this Section 12b with immediate effect at any time by giving written notice to the other:
  - i** where the other has committed a material breach of the terms, definitions or clauses, of this Section 12b, which is incapable of remedy;
  - ii** where the other has committed a material breach of the terms, definitions or clauses, of this Section 12b, which is capable of remedy and fails to remedy such breach within 30 days after receipt of a written notice by the other party giving full particulars of the breach and requiring it to be remedied;
  - iii** where the other goes into liquidation, or in the case of an individual or partnership, the individual(s) become(s) bankrupt, make(s) a voluntary arrangement with his(their) creditors or has(have) a receiver or administrator appointed; or
  - iv** where an event of Force Majeure delays a scheduled Thorough Examination/Inspection for more than 30 days.

## 5 Confidentiality

- a** Neither the Client nor HSB shall disclose or communicate to any third party any technical, business, or similar information relating to the business affairs of the other party obtained as a result of this Section 12b, and neither party shall use the other party's information for any purpose other than to perform its obligations under this Section 12b.
- b** Nothing in this Clause shall impose an obligation of confidentiality on information that was already in the public domain; that was rightfully in the possession of the party prior to the commencement of this Section 12b; or that is required to be disclosed pursuant to any applicable law or regulatory body.



- c Unless otherwise agreed between the parties, all Reports and similar material prepared by HSB in connection with the HSB Services shall be released only to the Client or its designated representative.
- d HSB may use data gathered in connection with the HSB Services for statistical use.
- e The obligations under this Clause shall come into effect at the start of the Term and shall survive termination of this Section 12b or cancellation of this Policy.
- d The Client shall indemnify and keep HSB indemnified in respect of any claims made against and all damages, costs and expenses suffered or incurred by HSB, as a result of any third party claim arising out of the Client's failure to comply with its obligations under this Section 12b.
- e Upon completion of the HSB Services, termination of this Section 12b or cancellation of this Policy in accordance with the General Condition 1, 5 and/or 6, of this Policy, the terms relating to indemnity, waivers, limitations of remedies and limitations of liability, including, but not limited to those contained in this Clause, shall remain in full force and effect.

## 6 Limitation of Liability and Indemnification

- a Neither HSB nor any of its employees shall be liable directly or indirectly for any loss, damage or injury to property or persons, resulting from any accident or defect in any Plant; nor shall HSB be liable directly or indirectly for loss, damage or injury of any kind, arising from or connected in any way with any HSB Services or documentation of any HSB Services including but not limited to Reports, or from the omission of any HSB Services or documentation of any HSB Services including but not limited to Reports, whether or not such HSB Services, documentation or omission was at the request of the Client.
- b Neither HSB nor any of its employees makes any warranty, express or implied, concerning the activities described in this Section 12b.
- c Notwithstanding anything else in this Section 12b to the contrary, to the fullest extent permitted by law:
  - i HSB shall not be liable to the Client for any special, incidental, indirect, consequential or exemplary damages, including, but not limited to, loss of profits or revenue, loss of use, loss of opportunity, loss of goodwill, cost of substitute facilities, goods or services, cost of capital, governmental and regulatory sanctions, and claims of third parties for such damages;
  - ii the total cumulative liability of HSB to the Client, whether in tort or in contract, for all claims, losses, damages and expenses, resulting in any way from this Section 12b shall not be greater than the total amount received by the Company from the Client as Fees during the Term;
  - iii except in the case of death or personal injury, caused by HSB's negligence or in other circumstances where liability may not be so limited under applicable law, HSB's liability under or in connection with this Section 12b, whether arising in contract, tort, negligence, breach of statutory duty or otherwise, shall not exceed the sum of £25,000,000 (twenty-five million pounds).

## 7 "Force Majeure"

HSB shall not be liable for any delay or the consequences of any delay, in performing the HSB Services if such delay is due to any cause beyond its reasonable control and shall be entitled to a reasonable extension of time for performance of this Section 12b.

## 8 General

- a All matters relating to the validity, performance or interpretation of this Section 12b shall be governed by the laws of England. HSB and the Client hereby submit to the exclusive jurisdiction of the Courts of England.
- b No term of this Section 12b is intended, either expressly or by implication or other inference, to purport to confer a benefit or right of action upon any third party. No such third party shall have any right to enforce any terms of this Section 12b whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise.
- c The provision of the HSB Services under this Section 12b does not relieve the Client of its legal duty under relevant Statutory Regulations to have the Plant inspected.
- d Failure by either party to enforce any of the rights under this Section 12b shall not be taken as or deemed to be a waiver of such rights.
- e If any term of this Section 12b is held to be illegal or unenforceable the remainder will remain in full force and effect.
- f This Section 12b represents the entire agreement between the parties and supersedes all prior agreements and representations, made by either party, whether oral or written.



- g** All notices to be given under this Section 12b shall be in writing and may be delivered by first class post or facsimile transmission, and shall be deemed to have been delivered 48 hours after posting in the case of first class pre-paid letter and 12 hours after dispatch in the case of facsimile transmission.
- h** The Company shall be entitled to apply any monies due to the Client under this Section 12b in or towards any sum owing to the Company in relation to any matter whatsoever.

# Section 13: Engineering Business Interruption

In the event that the Business carried on by the Insured at the Premises is interrupted or interfered with, in consequence of an Accident, the Company will indemnify the Insured in respect of Estimated Gross Profit or Estimated Gross Revenue (as applicable), stated in the Schedule, against the amount of the loss resulting from the interruption or interference, in accordance with the basis of cover stated in the Schedule and described below.

Provided that the total liability of the Company in respect of Estimated Gross Profit or Estimated Gross Revenue (as applicable), stated in the Schedule, in total for all claims or series of claims, arising out of any one original cause, shall not exceed in any one Period of Insurance 120% of the amount stated in the Schedule as the Sum Insured for Estimated Gross Profit or Estimated Gross Revenue (as applicable).

## Definitions

The definitions which apply to this Section are in addition to the General Definitions.

### Accident

Section 1 Sudden and unforeseen Damage to the Property Insured under Section 12a of this Policy, provided that:

- a payment shall have been made or liability admitted for such Damage, under Section 12a of this Policy; and
- b in respect of such Damage by Explosion insured under Section 12a of this Policy, cover hereunder shall not apply in respect of Explosion of a boiler or economiser, on the Premises.

Section 2 Failure or fluctuation, of the specified utilities, services or supplies, at the terminal point of the supply authority's feed to the Premises, occurring during the Period of Insurance.

### Gross Profit

The amount by which:

- a the sum of the Turnover and the value of the closing stock shall exceed
- b the sum of the amount of the opening stock and the amount of the Uninsured Working Expenses.

NOTE: For the purpose of this Definition, the amount of the opening stock and value of the closing stock shall be arrived at in accordance with the Insured's usual accounting methods, due provision being made for depreciation.

### Gross Revenue

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

### Indemnity Period

The period beginning with the occurrence of an Accident and ending no later than the last day of the period specified in the Schedule during which results of the Business shall be affected in consequence of the Accident.

### Rate of Gross Profit

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

### Annual Turnover

The Turnover during the 12 months immediately before the date of the Accident.

### Standard Turnover

The Turnover during that period in the 12 months immediately before the date of the Accident which corresponds with the Indemnity Period.

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

### Definitions Relating to New Businesses Only

In the event that a claim arises from an Accident occurring prior to the completion of the first trading year of the Business at the Premises, the Definitions for the Rate of Gross Profit and Standard Turnover are replaced by the following Definitions.

### Rate of Gross Profit

The rate of Gross Profit earned on the Turnover during the period between the date of commencement of the Business and the date of the Accident.

### Annual Turnover

The Turnover during the period between the date of commencement of the Business and the date of the Accident proportionately increased to reflect a 12 month period from the date of commencement of the Business.

### Standard Turnover

The proportional equivalent for a period equal to the Indemnity Period of the Turnover realised during the period between the date of commencement of the Business and the date of the Accident.

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

**Annual Revenue**

The Gross Revenue during the 12 months immediately before the date of the Accident.

**Standard Gross Revenue**

The Gross Revenue during the period in the 12 months immediately before the date of the Accident which corresponds with the Indemnity Period.

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

**Definitions Relating to New Businesses Only**

In the event that a claim arises from an Accident occurring prior to the completion of the first trading year of the Business at the Premises, the Definition of Standard Gross Revenue is replaced by the following Definition.

**Standard Gross Revenue**

The proportional equivalent for a period equal to the Indemnity Period of the Gross Revenue realised during the period between the date of commencement of the Business and the date of the Accident.

**Annual Revenue**

The Gross Revenue during the period between the date of commencement of the Business and the date of the Accident proportionately increased to reflect a 12 month period from the date of commencement of the Business.

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

**Turnover**

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

**Uninsured Working Expenses**

The sum of:

- a** 100% of Purchases (less discounts received);
- b** 100% of Carriage, Packing and Freight; and
- c** Any other working expenses specified in the Schedule.

The words and expressions used in this Definition shall have the meaning usually attached to them in the books and accounts of the Insured.

**Basis of Cover****Estimated Gross Profit**

The insurance in respect of Estimated Gross Profit (when shown in the Schedule if operative) is limited to loss of Gross Profit due to:

**a reduction in Turnover**

being the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall fall short of the Standard Turnover in consequence of an Accident; and

**b increase in cost of working**

being the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of an Accident, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided,

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

Provided that if 120% of the Sum Insured for Estimated Gross Profit is less than the Sum produced by applying the Rate of Gross Profit to the Annual Turnover, the amount payable shall be proportionately reduced.

**Estimated Gross Revenue**

The insurance in respect of Estimated Gross Revenue (when shown in the Schedule if operative) is limited to loss of Gross Revenue due to:

**a reduction in Gross Revenue**

being the amount by which the Gross Revenue during the Indemnity Period shall fall short of the Standard Gross Revenue in consequence of an Accident; and

**b increase in cost of working**

being the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Accident but not exceeding the amount of the reduction in Gross Revenue thereby avoided,

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

Provided that if 120% of the Sum Insured for Estimated Gross Revenue is less than the Annual Revenue, the amount payable shall be proportionately reduced.

