

# PREMIER PROPERTY OWNERS POLICY BOOKLET



## TOP LEVEL COVER



# Helpline Services

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

These helpline services are provided which the Insured Person may use while this Policy is in force:

**For the purpose of these Helpline Services, Insured Person shall mean:**

The Insured or any partner of the Insured or director of the Insured or Employee and any other individuals declared to and accepted by the Company.

**ARAG will not accept responsibility if the telephone helpline services operated by them are unavailable for reasons they cannot control.**

## Eurolaw Commercial Legal and UK Tax Advice

**0330 041 3760**

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

- employment – VAT
- prosecution – contract disputes
- landlord and tenant disputes

Eurolaw Commercial Legal advice can only be offered in respect of matters subject to laws of and within the jurisdiction of courts or tribunals of:

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

Wherever possible, the Legal Advice helpline aims to provide immediate advice from a qualified legal advisor. However, if this is not possible, ARAG will arrange a call back at a time to suit the Insured Person.

ARAG's legal advisors provide advice on the laws of England and Wales 24 hours a day, 7 days a week, 365 days a year. Where advice is sought in an area of law beyond this jurisdiction or in respect of very specialist matters, ARAG will refer the Insured Person to one of their specialist advisors. This will include European law and certain areas of law for Scotland and Northern Ireland.

Specialist advice is provided 9am – 5pm, Monday to Friday, excluding public and bank holidays. If calls are made outside these times, ARAG will call the Insured Person back.

ARAG offer confidential advice over the phone on any tax matters affecting the Business, under the laws of the United Kingdom.

Tax advice is provided by tax advisors 9am – 5pm, Monday to Friday, excluding public and bank holidays. If calls are made outside these times, ARAG will aim to call the Insured Person back the next working day between 9am and 5pm.

**This helpline is provided on the Company's behalf by ARAG Legal Expenses Insurance Company Limited (ARAG). Calls may be recorded.**

## Counselling Service

**0345 878 5029**

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

A confidential counselling service for the Insured Person (and their immediate family who permanently live with them) over the telephone to all aged 18 or over and to 16 and 17 year olds, provided they are in full-time employment, assisting issues such as:

- Stress – Relationship
- Depression – Bereavement
- Family

This service can also help with:

- Onward referral to relevant voluntary, self-help groups or professional services
- Details of face to face counsellors in the Insured Person's area

Any costs arising from the use of these referral services will not be paid by ARAG.

**This helpline is provided on the Company's behalf by ARAG Legal Expenses Insurance Company Limited. All calls are dealt with in the strictest confidence, but to assist ARAG with checking and improving service standards, calls may be recorded.**

## Health and Medical Service

**0345 072 7110**

Health and medical information is provided by a medically qualified person 9am – 5pm, Monday to Friday, excluding public and bank holidays. If the Insured Person calls outside these times, a message will be taken and a return call arranged within the operating hours.

Advice and assistance, assisting with issues such as:

- Exercise Information – Changing doctors
- Giving up smoking – Inoculations
- Sports injuries – Nutrition assessment

- Complementary health
- Bespoke fact sheets can be sent out if requested
- Comprehensive doctor, clinic and treatment facility database

**This helpline is provided on the Company's behalf by ARAG Legal Expenses Insurance Company Limited. All calls are dealt with in the strictest confidence, but to assist ARAG with checking and improving service standards, calls may be recorded.**

## Business Emergency Assistance

**0330 041 3760**

Assistance in the event of an emergency affecting the Business, such as:

- burst pipes or blocked drains causing flooding
- complete failure of the gas or electricity supply
- serious damage to the roof
- escape of water or oil from the central heating system

In the event of emergency assistance being required, a reputable local contractor will be contacted, but the Insured must pay any call-out or repair charges. One telephone call will bring assistance as soon as possible.

As the helpline is available 24 hours a day and seven days a week, the Insured may call at any time. Please ensure that the Policy number is available when telephoning as this will be requested. This appears on the Policy Schedule.

**This helpline is provided on the Company's behalf by ARAG Legal Expenses Insurance Company Limited. Calls may be recorded.**

**In addition to these helplines, ARAG offer on the Company's behalf access to the following services:**

## Employment manual

The ARAG Employment Manual offers comprehensive, up-to-date guidance on rapidly changing employment law. To view it, please visit

**[www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual/](http://www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual/)**

If the Insured would like notifications of when updates are made to the Employment Manual please email ARAG at **[employmentmanual@arag.co.uk](mailto:employmentmanual@arag.co.uk)** quoting the Insured's name and Policy number shown in the Schedule.

## ARAG Businesslaw

ARAG Businesslaw contains a range of regularly updated business and legal guides, document builders, interactive checklists and videos that can help the Insured with the day-to-day running of their business, as well as helping the Insured to manage their exposure to legal risk.

ARAG Businesslaw's document builders can help the Insured quickly create documents such as:

- HR policies
- Data protection policy
- Employee contracts
- Copyright and trademark licences
- T&C documentation
- Privacy statements
- Debt recovery letters.

In addition, ARAG Businesslaw contains hundreds of regularly updated expert guides and videos on topics such as branding, crowdfunding, financial and tax planning, and marketing strategy to help build and grow the Insured's business.

How do I get started?

1. Visit **[www.aragbusinesslaw.co.uk](http://www.aragbusinesslaw.co.uk)**;
2. Enter **DASBNIG100** into the 'voucher code' text box and press Validate Voucher;
3. Fill out your name and email address, create a password, and specify what type of business you have;
4. Validate your email address by pressing the link in the confirmation email that you receive.

## Emergency Glazing & Security Assistance

**0345 072 7110**

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 registered for Value Added Tax, 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 the Company's behalf by the Company's approved supplier panel. Calls may be recorded.**

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# Premier Property Owners' Policy

NIG policies are underwritten by Royal & Sun Alliance 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 the Insured is covered for.

# General Definitions

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

## Business

The business as stated in the Schedule.

## Company

Royal & Sun Alliance Insurance Ltd trading as NIG and/or such other authorised insurer as Royal & Sun Alliance Insurance Ltd may contract to underwrite any part of this Policy.

## Computer System

Any computer, hardware, software, communication system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller, including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back-up facility, owned or operated by the Insured or any other party.

## Cyber Act

An unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

## Cyber Incident

- a** Any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- b** any partial or total disruption to, unavailability of, or failure to access, process, use or operate any Computer System or a series of such related events.

## Cyber Loss

Any loss, damage, liability, claim, cost or expense, of whatsoever nature, arising from or connected with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

## Damage

Accidental loss, destruction or damage.

## Data

Information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored, by a Computer System.

## Data Processing Media

Any physical property insured by this Policy on which Data can be stored but not the Data itself.

## 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;
- h** a voluntary helper;
- i** acting in the capacity of non-executive director of the Insured;
- j** an equity partner of the Insured;
- k** an employee or director of any overseas subsidiary (or parent company) of the Insured whilst working for or on behalf of the Insured or from Great Britain, Northern Ireland, the Channel Islands or the Isle of Man;
- l** an officer, member or voluntary helper of the organisations or services stated in the Business Definition;
- m** an employee elected on any industry users' committee;
- n** an outworker or homeworker employed under contracts to personally execute any work in connection with the Business whilst engaged in that work;
- o** defined under Sections 35