**Professional Accountants Fees**

Where insurance is arranged on Estimated Gross Profit or Estimated Gross Revenue, under this Section, the Company will pay to the Insured (within the Sum Insured for whichever is applicable) the reasonable charges payable to their professional accountants for producing particulars, details or any other proofs, information or evidence, required by the Company.

**Extensions**

**The insurance provided by this Section is extended to include the following:**

**Subrogation Waiver**

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

- a** any company which is the parent or subsidiary of the Insured; or
- b** any company which is a subsidiary of a parent of the Insured, in each case within the meaning of the Companies Act 2006 or Companies (Northern Ireland) Order, as applicable, at the time the Accident occurs.

**Conditions**

Certain further Conditions apply to this Section as stated under Sections 11, 12a, 13 and 14 (Supplemental), of this Policy.

**Clauses**

**The following Clauses apply to this Section:**

**1 Accumulated Stocks****a Estimated Gross Profit**

In adjusting any loss, account shall be taken and an equitable allowance made if any reduction in Turnover

due to the Accident is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of raw materials, work in progress or finished goods.

**b Estimated Gross Revenue**

In adjusting any loss, account shall be taken and an equitable allowance made if any reduction in Revenue due to the Accident is postponed by reason of the Revenue being temporarily maintained from accumulated stocks of raw materials, work in progress or finished goods.

**2 Departmental Trading**

Where the Business is conducted in departments of which the independent trading results are ascertainable, the terms of items a and b of the Estimated Gross Profit or Estimated Gross Revenue (when insured under this Section), under Basis of Cover in this Section, shall apply separately to each department affected by the Accident.

**3 Option to Convert to Output (Estimated Gross Profit cover only)**

The Insured shall have the option to convert the basis of settlement from Turnover to Output or other basis, as may more realistically measure a loss.

For this purpose Output shall mean the sale value of materials produced by the Insured in the course of the Business at the Premises provided that only one basis shall be operative in connection with any one loss.

**4 Alternative Premises****a Estimated Gross Profit**

If during the Indemnity Period, goods are sold or services are rendered, elsewhere than at the Premises for the benefit of the Business, either by the Insured or by others on his behalf, the money paid or payable shall be taken into account in arriving at the Turnover during the Indemnity Period.

**b Estimated Gross Revenue**

If during the Indemnity Period, goods are sold or services are rendered, elsewhere than at the Premises for the benefit of the Business, either by the Insured or by others on his behalf, the money paid or payable shall be taken into account in arriving at the Gross Revenue during the Indemnity Period.

## 5 Estimate of Gross Profit or Gross Revenue

Prior to each renewal of this Section the Insured shall provide the Company with the estimated Gross Profit or estimated Gross Revenue, for their financial year most nearly concurrent with the ensuing year of insurance, or a proportionately reduced multiple thereof where the Indemnity Period is less than 12 months.

## 6 Adjustment Clause (Gross Profit)

The first and annual premiums are provisional and based on the estimated Gross Profit for the financial year most nearly concurrent with the Period of Insurance.

Within six months from the expiry of each Period of Insurance, the Insured shall provide the Company with a declaration confirmed by the Insured's auditors, of the Gross Profit earned during the financial year most nearly concurrent with the Period of Insurance.

The declaration shall include the amount by which Gross Profit was reduced during the financial year solely in consequence of any Accident giving rise to a claim.

When the declaration (adjusted as above) is:

- a** less than the estimated Gross Profit for the Period of Insurance, the Company will allow a pro-rata return of the premium paid on the estimated Gross Profit but not exceeding 50% of such premium;
- b** greater than the estimated Gross Profit for the Period of Insurance, the Insured shall pay a pro-rata addition to the premium but not exceeding 20% of the premium paid on the estimated Gross Profit.

## 7 Adjustment Clause (Gross Revenue)

The first and annual premiums are provisional and based on the estimated Gross Revenue for the financial year most nearly concurrent with the Period of Insurance.

Within six months from the expiry of each Period of Insurance, the Insured shall provide the Company with a declaration confirmed by the Insured's auditors, of the Gross Revenue earned during the financial year most nearly concurrent with the Period of Insurance.

The declaration shall include the amount by which Gross Revenue was reduced during the financial year solely in consequence of any Accident giving rise to a claim.

When the declaration (adjusted as above) is:

- a** less than the estimated Gross Revenue for the Period of Insurance, the Company will allow a pro-rata return of the premium paid on the estimated Gross Revenue but not exceeding 50% of such premium;

- b** greater than the estimated Gross Revenue for the Period of Insurance the Insured shall pay a pro-rata addition to the premium but not exceeding 20% of the premium paid on the estimated Gross Revenue.

## Franchise

In respect of Section 2 of Accident, the period beginning with the occurrence of an Accident causing a loss, which must be exceeded before an indemnity is paid, as stated in the Schedule.

## Time Exclusion

In respect of Section 1 of Accident, this Section does not cover and the Company shall not be liable for the period beginning with the occurrence of an Accident during which no indemnity is payable, as stated in the Schedule.

## Exclusions

**The Company shall not be liable under this Section for any loss resulting from interruption or interference due to:**

### 1 Excluded perils

In respect of Section 1 of Accident:

- a** fire, lightning, explosion (other than Explosion as specifically provided for under this Section), earthquake, flood, storm, tempest, inundation, escape of water from water containing apparatus, leakage from sprinkler installations, aircraft or other aerial devices or articles dropped therefrom; or
- b** theft or attempted theft, at the Premises; or

### 2 Deliberate Act of Supply Authority

The total or partial failure of utilities, services or supplies, caused by:

- a** deliberate act of any supply authority unless performed for the sole purpose of safeguarding life or protecting a part of any supply authority's system;
- b** scheme of rationing unless necessitated solely by physical damage to a part of the supply authority's system;
- c** strike or lock-out, total or partial withdrawal of labour or partial or complete cessation of work; or
- d** drought.

Certain further Exclusions apply to this Section as stated under Sections 11, 12a, 13 and 14 (Supplemental), of this Policy.



# Section 14: Computer Insurance

## Sub-Section 1 Hardware

The Company will indemnify the Insured against an Accident to the Hardware described in the Schedule whilst at the Premises.

Provided that:

- a** the liability of the Company under this Sub-Section in total for all claims or series of claims, arising out of any one original cause, shall not exceed the Sum Insured for Hardware; and
- b** for the purposes of the application of the Sums Insured only under this Sub-Section, the Sum Insured in respect of Portable Computer Equipment shall be deemed to be an inner limit within the Sum Insured for Hardware.

The Sums Insured apply in the aggregate to the property collectively described under this Sub-Section.

## Sub-Section 2 Reinstatement of Data

The Company will indemnify the Insured against the cost of reinstating data subject to Damage in consequence of an Accident.

Provided that:

- a** the liability of the Company is limited solely to the cost of reinstating data;
- b** the liability of the Company under this Sub-Section in total for all claims or series of claims, arising out of any one original cause, shall not exceed the Sum Insured against Sub-Section 2 Reinstatement of Data;
- c** the Company shall not be liable for an Accident to software insured under Sub-Section 1 Hardware;
- d** the Company shall not be liable under this Sub-Section for that which is more specifically insured under Sub-Section 3 Increased Cost of Working; and
- e** the Company shall not be liable for losses discovered later than six months after the loss was initiated.

## Sub-Section 3 Increased Cost of Working

In the event that the Business at the Premises is interrupted or interfered with in consequence of an Accident, the Company will pay the Insured their increased costs of working necessarily and reasonably incurred during the Indemnity Period in minimising or preventing the resulting interruption or interference, with the computer operations of the Business excluding costs more specifically insured under Sub-Section 2 Reinstatement of Data.

Provided that the liability of the Company under this Sub-Section in total for all claims during the Indemnity Period shall not exceed the Sum Insured against Sub-Section 3 Increased Cost of Working.

## Sub-Section 4 Virus Hacking And Denial of Service Attack

Notwithstanding the Computer Virus and Hacking General Exclusion, of this Policy, the Company will indemnify the Insured against:

- a** an Accident to Hardware insured under Sub-Section 1;
- b** costs incurred in Reinstatement of Data insured under Sub-Section 2; and
- c** Increased Cost of Working insured under Sub-Section 3, resulting from:
  - i** Virus or Similar Mechanism;
  - ii** Hacking; or
  - iii** Denial of Service Attack.

Provided that the respective Sub-Section is insured and shown as such within the Schedule.

The liability under this Sub-Section shall not exceed the lesser of:

- a** the Sum Insured against Sub-Section 4 Virus Hacking and Denial of Service Attack; or
- b** the aggregate of the Sums Insured in respect of Sub-Section 2 Reinstatement of Data and Sub-Section 3 Increased Cost of Working,

in total for all claims or series of claims, arising out of any one original cause.

The Company shall not be liable under this Sub-Section for costs more specifically insured under Extension 2 of Extensions applying to all Sub-Sections – Virus Seek and Destroy Costs.

It is a Condition of cover under this Sub-Section that:

- a** the Property Insured is protected by a commercially recognised Virus defence package which is:
  - i** registered to the Insured; and
  - ii** updated at intervals no greater than every 7 days; and
- b** the Property Insured is protected by a suitable Firewall which is regularly maintained and in full and effective operation at the time of a loss.



## Definitions

The definitions which apply to this Section are in addition to the General Definitions.

### Accident

- a** Damage including Damage in consequence of Breakdown or derangement to Hardware insured under Sub-Section 1 Hardware, from any cause not excluded;
- b** Loss or corruption of data insured under Sub-Section 2 Reinstatement of Data;
- c** Failure or variation in the supply of electricity or telecommunications networks owned and operated by the Insured; or
- d** Damage from any cause not excluded to any property at or adjacent to the Premises, which shall prevent or hinder the use of the Hardware whether the Hardware or other property at the Premises shall be subject to Damage or not,

occurring during the Period of Insurance.

### Breakdown

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

### Computer Equipment

- a** All electronic equipment used for the storage and communication of electronically processed data including peripheral devices, interconnecting wiring, fixed disks, telecommunications equipment, computerised telephone systems, electronic access equipment and Electronic Point of Sale Systems.

Computer Equipment shall not include:

- i** Computer Equipment controlling manufacturing processes;
- ii** Computer Equipment manufactured for sale or held as stock for sale;
- iii** Portable Computer Equipment; or
- iv** Facsimile or photocopying machines not used for the storage and communication of electronically processed data,

unless otherwise specified in the Schedule;

- b** Ancillary equipment solely for use with the Hardware comprising air conditioning equipment, generating equipment, voltage regulating equipment, temperature and humidity recording equipment, electronic access equipment, heat and smoke detection equipment, gas flooding cylinders and pipework and computer room partitioning;
- c** Data Carrying Materials;
- d** All current and backup computer software and programs, held on hard disks or Data Carrying Materials, unless specifically described otherwise in the Schedule; and
- e** Lock down plates, security enclosures, security cables and other similar devices,

owned by or on deferred purchase, leased, hired or rented to the Insured or whilst on trial with a view to purchase by the Insured.

### Data Carrying Materials

Removable magnetic, optical or electronic data storage media currently in use or used for backup purposes for programs or data.

Data Carrying Materials shall not include any fixed disks or paper records.

### Denial of Service Attack

Any actions or instructions constructed or generated that damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems.

### Desktop Personal Computers

Computer Equipment to be used by individual users comprising the central processing unit, monitor, keyboard and mouse.

Desktop Personal Computers shall not include printers, scanners, servers any computer acting as a network hub, centralised data storage devices, facsimile machines, photocopying machines, Portable Computer Equipment or any peripheral devices used by multiple users which are accessed via a computer network.

### Hacking

Unauthorised access to any computer or other equipment or component or system or item which processes, stores, transmits, retrieves or receives data, whether it be the property of the Insured or not.

### Hardware

Computer Equipment and Portable Computer Equipment (if a Sum Insured appears against Portable Computer Equipment), insured under Sub-Section 1 of this Section.

### Indemnity Period

The period beginning with the occurrence of an Accident and ending not later than the last day of the period specified in the Schedule as the Indemnity Period during which the results of the operations of the Insured shall be affected in consequence of the Accident.

### Maintenance Agreement

An agreement with the manufacturer or other approved company in respect of the Hardware providing for:

- a** free repairs to or replacement of the Hardware following Breakdown or stoppage from any internal cause other than by a breach of the obligations of the Insured under the agreement; and
- b** preventative maintenance or adjustment of mechanical moving parts.

### Portable Computer Equipment

- a** Laptops, palmtops and notebooks;
  - b** Personal Digital Assistants (PDAs);
  - c** Projectors, printers 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;
- unless otherwise specified in the Schedule.

### Property Insured

The property stated in Section 14: Computer Insurance in the Schedule.

### Verified

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

### Virus or Similar Mechanism

Any program code, programming instruction or any set of instructions intentionally constructed with the ability to Damage, interfere with or otherwise adversely affect computer programs, data files or operations, whether involving self replication or not.

## Extensions applying to all Sub-Sections

**Cover under all Sub-Sections is extended to include:**

### 1 Subrogation Waiver

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

- a i** any company which is the parent or subsidiary of the Insured; or
- ii** any company which is a subsidiary of a parent of the Insured,

in each case within the meaning of the Companies Act 2006 or Companies (Northern Ireland) Order, as applicable, at the time the Accident occurs;

or

- b** any user of the Hardware authorised in writing by the Insured prior to the Accident.

Provided that:

- i** any users so included observe and fulfil the terms, definitions, conditions, clauses and exclusions, of this Policy, as if they were the Insured; and
- ii** the Insured do not receive any form of indemnity or damages from such users.

### 2 Virus Seek and Destroy Costs

Costs necessarily and reasonably incurred and authorised by the Company, in locating and removing a detected Virus or Similar Mechanism provided that the amount payable under this Extension shall not exceed £10,000 in total for all claims or series of claims, arising out of any one original cause.

### 3 Further Extensions

Certain further Extensions as stated under Sections 11, 12a, 13 and 14 (Supplemental), of this Policy.

## Extension applying to Sub-Section 1

The cover under Sub-Section 1 is extended to include:

### 1 Automatic Cover

- a** Newly acquired Hardware belonging to the Insured or for which they are responsible, at any existing Premises shown in the Schedule until the next renewal date at no additional charge provided that Hardware is shown as insured in the Schedule.

The maximum liability of the Company under this Extension shall not exceed the lesser of:

- i** £300,000; or
- ii** 25% of the Sum Insured stated against Hardware, in respect of newly acquired Hardware,

at any one Premises;  
and

- b** Hardware at any premises of the Insured for the purposes of the Business not advised to the Company.

Provided that:

- i** the liability of the Company under this Extension does not exceed £150,000 at any one additional premises;
- ii** security and fire protection are equal to or better than those at existing Premises; and
- iii** an additional premium shall be charged pro rata from the date that such premises should have been advised to the Company.

### 2 Waste Electrical and Electronic Equipment Directive

The additional costs incurred by the Insured in complying with the Waste Electrical and Electronic Equipment Directive for the disposal of electronic equipment following insured Damage to Hardware provided that the amount payable under this Extension shall not exceed £25,000 in total for all claims or series of claims, arising out of any one original cause.

This amount is in addition to the limit for debris removal.

### 3 Temporary Removal

Computer Equipment whilst temporarily removed or in transit to or from the Premises, to or from any other situation anywhere in the world (including whilst in transit by sea or air but only whilst in the custody, care and control of the Insured).

The maximum liability of the Company under this Extension shall not exceed £50,000 in total for all claims or series of claims, arising out of any one original cause.

This Extension does not apply to Portable Computer Equipment.

### 4 Portable Computer Equipment

In respect of any Portable Computer Equipment (where cover is provided under this Section), the cover provided shall operate whilst such equipment is at or in transit between any situations in the world (including whilst in transit by sea or air).

Provided that:

- a** the liability of the Company under this Extension in total for all claims or series of claims, arising out of any one original cause in respect of Portable Computer Equipment away from the Premises, shall not exceed the lesser of:
  - i** the Sum Insured stated in the Schedule against Portable Computer Equipment;
  - or
  - ii** £5,000 in respect of Theft or attempt thereof claims;
  - iii** £25,000 in respect of any other loss; and
- b** the Portable Computer Equipment shall at all times be carried as hand luggage when in transit other than by private motor vehicle.

### 5 Data Carrying Materials

Data Carrying Materials as described in Computer Equipment Definition part c are insured whilst situated or in transit anywhere in the world.

### 6 Gas Flooding Systems

The cost of recharging a gas flooding system installed solely for the protection of the Hardware following accidental discharge.

Provided that:

- a** the Company shall not be liable under this Extension for any loss as a result of gradual leakage, discharge or drop in pressure;
- b** the Insured shall maintain at his own expense the gas flooding system in accordance with the suppliers and/or manufacturers recommendations; and
- c** the maximum liability of the Company under this Extension shall not exceed £25,000 in the aggregate and in any one Period of Insurance.

## Extensions of cover applying to Sub-Sections 1 and 2

**Cover under Sub-Section 1 Hardware and Sub-Section 2 Reinstatement of Data is extended to include:**

### 1 Incompatibility of Records

Where Sub-Section 2 Reinstatement of Data is insured under this Section the Company will indemnify the Insured in respect of:

- a** the cost of modifying the Hardware insured under Sub-Section 1 Hardware;
- or
- b** the cost of replacing the Data Carrying Materials together with Reinstatement of Data,

whichever is the lesser,

as a result of an indemnifiable Accident to achieve equivalent compatibility with that existing Hardware or Data Carrying Materials, immediately prior to the Accident, due to Data Carrying Materials that are not subject to an Accident being incompatible with the replacement Hardware.

Provided that:

- i** the replacement Hardware is the nearest equivalent to that subject to an Accident; and
- ii** the total amount payable under this Extension shall not exceed 50% of the aggregate of the Sum Insured for Hardware under Sub-Section 1 Hardware and the Sum Insured under Sub-Section 2 Reinstatement of Data, or £50,000 whichever is the lesser.

## Extensions of cover applying to Sub-Section 2

**Cover under Sub-Section 2 Reinstatement of Data is extended to include:**

### 1 Research and Development Costs

Costs of re-writing data processing, research or development projects to the stage reached immediately prior to the occurrence of an indemnifiable Accident but excludes any benefit to the Insured which would have been obtained from the completion of the project had the Accident not occurred provided that the liability of the Company under this Extension shall not exceed £25,000 in total for all claims or series of claims, arising out of any one original cause.

## Extensions of cover applying to Sub-Section 3

**Cover under Sub-Section 3 Increased Cost of Working is extended to include:**

### 1 Auditors Fees

Reasonable fees payable by the Insured to their auditors for producing and certifying any particulars or details contained in their books of account or other business books or documents or such other information as may be requested by the Company.

### 2 Additional Rental Charge

Additional lease or hire fees incurred following the replacement of an existing lease or hire agreement by a similar new agreement in consequence of an Accident to the Hardware insured under Sub-Section 1 Hardware.

Provided that:

- a** the Insured will be indemnified for the unexpired portion of the lease/hire contract only;
- b** payment shall cease at the expiry of the lease/hire contract in force at the time of the Accident or 24 months after the date of the Accident, whichever is the sooner; and
- c** additional fees payable under this Extension shall not exceed £25,000 in total in respect of any one Accident or series of Accidents arising out of any one occurrence.

## Clauses applying to all Sub-Sections

**The following Clause applies to this Section.**

### Average

Each item of Property Insured by this Section is similarly but separately subject to Average as defined in the General Definitions.

## Conditions applying to all Sub-Sections

### 1 Intruder Alarm

Also applicable to this Section is Condition 2 as set out in Section 1: Material Damage of this Policy, if such Condition is operative under Section 1, for the Premises concerned.

### 2 Further Conditions

Certain further Conditions apply to this Section as stated under Sections 11, 12a, 13 and 14 (Supplemental), of this Policy.

## Conditions applying to Sub-Section 1 only

### 1 Declaration of Values

The Insured shall prior to each renewal supply the Company with declarations of the new replacement value of each of the categories of Hardware.

### 2 Basis of Settlement

In the event of a claim for which liability is accepted under this Section, the basis upon which the amount payable is to be calculated shall be:

- a** Where any item of Hardware is subject to an Accident to the extent that repair is uneconomic or impractical, its replacement by new Hardware of equal performance and/or capacity or if such be impossible its replacement by Hardware having the nearest higher performance and/or capacity to the Hardware subject to an Accident; or
- b** Where the Hardware is subject to an Accident, the repair of the Accident and the restoration of the portion of the Hardware subject to an Accident to a working condition substantially the same as but not better or more extensive than its condition when new.

Provided that:

- i** The total liability of the Company in respect of an Accident to Hardware shall not exceed the Sums Insured stated in the Schedule in accordance with the terms stated in Sub-Section 1 or additionally provided under the Automatic Cover Extension;
- ii** The work of repair or replacement must be commenced and carried out with reasonable despatch and in any case must be completed within six months after the Accident or within any further period of time as the Company may allow;
- iii** No payment beyond the amount which would have been payable if this Condition had not been incorporated shall be made until the cost of repair or replacement has been incurred;
- iv** No payment beyond the amount which would have been payable if this Condition had not been incorporated shall be made if at the time of any Accident to the Hardware insured, it shall be covered by any other insurance held by or on behalf of the Insured which differs in basis of settlement from this insurance; and

- v** Where by reason of the above provisions no payment is made beyond the amount which would have been payable if this Condition had not been incorporated, the rights and liability of the Company and the Insured in respect of the Accident shall be subject to the terms, definitions, conditions, clauses and exclusions, of this Policy, as if this Condition had not been incorporated.

### 3 Back Up Programs

It is a condition precedent to the liability of the Company under this Sub-Section that where legally permissible, the Insured shall maintain a regularly updated and Verified back-up copy of all insured software and programs.

### 4 Unattended Vehicles

It is a condition precedent to the liability of the Company under this Sub-Section that whenever Hardware is being transported by vehicle and the vehicle is left unattended:

- a** the Hardware shall be kept out of sight in a luggage compartment, glove compartment or other container; and
- b** all windows or openings are to be closed and all doors locked.

Additionally when Hardware is left in an unattended vehicle overnight, the vehicle shall be kept in a secure or attended garage, compound or yard.

## Conditions applying to Sub-Sections 2 and 3

### Back Up Records

It is a condition precedent to the liability of the Company under these Sub-Sections that the Insured shall maintain a minimum of 2 generations of Verified back-up computer records taken at intervals no less frequently than 48 hours with one copy as a minimum being held off site.

The Insured must take reasonable precautions to ensure that all backup tapes, storage devices or other computer records are used and stored, in accordance with the manufacturers recommendations.



## Exclusions applying to all Sub-Sections

### The Company shall not be liable for:

- 1 Loss of use of Hardware or any other loss, arising as an indirect consequence of the Accident, other than as specifically insured under Sub-Section 2 Reinstatement of Data and Sub-Section 3 Increased Cost of Working, of this Specification;
- 2 This Section does not cover and the Company shall not be liable for the amount of the Excess stated in the Schedule being the first part of each and every claim other than:
  - a where the terms of Exclusion 1 applying to Sub-Section 3 Increased Cost of Working are applicable;
  - b in respect of Damage resulting from fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, whereby the Excess shall be nil;
  - c where the only loss sustained by the Insured as a result of theft or attempted theft is Damage to items defined under item e of the Computer Equipment Definition, whereby the Excess shall be nil;
  - d in respect of Breakdown, whereby the Excess stated in the Schedule against Breakdown shall apply with the exception of;
    - i Desktop Personal Computers;
    - ii Portable Computer Equipment; and
    - iii Hardware where a Maintenance Agreement, warranty or guarantee is in force on the item at the time of the Damage,

whereby the standard Excess shall apply.

In the event that a claim under Sub-Section 1 Hardware does not exceed the Breakdown Excess and the claim involves costs under other Sub-Sections of the Section other than Sub-Section 1 Hardware then the standard Excess shall apply to those Sub-Sections.

In the event that a claim under Sub-Section 1 Hardware resulting from Breakdown exceeds the Breakdown Excess then the higher Excess shall apply to the whole claim.

All claims or series of claims, arising out of any one original cause, will be treated as one claim.

- 3 Loss or damage arising from loss, corruption or damage to bespoke software or individually tailored packages, unless the Insured has in force a software support agreement with the supplier or a third party maintainer approved by the supplier;

- 4 Loss, interruption or interference, directly or indirectly due to incorrect operation of safety or protective devices; or
- 5 Any loss, interruption or interference, directly or indirectly due to failure of any part requiring periodic renewal.

Certain further Exclusions apply to all Sub-Sections as stated under Sections 11, 12a, 13 and 14 (Supplemental), of this Policy.

## Exclusions applying to Sub-Section 1 only

### The Company shall not be liable for:

- 1 Loss or damage recoverable under the Maintenance Agreement or any warranty or guarantee; or
- 2 An Accident to Hardware whilst hired out or loaned out.

## Exclusion applying to Sub-Section 3 only

### The Company shall not be liable for:

- 1 Increased Cost of Working incurred during the first 48 hours following the failure of any item of Hardware due to its Breakdown or derangement, where a Maintenance Agreement is not in force on the item at the time of the loss or damage.

## Exclusion applying to Sub-Sections 2, 3 and 4 only

### The Company shall not be liable for:

- 1 Any cost or loss caused by or resulting from the failure or interruption of any electrical power supply network or Telecommunication Network not owned and operated by the Insured. This exclusion shall not apply to any cost or loss caused by or resulting from physical damage, if otherwise insured by this Section, to the electrical power supply network, Telecommunication Network or other property.

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



# Sections 11, 12a, 13 and 14 (Supplemental)

The following are applicable to the Sections stated.

## Extensions

In respect of Section 11: Deterioration of Stock, Section 12a: Engineering Damage to Machinery and Plant and Section 14: Computer Insurance, of this Policy, the following further Extensions apply.

The insurance provided by this Section is extended to include the following:

### 1 Debris Removal

In respect of each claim for Damage for which liability is accepted, the cover provided by this Section extends to include costs incurred in the removal of debris and protection of the Property Insured, following indemnifiable Damage not exceeding:

- a £25,000; or
- b 20% of the indemnifiable Damage,

whichever is the lower, in total for all claims or series of claims, arising out of any one original cause.

### 2 Loss Avoidance Measures

Subject to the relevant Limit of Indemnity or Sum Insured, the Company will pay reasonable costs incurred in taking exceptional measures to prevent or mitigate impending Damage for which indemnity is provided by the Section.

Provided that:

- a Damage would reasonably be expected if such measures were not implemented;
- b the Company are satisfied that Damage has been avoided or mitigated, by means of the exceptional measures;
- c the amount payable will be limited to the cost of Damage which would have otherwise occurred; and
- d the terms, definitions, conditions, clauses and exclusions, applicable to the Section, apply as if Damage had occurred.

### 3 Automatic Reinstatement

Sums Insured or Limits of Indemnity will be reinstated from the date of occurrence of any claim subject to an additional premium.

The Company will waive the additional premium if the total cost of the claim does not exceed £25,000.

### 4 Expediting Costs

The Company will pay costs necessarily and reasonably incurred in making temporary repairs upon and/or expediting the repair, reinstatement or replacement, of Property Insured as a result of indemnifiable Damage provided that the liability of the Company shall not exceed:

- a 50% of the cost of such Damage; or
- b £50,000,

whichever is the lower, in total for all claims or series of claims, arising out of any one original cause.

### 5 Repair Costs Investigation

With their prior written agreement the Company will pay costs relating to repair investigations and tests, following indemnifiable Damage to Property Insured by consulting engineers provided that the liability of the Company in total shall not exceed £25,000 in any one Period of Insurance.

The Company shall not be liable under this Extension for fees incurred in preparing a claim under this Section.

## Conditions

In respect Section 11: Deterioration of Stock, Section 12a: Engineering Damage to Machinery and Plant, Section 13: Engineering Business Interruption and Section 14: Computer Insurance, of this Policy, the following further Conditions apply.

### 1 Claims Settlement

- a The Company may at its option repair, reinstate, replace or pay in money, for any Damage covered by this Policy.  
The amount stated as the Excess or the loss sustained by the Insured during any Time Exclusion stated in the Schedule, will be deducted from the settlement and borne by the Insured.
- b Without prejudice to liability, the Insured may proceed with minor repairs subject to compliance with Claims Condition 2 of this Policy.
- c To the extent that the Insured is accountable to the tax authorities for Value Added Tax all claims settlements shall be exclusive of such tax.

### 2 Payments on Account

Notwithstanding Claims Condition 2 of this Policy, where liability is accepted, the Insured shall be entitled to receive interim payments as agreed between the Insured and the Company.

### 3 Other Insurance

This insurance does not cover any Damage which is insured by or would but for the existence of this Section be insured by, any other policy or policies except in respect of any excess beyond the amount which would have been payable under such policy or policies, had this insurance not been effected.

### 4 Access

The Company or its representatives shall have the right of access to the Property Insured at reasonable times.

### 5 General Conditions, Claims Conditions or General Exclusions

Where there is any conflict between the General Definitions, General Conditions, Claims Conditions or General Exclusions, of this Policy, and the terms, definitions, conditions, clauses and exclusions, under the Sections stated, the interpretation under the Sections stated shall take precedence.

## Exclusions

In respect Section 11: Deterioration of Stock, Section 12a: Engineering Damage to Machinery and Plant, Section 13: Engineering Business Interruption and Section 14: Computer Insurance, of this Policy, the following further Exclusions apply.

Other than as specifically provided for elsewhere within the Section, the Company shall not be liable for:

#### 1 Intentional Acts

Damage caused by or arising out of:

- a** any intentional act or wilful omission of the Insured (other than an act or omission the purpose of which is an exceptional measure to prevent injury or Damage), which having regard to the nature and circumstances of the act or omission could reasonably be expected to cause, contribute to or exacerbate any Damage; or
- b i** intentional overloading; or
- ii** testing or experiments involving the imposition of any abnormal conditions;

### 2 Wear and Tear

Damage caused directly by:

- a** wear and tear, gradual deterioration or rust;
- b** gradually developing defects;
- c** scratching or chipping of painted or polished surfaces; or
- d** erosion or corrosion,

but this shall not exclude resultant Damage not otherwise excluded;

### 3 Application of Tools

Damage caused by or arising out of the direct application of any tool or process, during the course of repair, maintenance, inspection, modification or overhaul;

### 4 Guarantees of Performance

Liquidated damages, penalties for delay or detention or in connection with guarantees of performance or efficiency; or

### 5 Airborne and Waterborne Craft

Damage to airborne or waterborne vessels, craft, platforms or rigs, or any Property Insured situated thereon or being loaded onto or offloaded therefrom.

# Section 15: Loss of Licence

In the event that the licence for the sale of excisable liquors which has been granted in respect of the Premises, is forfeited, suspended or withdrawn, during the Period of Insurance, the Company will pay to the Insured:

- Cover A** the amount by which the Gross Income during the Indemnity Period falls short of the Gross Income during the equivalent period immediately before the forfeiture, suspension or withdrawal of the licence; and
- Cover B** any reasonable additional expenses incurred in maintaining the Gross Income during the Indemnity Period but not more than the loss avoided under Cover A,

less any amount saved during the Indemnity Period in respect of reduced expenses due to the event.

In adjusting the amount paid, all variations or special circumstances affecting the Business shall be taken into account in order that the amount paid shall represent as nearly as practicable the results which would have been expected if forfeiture, suspension or withdrawal of the licence had not occurred.

If the event occurs in the first trading year of the Business, the payment under Cover A shall be based on the trading figures immediately before the forfeiture, suspension or withdrawal of the licence.

- Cover C** the reduction in value of the Premises if the Insured is unable to obtain a licence for a period of 12 months from the date of the forfeiture, suspension or withdrawal of the licence and the Insured sell the Premises;
- Cover D** all costs and expenses, incurred by the Insured with the written consent of the Company; and
- Cover E** auditors' or accountants' charges reasonably incurred for producing and certifying details of a claim under this Section.

Provided that the liability of the Company under this Section in the aggregate during any one Period of Insurance shall not exceed the Indemnity Limit stated in the Schedule plus professional accountants charges.

## Definitions

The definitions which apply to this Section are in addition to the General Definitions.

## Gross Income

The money paid or payable to the Insured in respect of food, drink or accommodation provided and services rendered, less the cost of food and drink.

## Indemnity Period

The period beginning with the loss of licence and ending not later than 12 months thereafter during which the results of the Business shall be affected in consequence of the loss of licence provided that if the Premises are disposed of within the 12 months after the loss of licence, the Indemnity Period shall terminate either:

- a upon disposal; or
- b 12 months from the loss of licence, whichever is the earlier.

## Clauses

The following Clauses apply to this Section.

### 1 Value Added Tax

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

### 2 Alternative Trading

If during the Indemnity Period food, drink or accommodation shall be supplied or services rendered, elsewhere than at the Premises for the benefit of the Business, either by the Insured or by others on their behalf then the money paid or payable in respect of such food, drink, accommodation or services shall be brought into account in arriving at the reduction in Gross Income during the Indemnity Period.

## Conditions

The following Conditions apply to this Section.

### 1 Change in Circumstances

The Insured shall on becoming aware of any:

- a complaint against the Business;
- b proceedings against or conviction of the licence holder, manager, tenant or occupier of the Premises, for any breach of the licensing law or any other matter whatsoever where the character or reputation of the person concerned is affected or called into question with respect to his honesty, moral, standing or sobriety;
- c change in the tenancy or management of the Premises;

- d** transfer or proposed transfer of the licence;
- e** alteration in the purpose for which the Premises are used; or
- f** objection to renewal or other circumstances which may endanger the licence or its renewal,

immediately give notice to the Company and supply such additional information and give such assistance as may reasonably be required.

## 2 Transfer of Licence

In the event of the Insured's death, bankruptcy or incapacity or desertion of the Premises or conviction for any offence (where such conviction affects the character or reputation of the convicted person with respect to their honesty, moral, standing or sobriety) of the licence holder, manager, tenant or occupier of the Premises, the Insured shall where practicable and at the request of the Company, procure a suitable person to replace them and one to whom the justices will transfer the licence or grant the licence by way of renewal.

## 3 Forfeiture or Refused Renewal

In the event of the licence being forfeited or refused renewal, the Insured shall:

- a** give notice to the Company within 48 hours of receiving knowledge of such event, stating the grounds upon which the licence was forfeited or refused renewal;
- b** give all such assistance as the Company may require, for the purpose of an appeal against such forfeiture or refusal to renew and allow the Company and their solicitors full discretion in the conduct of such proceedings; and
- c** apply if practicable and if required by the Company, for the grant of such new licence for the same or alternative premises, as may enable the Insured to continue the Business in a similar or alternative form.

## Exclusions

**The Company shall not be liable under this Section for any loss if:**

- 1** the Insured is entitled to obtain payment of compensation under any legislation or Byelaw, in respect of refusal to renew the licence;
- 2** alterations to the Premises requiring the consent of the licensing or other authority shall be made without that consent;
- 3** the Premises are closed for any period not required by law;

- 4** the Premises are not maintained in a good state of sanitary condition or repair;
- 5** any direction or requirement of the licensing or other authority is not complied with;
- 6** the forfeiture or refusal to renew the licence occurs wholly or partly by or through the misconduct, procurement, connivance, neglect or omission of the Insured; or
- 7 a** prior or subsequent to the refusal to renew or forfeiture of the licence, the Premises are required for any public purpose;
- b** surrender or refusal to renew or forfeiture arises under or results directly or indirectly from any scheme of town or country planning, improvement or redevelopment;
- c** arising from surrender, reduction or redistribution of licences; or
- d** arising from any alteration of the law affecting the grant, surrender, refusal to renew or forfeiture of licences.

NOTE: Exclusions 2 to 6, inclusive of this Section, shall not apply where the Insured or any other claimant under this Section prove to the reasonable satisfaction of the Company that the matter was completely beyond their power or control.

# Section 16: Fidelity Guarantee

The Company will, subject to the Limit of Indemnity, indemnify the Insured in the event of theft of money or other property, the property of the Insured or held by them in trust for which they are responsible, arising solely and directly from any act of fraud or dishonesty, by any Employee.

Provided that such event:

- 1 occurs during the Period of Insurance;
- 2 is intended to make Improper Financial Gain for the Employee or for any other party or organisation;
- 3 arises during the uninterrupted employment of such Employee by the Insured;
- 4 is discovered within the period of 12 calendar months of such event; and
- 5 occurs in the United Kingdom, the Channel Islands or the Isle of Man.

## Definitions

The definitions which apply to this Section are in addition to the General Definitions.

### Employee

Notwithstanding the General Definition of Employee, for the purpose of this Section Employee shall mean:

Any person while working for the Insured in connection with the Business who is under a contract of service or apprenticeship with the Insured.

### Improper Financial Gain

Improper financial gain which shall not include the payment of or increase in salaries, bonuses, fees, promotions, rewards, pensions or other employee benefits.

### Specific Event

All thefts insured by this Section and committed by any one Employee or series of Employees working in collusion with each other.

## Conditions

The following Conditions apply to this Section.

It is a condition precedent to the liability of the Company that:

### 1 Auditors

The accounts of the Insured must be examined by external auditors at least every 12 months.

### 2 Cash Receipts

Employees receiving cash and cheques, in the course of their duties, must be required to remit all monies received to the Insured and/or bank in full all monies received, on the date of receipt or on the next banking day.

### 3 Reconciliation

Independently of Employees required by the Insured to administer bank statements, receipts, counterfoils and supporting documentation, all such items must be checked at least monthly against the cash book entries and the balance tested with cash and unpresented cheques.

### 4 Cheque Signing

All manually prepared cheques drawn for more than £25,000 shall require two manually applied signatures, being that of the Insured and/or any Employee authorised by the Insured, to be added after the amount has been inserted and supporting documentation examined and signed by such parties.

In respect of computer or machine prepared cheques drawn for more than £25,000, at least one manually applied signature, being that of the Insured or an Employee authorised by the Insured, must be added after the cheque has been printed and supporting documentation examined and signed by such party.

The Insured's bank or building society must be advised of the above signatory requirements.

All signed documentation pertaining to any issued cheque must be retained by the Insured for inspection.

### 5 Cash and Petty Cash

Cash in hand and petty cash shall be checked independently of Employees responsible for such cash at least monthly and additionally without warning every six months.

### 6 Investment Control

Dual control will be exercised over all investments with investment documents designed to ensure that no one person can be authorised to complete a transaction from beginning to end.

The Insured must instruct their bank or building society and stockbrokers to this effect.

### 7 Computer Security

Security checks must be built into all computer functions with reconciliations made as necessary.

Responsibilities for authorisation of transactions, processing of transactions and handling of output must be exercised by different Employees.



## 8 Vetting of Employees

Written references from previous employers (or the school in respect of students or Employees who have not been employed since leaving school) must be obtained for the period of 2 years immediately preceding the Employee working for the Insured.

The reference must confirm the dates of employment (or schooling) and the honesty of the Employee.

The maximum period between periods of employment (and/or schooling) in an Employee's references should be 28 days. If any period is longer, every effort should be made to evidence what the Employee was doing during such period and establish that such period did not include dishonesty.

## 9 Annual Holiday

Every Employee responsible for money, goods accounting, operating computers or computer programming must be required to take an uninterrupted holiday of at least two weeks in each calendar year during which they perform no duties and are required to stay away from their place of work.

## 10 Termination of Employees

Immediately upon the termination of contract for any Employee, the Insured must take all reasonable action so as to prevent theft arising, including but not restricted to:

- a the removal of any access keys held by the Employee;
- b the changing of any alarm or security codes, that the Employee would have had knowledge of; and
- c the removal of the Employee from any computer system to which the Employee had access.

## 11 Police Notification

Upon the discovery of any event which may give rise to a claim under this Section, the Insured must notify the police authority immediately and assist in taking all practical steps to identify the Employee responsible and to trace and recover the money and/or property.

## 12 Cessation of cover

Upon discovery of theft by an Employee, all indemnity under this Section in relation to further theft by such Employee shall cease with immediate effect.

## 13 Withholding of Monies

Any monies owed by the Insured to an Employee found responsible for theft must be withheld and such sum will be deducted from any payment made by the Company.

## Basis of Settlement

In the event of theft of money or other property indemnified by this Section, the basis upon which the amount payable under such items is to be calculated shall be the value at the time of the event or, at the Company's option, the replacement or reinstatement of such property.

### Limit of Indemnity

In respect of a Specific Event, the liability of the Company shall not exceed the Limit of Indemnity stated in the Schedule.

Subject to the Company's indemnity under this Section in any one Period of Insurance not exceeding the Aggregate Limit of Indemnity stated in the Schedule.

### Auditors' Fees

Where there is a valid claim under this Section, the Company will also pay any reasonable costs for:

- a auditors' fees incurred for the purpose of substantiating the amount of the claim; and
- b the cost of rewriting or amending any computer software programs or security codes, so as to prevent recurrence of theft arising from use of computer hardware.

Provided that the Company's indemnity shall not exceed in total the Limit of Indemnity applicable had such costs not been payable.

### Excess

This Section does not cover and the Company shall not be liable for the amount of the Excess stated in the Schedule being the first part of each and every claim.

All claims or series of claims, arising out of any one original cause, will be treated as one claim.

### Exclusions

**The Company shall not be liable under this Section for:**

- 1 loss attributable solely to any unexplained shortages;
- 2 loss caused by an Employee before the cover for such Employee inception;
- 3 loss where the Insured continues to entrust the defaulting Employee with access to money and/or goods, after becoming aware of any material fact that questions the honesty of the Employee; or
- 4 any indirect loss arising as an indirect consequence of the event in respect of which indemnity is provided by this Section.



# Section 17: Legal Expenses

Claims under this Section are administered and managed by DAS Legal Expenses Insurance Company Limited on behalf of the Company.

The Company will cover the Insured in respect of any Insured Incident arising in connection with the Business in accordance with the terms, definitions, conditions and exclusions, of this Section.

Provided that:

- a** the Date of Occurrence of the Insured Incident happens during the Period of Insurance and within the Territorial Limit; and
- b** the legal proceedings will be dealt with by a court, or other body which DAS agrees to, in the Territorial Limit; and
- c** in civil claims it is always more likely than not that the Insured will recover damages (or obtain any other legal remedy which DAS has agreed to) or make a successful defence.

For all Insured Incidents, DAS will help in appealing or defending an appeal as long as the Insured Person tells DAS within the time limits allowed that they want DAS to appeal. Before the Company pays any Costs and Expenses for appeals, DAS must agree that it is always more likely than not that the appeal will be successful.

If a Representative is used, the Company will pay the Costs and Expenses incurred for this.

Compensation awards will be paid where agreed by DAS.

The most the Company will pay for all claims resulting from one or more event arising at the same time or from the same originating cause shall not exceed the Indemnity Limit stated in the Schedule.

## Definitions

**The definitions which apply to this Section are in addition to the General Definitions.**

### Aspect Enquiry

An examination by HM Revenue & Customs or equivalent bodies in the Isle of Man or the Channel Islands, which considers one or more specific aspects of the Insured's self-assessment and/or corporation tax return.

### Costs and Expenses

#### a Legal Costs

All reasonable and necessary costs charged by the Representative on the standard basis.

Also the costs incurred by opponents in civil cases if an Insured Person has been ordered to pay them, or pays them with the agreement of DAS.

#### b Accountant's Costs

A reasonable amount in respect of all costs reasonably incurred by the Representative.

#### c Attendance Expenses

The Insured Person's salary or wages, for the time that the Insured Person is off work to attend any arbitration, court or tribunal hearing, at the request of the Representative or while attending jury service. The Company will pay for each half or whole day that the court, tribunal or the Insured will not pay for.

The amount the Company will pay is based on the following:

- i** the time the Insured Person is off work including the time it takes to travel to and from the hearing. This will be calculated to the nearest half day assuming that a whole day is eight hours;
- ii** if the Insured Person works full time, the salary or wages for each whole day equals 1/250th of the Insured Person's yearly salary or wages;
- iii** if the Insured Person works part-time, the salary or wages will be a proportion of the Insured Person's weekly salary or wages.

## DAS

DAS Legal Expenses Insurance Company Limited.

### Date of Occurrence

- 1** For civil cases (other than under Insured Incident 4 Tax Protection), the Date of Occurrence is when the cause of action first accrued.
- 2** For criminal cases, the Date of Occurrence is when the Insured Person commenced or is alleged to have commenced to violate the criminal law in question.
- 3** For licence or registration appeals, the Date of Occurrence is when the Insured first became aware of the proposal by the relevant licensing or regulatory authority to suspend, alter the terms of, refuse to renew or cancel the Insured's licence or British Standard Certificate of Registration.
- 4** For Full Enquiries or Aspect Enquiries, the Date of Occurrence is when HM Revenue & Customs or equivalent bodies in the Isle of Man or the Channel Islands first notifies the Insured in writing of the intention to make enquiries.
- 5** For Tax Intervention Enquiries, the Date of Occurrence is when HM Revenue & Customs or equivalent bodies in the Isle of Man or the Channel Islands first contacts the Insured in relation to commencing an intervention enquiry into the Insured's Business accounts.

- 6** For employers' compliance disputes and Value Added Tax disputes (both under Insured Incident 4 Tax Protection), the Date of Occurrence is when the relevant authority sends an assessment or written decision to the Insured.

### Full Enquiry

An extensive examination by HM Revenue & Customs or equivalent bodies in the Isle of Man or the Channel Islands, which considers all aspects of the Insured's tax affairs, excluding those enquiries which are limited to one or more specific aspects of the Insured's self assessment and/or corporation tax return.

### Insured Person

The Insured and the directors, partners, managers and employees, of the Insured and any other individuals declared to the Company.

### Representative

The lawyer, accountant or other suitably qualified person, who has been appointed to act for an Insured Person in accordance with the terms, definitions, conditions, and exclusions, of this Section.

### Tax Intervention Enquiry

An examination by HM Revenue & Customs or equivalent bodies in the Isle of Man or the Channel Islands, to measure the level of compliance in the Insured's financial accounting records to highlight areas where errors have or may occur.

### Territorial Limit

For Insured Incidents 2 Legal Defence (excluding 2(4)), and 3(b) Bodily Injury, the Member Countries of the European Union, the Isle of Man, the Channel Islands, Albania, Andorra, Bosnia Herzegovina, Croatia, Gibraltar, Iceland, Liechtenstein, Macedonia, Monaco, Montenegro, Norway, San Marino, Serbia, Switzerland and Turkey.

For all other Insured Incidents:

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

### Insured Incidents

#### 1 Employment Disputes and Compensation Awards

##### a Employment Disputes

DAS will defend the Insured's legal rights:

- 1** prior to the issue of legal proceedings in a court or tribunal, following the dismissal of an Employee; or
- 2** in the resolution of unfair dismissal disputes under the ACAS Arbitration Scheme; or

- 3** in legal proceedings in respect of any dispute with:

- a** an Employee or ex-Employee or a trade union acting on behalf of an Employee or ex-Employee, which arises out of, or relates to, a contract of employment with the Insured; or
- b** an Employee, prospective Employee or ex-Employee, arising from an alleged breach of their statutory rights under employment legislation.

What is not covered:

- 1** Any claim in respect of damages for personal injury or loss of or damage to property.
- 2** Any claim arising from or relating to any transfer of business which falls within the scope of the Transfer of Undertakings (Protection of Employment) Regulations 2006 or the Transfer of Employment (Pension Protection) Regulations 2005.

#### b Compensation Awards

The Company will pay:

- 1** any basic or compensatory award; and/or
- 2** an order for compensation following a breach of the Insured's statutory duties under employment legislation,

in respect of a claim DAS have accepted under Insured Incident 1a.

Provided that:

- 1** In cases relating to performance and/or conduct, the Insured have throughout the employment dispute either:
  - a** followed the ACAS Code of Practice on Disciplinary and Grievance Procedures as prepared by the Advisory Conciliation and Arbitration Service; or
  - b** followed equivalent codes of practice issued by the Labour Relations Agency in Northern Ireland; or
  - c** sought and followed advice from DAS legal advice service.
- 2** For an order of compensation following the Insured's breach of statutory duty under employment legislation, the Insured have at all times sought and followed advice from DAS legal advice service since the date when the Insured should have known about the employment dispute.

- 3 For any compensation award for redundancy or alleged redundancy or unfair selection for redundancy, the Insured have sought and followed advice from DAS claims department prior to serving notice of redundancy.
- 4 The compensation is awarded by a tribunal or through the ACAS Arbitration Scheme, under a judgment made after full argument and otherwise than by consent or default, or is payable under settlement approved in writing in advance by DAS.
- 5 The total of the compensation awards payable by the Company shall not exceed £1,000,000 in the aggregate in any one Period of Insurance.

What is not covered:

- 1 Any compensation award relating to the following:
  - trade union activities, trade union membership or non-membership;
  - pregnancy or maternity rights;
  - health and safety related dismissals brought under section 44 of the Employment Rights Act 1996;
  - statutory rights in relation to trustees of occupational pension schemes; or
  - statutory rights in relation to Sunday shop and betting work.
- 2 Non-payment of money due under the relevant contract of employment or statutory provision relating thereto.
- 3 Any award ordered because the Insured have failed to provide relevant records to Employees under the National Minimum Wage laws.
- 4 Any compensation award or increase in compensation award ordered by the tribunal for failure to comply with a recommendation it has made, including non-compliance with a reinstatement or re-engagement order.

#### c Service Occupancy

DAS will negotiate for the Insured's legal rights against an Employee or ex-Employee to recover possession of premises owned by the Insured, or for which the Insured are responsible.

What is not covered:

Any claim relating to defending the Insured's legal rights other than defending a counter-claim.

## 2 Legal Defence

At the Insured's request:

- 1 DAS will defend the Insured Person's legal rights:
  - a prior to the issue of legal proceedings when dealing with the Police and/or Health and Safety Executive and/or Local Authority Health and Safety Enforcement Officer, where it is alleged that the Insured Person has or may have committed a criminal offence; or
  - b following an event which leads to the Insured Person being prosecuted in a court of criminal jurisdiction; or
  - c if civil action is taken against the Insured Person for compensation under section 13 of the Data Protection Act 1998. The Company will also pay any compensation award made against the Insured Person under section 13 of the Data Protection Act 1998.
- 2 DAS will defend the Insured Person's legal rights following civil action taken against the Insured for wrongful arrest in respect of an accusation of theft alleged to have been carried out during the Period of Insurance.
- 3 DAS will defend the Insured Person's (other than the Insured's) legal rights if:
  - a an event arising from their work as an Employee leads to civil action being taken against them under legislation for unlawful discrimination on the grounds of sex, sexual orientation, race, disability, age, religious belief or political opinion; or
  - b civil action is taken against them as a trustee of a pension fund set up for the benefit of the Insured's Employees.
- 4 DAS will represent the Insured Person in appealing against the imposition or terms of any Statutory Notice issued under legislation affecting the Insured's Business.
- 5 DAS will represent the Insured in appealing against the refusal of the Information Commissioner to register the Insured's application for registration.
- 6 The Company will pay the Attendance Expenses of an Insured Person for jury service.

Provided that:

- 1 Insofar as proceedings under the Health and Safety at Work etc Act 1974 are concerned, the Territorial Limit shall be any place where that Act applies.
- 2 At the time of the Insured Incident, the Insured have registered with the Information Commissioner in respect of Insured Incident 2 (1)(c).

What is not covered:

Any claim which leads to the Insured Person being prosecuted for infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

### 3 Property Protection and Bodily Injury

#### a Property Protection

DAS will negotiate for the Insured's legal rights in any civil action relating to material property which is owned by the Insured, or is the Insured's responsibility, following:

- 1 any event which causes or could cause physical damage to such material property; or
- 2 any nuisance or trespass.

What is not covered

Any claim relating to the following:

- 1 a contract entered into by the Insured;
- 2 goods in transit or goods lent or hired out;
- 3 goods at premises other than those occupied by the Insured unless the goods are at such premises for the purpose of installations or use in work to be carried out by the Insured;
- 4 mining subsidence;
- 5 defending the Insured's legal rights other than in defending a counter-claim; or
- 6 a motor vehicle owned or used by, or hired or leased to an Insured Person other than damage to motor vehicles where the Insured are engaged in the business of selling motor vehicles.

#### b Bodily Injury

At the Insured's request, DAS will negotiate for an Insured Person and their family members' legal rights following an event which causes the death of, or bodily injury to, them.

What is not covered

Any claim relating to the following:

- 1 any illness or bodily injury, which develops gradually or is not caused by a specific or sudden accident; or
- 2 defending an Insured Person's or their family members' legal rights other than in defending a counter-claim; or
- 3 a motor vehicle owned or used by, or hired or leased to an Insured Person or their family members.

### 4 Tax Protection

#### a Full or Aspect Enquiries

DAS will negotiate on the Insured's behalf in respect of a Full Enquiry and/or Aspect Enquiry and represent the Insured in any subsequent appeal proceedings.

#### b Tax Intervention Enquiries

DAS will negotiate on the Insured's behalf and represent the Insured in any dealings with HM Revenue & Customs in respect of a Tax Intervention Enquiry.

#### c Employers' Compliance

DAS will negotiate on the Insured's behalf and represent the Insured in any appeal proceedings in respect of a dispute concerning the Insured's compliance with any Pay As You Earn or Social Security Regulations, following a review by HM Revenue & Customs.

#### d VAT Disputes

DAS will negotiate on the Insured's behalf and represent the Insured Person in any appeal proceedings following an assessment issued by HM Revenue & Customs in respect of Value Added Tax due.

Provided that:

- 1 For all Insured Incidents, the Insured has taken reasonable care to ensure that all tax returns are complete and correct and that such returns are submitted within the statutory time limits allowed.
- 2 The Company will not pay more than £5,000 for claims in respect of Aspect Enquiries or Tax Intervention Enquiries.

What is not covered:

- 1 In respect of Aspect Enquiries and Tax Intervention Enquiries, the first £500 of Costs and Expenses in each and every claim.
- 2 Any Insured Incident arising from a tax avoidance scheme.
- 3 Any Insured Incident caused by the Insured's failure to register for Value Added Tax.
- 4 Any Insured Incident arising from any investigation or enquiries, undertaken by HM Revenue & Customs Special Investigations Section (or any equivalent body) or Special Civil Investigations or the Revenue & Customs Prosecution Office.
- 5 Any Insured Incident arising from any investigation or enquiry, by HM Revenue & Customs into alleged dishonesty or alleged criminal offences.

## 5 Statutory Licence Protection

DAS will represent the Insured in appealing to the relevant statutory or regulatory authority, court or tribunal, following a decision by a licensing or regulatory authority to suspend or alter the terms of, or refuse to renew, or cancel, the Insured's licence, mandatory registration or British Standard Certificate of Registration.

What is not covered:

- 1 An original application or application for renewal, of a statutory licence or British Standard Certificate of Registration.
- 2 Any licence appeal relating to the ownership, driving or use of a motor vehicle.

## 6 Contract Disputes

DAS will negotiate for the Insured's legal rights in a contractual dispute arising from that agreement, or that alleged agreement, which has been entered into or alleged to have been entered into by or on the Insured's behalf for the purchase, hire, sale or provision of goods or of services.

Provided that:

- 1 The amount in dispute exceeds £250. If the amount in dispute exceeds £5,000, the Insured will be responsible for the first £500 of Legal Costs in each and every claim.
- 2 If the amount in dispute is payable in instalments, the instalments due and payable at the time of making the claim exceed £250.

- 3 If the dispute relates to money owed to the Insured Person, a claim under this Section is made within 90 days of the money becoming due and payable.

What is not covered

- 1 Any claim relating to the following:
  - a the settlement payable under an insurance policy;
  - b a lease, licence or tenancy, of land or buildings, other than a dispute with a professional adviser in connection with the drafting of a lease, licence or tenancy agreement;
  - c a loan, mortgage, pension, or any other financial product and anything which the Insured does not have any means of possessing but would have a right to claim if it is withheld by action;
  - d a motor vehicle owned by, or hired or leased to the Insured other than agreements relating to the sale of motor vehicles where the Insured are engaged in the business of selling motor vehicles.
- 2 A dispute with an Employee or ex-Employee, which arises out of, or relates to, a contract of employment with the Insured.
- 3 A dispute which arises out of:
  - a the sale or provision of computer hardware, software, systems or services; or
  - b the purchase or hire of computer hardware, software, systems or services tailored by a supplier to the Insured's own specification.
- 4 A dispute arising from a breach, or alleged breach, of professional duty by an Insured Person.
- 5 The recovery of money and interest due from another party other than disputes where the other party intimates that a defence exists.

## 7 Debt Recovery

DAS will negotiate for the Insured's legal rights including enforcement of judgment to recover money and interest due from the sale or provision of goods or services.

Provided that:

- 1 The debt exceeds £250.
- 2 A claim for debt recovery under this Section is made within 90 days of the money becoming due and payable.
- 3 DAS have the right to select the method of enforcement, or to forego enforcing judgment if DAS are not satisfied that there are, or will be, sufficient assets available to satisfy judgment.



What is not covered

- 1 Any claim relating to the following:
  - a the settlement payable under an insurance policy;
  - b a lease, licence or tenancy, of land or buildings;
  - c a loan, mortgage, pension, or any other financial product and anything which the Insured does not have any means of possessing but would have a right to claim if it is withheld by action;
  - d a motor vehicle owned by, or hired or leased to, the Insured other than agreements relating to the sale of motor vehicles where the Insured are engaged in the business of selling motor vehicles.
- 2 A dispute which arises out of the supply, hire, sale or provision of computer hardware, software, systems or services.
- 3 The recovery of money and interest due from another party where the other party intimates that a defence exists.

## 8 Tenancy Disputes

DAS will represent the Insured in any legal proceedings for civil action relating to a tenancy dispute between the Insured and the Insured's landlord under the terms of the lease or tenancy agreement applying to the Premises.

What is not covered:

- 1 Any claim arising from or relating to the amount, payment or non-payment of rent.
- 2 Any claim arising from or relating to the renewal of the lease or tenancy agreement.

## What is not covered by this Section

- 1 Any claim reported to DAS more than 180 days after the date the Insured Person should reasonably have known about the Insured Incident.
- 2 Costs and Expenses incurred before the written acceptance of a claim by DAS.
- 3 Fines, penalties, compensation or damages, which the Insured Person is ordered to pay by a court or other authority, other than compensation awards as covered under Insured Incident 1(b) Compensation Awards and 2 Legal Defence.
- 4 Any claim relating to patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements.
- 5 Any claim relating to rights under a franchise or agency agreement, entered into by the Insured.

- 6 Any Insured Incident deliberately or intentionally caused by an Insured Person.
- 7 A dispute with DAS not otherwise dealt with under Condition 6 applicable to this Section.
- 8 Any claim relating to a shareholding or partnership share, in the Business, unless such shareholding was acquired under a scheme open to all Employees of the Business or a substantial number of them of a certain minimum grade, other than the directors of the Business or partners of the Business.
- 9 Judicial review.
- 10 Legal action an Insured Person takes which DAS or the Representative have not agreed to or where the Insured Person does anything that hinders DAS or the Representative.
- 11 When, either at the commencement of or during the course of a claim, the Insured is bankrupt or has filed a bankruptcy petition or winding-up petition, or has made an arrangement with the Insured's creditors, or have entered into a deed or arrangement or are in liquidation, or part or all of the Insured's affairs or property are in the care or control of a receiver or administrator.

## The following are Conditions Precedent to the liability of the Company applying to this Section

An Insured Person must:

- a keep to the terms, definitions, conditions and exclusions, of this Section;
- b take reasonable steps to keep any amount the Company has to pay under this Policy as low as possible;
- c try to prevent anything happening that may cause a claim;
- d send everything DAS reasonably ask for, in writing; and
- e give DAS full details of any claim as soon as possible and give DAS any information DAS need.

## Conditions which apply to this Section

- 1 **a** DAS can take over and conduct in the name of the Insured Person, any claim or legal proceedings at any time.  
DAS can negotiate any claims on behalf of an Insured Person.
  - b** DAS will choose the Representative to represent an Insured Person in any proceedings where the Company are liable to pay a compensation award. In any other case an Insured Person is free to choose a Representative (by sending DAS an suitably qualified person's name and address) if:
    - i** DAS agree to start legal proceedings and it becomes necessary for a lawyer to represent the interests of the Insured Person in those proceedings; or
    - ii** there is a conflict of interest.
  - c** Before an Insured Person chooses a lawyer or an accountant, DAS can appoint a Representative.
  - d** A Representative will be appointed by DAS and represent an Insured Person according to DAS' standard terms of appointment. The Representative must co-operate fully with DAS at all times (which may include a "no win, no fee" agreement).
  - e** DAS will have direct contact with the Representative.
  - f** An Insured Person must co-operate fully with DAS and with the Representative and must keep DAS up-to-date with the progress of the claim.
  - g** An Insured Person must give the Representative any instructions that DAS require.
- 2 **a** An Insured Person must tell DAS if anyone offers to settle a claim and must not agree to any settlement without DAS' written consent.
  - b** If an Insured Person does not accept a reasonable offer to settle a claim, the Company may refuse to pay further Costs and Expenses.
  - c** The Company may decide to pay the Insured Person a reasonable amount, subject to the maximum sum recoverable at law in settlement of damages, that the Insured Person is claiming or which is being claimed against them, instead of starting or continuing legal proceedings.
- 3 **a** If the Company asks, an Insured Person must tell the Representative to have Costs and Expenses taxed, assessed or audited.
  - b** An Insured Person must take every step to recover Costs and Expenses, that the Company has to pay and must pay the Company any Costs and Expenses that are recovered.
- 4 If a Representative refuses to continue acting for an Insured Person with good reason or if an Insured Person dismisses a Representative without good reason, the cover the Company provides will end at once, unless DAS agree to appoint another Representative.
  - 5 If an Insured Person settles a claim or withdraws their claim without DAS' agreement, or does not give suitable instructions to a Representative, the cover the Company provides will end at once and the Company will be entitled to re-claim from the Insured Person any Costs and Expenses paid by the Company.
  - 6 If there is a disagreement about the way DAS handle a claim that is not resolved through DAS' internal complaints procedure, DAS and the Insured Person can choose another suitably qualified person to arbitrate. DAS and the Insured Person must both agree to the choice of this person in writing. Failing this DAS will ask the president of a national association relevant to the arbitration to choose a suitably qualified person. All costs of resolving the matter must be paid by the party whose argument is rejected. If the decision is not clearly made against either party, the arbitrator will decide how the costs are shared.
  - 7 DAS may at their discretion require the Insured Person to obtain an opinion from counsel at the Insured's expense as to the merits of a claim or proceedings. If counsel's opinion indicates that there are reasonable grounds for the pursuit or defence of a claim or proceedings, the cost of obtaining the opinion will be paid by the Company.
  - 8 All legislation referred to within this Section's wording shall include equivalent legislation in Scotland, Northern Ireland, the Isle of Man or the Channel Islands, as the case may be.
  - 9 Where there is any conflict between the General Definitions, General Conditions, Claims Conditions or General Exclusions, of this Policy, and the terms, definitions, conditions and exclusions, under this Section, the interpretation under this Section shall take precedence.

## DASBUSINESSLAW

The DASbusinesslaw service provides a wide range of letters, articles and reference information, as well as interactive document builders, designed to help the Insured run their Business.

This service also provides useful tools and information on matters such as new legislation, employment issues, property law and taxation, all regularly updated by legal experts.

To access DASbusinesslaw, the Insured will need to visit [www.dasbusinesslaw.co.uk](http://www.dasbusinesslaw.co.uk) and register using password DAS472301 and policy number TS5/5366110. When prompted to input the Insured's company name, please insert the prefix NIG followed by the name of the Insured's Business. If the Insured experience any problems accessing the service, please email the problem to [businesslaw@das.co.uk](mailto:businesslaw@das.co.uk), quoting the above TS5 policy number.

Please note that, if the Insured have a specific problem or dispute, the Insured should always contact the EuroLaw Commercial Legal Advice helpline for assistance. See above for details.

## Claims

To make a claim under this Section please telephone DAS on 0345 878 5033. DAS will ask about the Insured's legal dispute and, if necessary, call back at an agreed time to give the Insured legal advice. If the dispute needs to be dealt with as a claim under this Section, DAS will provide the Insured with a claim reference number. At this point DAS will not be able to confirm that the Insured are covered but DAS will pass the information given to them to their claims handling teams and DAS will explain what to do next.

If the Insured would prefer to report the claim in writing please send it to the DAS Head and Registered Office address which is:

Claims Department, DAS Legal Expenses Insurance Company Limited, DAS House, Quay Side, Temple Back, Bristol BS1 6NH.

Alternatively the Insured can email the claim to DAS at [newclaims@das.co.uk](mailto:newclaims@das.co.uk).

Claims are usually handled by a Representative appointed by DAS, but sometimes DAS deal with claims themselves. Claims outside the United Kingdom may be dealt with by other DAS offices elsewhere in Europe.

When DAS cannot help

Please do not ask for help from a solicitor or accountant before DAS have agreed. If the Insured does, the Company will not pay the costs involved.

## Problems

DAS will always try to give the Insured a quality service. If the Insured think DAS have let the Insured down, please write to DAS Customer Relations Department at DAS Head Office address shown above.

Alternatively the Insured can phone DAS on 0117 934 0066 or email DAS at [customerrelations@das.co.uk](mailto:customerrelations@das.co.uk). Details of DAS internal complaint-handling procedures are available on request.

DAS Legal Expenses Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

# Important Information

## The Insured's right to cancel

If this cover does not meet your requirements, please return all your documents and any certificate to the broker, intermediary or agent, who arranged the Policy within 14 days of receipt. The Company will return any premium paid in accordance with General Condition 5 Cancellation.

## Cancellation

If you wish to cancel the contract at any other time, please contact the broker, intermediary or agent, who arranged the Policy. Any return of premium will be made in accordance with the General Condition 5 Cancellation.

## How to make a claim

Please contact, in the first instance, the broker, intermediary or agent, who arranged the Policy. Please quote your Policy number.

## How to complain

If you have an enquiry or complaint arising from your Policy, please contact the broker, intermediary or agent who arranged the Policy for you. If the broker is unable to resolve your complaint or it is regarding the terms and conditions of the Policy they will refer it to NIG.

If your complaint is still outstanding you can write to NIG direct at the following address, quoting your policy number.

The Chief Executive,  
NIG  
Churchill Court Westmoreland Road Bromley BR1 1DP

Once you receive a written response and if you remain dissatisfied, you may refer your complaint to the Financial Ombudsman Service (FOS). Their address is:

The Financial Ombudsman Service  
Exchange Tower London E14 9SR

Telephone: **0800 023 4567** or **0300 123 9123**.

## Details about our Regulator

NIG policies are underwritten by U K Insurance Limited who is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, registration number 202810. The Financial Conduct Authority website, which includes a register of all regulated firms can be visited at **www.fca.org.uk**, or the Financial Conduct Authority can be contacted on **0800 111 6768**. The Prudential Regulation Authority website can be visited at **www.bankofengland.co.uk/pr**, or the Prudential Regulation Authority can be contacted on **020 7601 4878**.

## Financial Services Compensation Scheme

Under the Financial Services and Markets Act 2000, should we be unable to meet our liabilities to policyholders, compensation may be available. Insurance advising and arranging is covered for 90% of the claim, without any upper limit. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit. Information can be obtained on request, or by visiting the Financial Services Compensation Scheme website at **www.fscs.org.uk**

**Whoever you are contacting, please always quote your Policy Number as it will help your enquiry or complaint to be dealt with promptly.**

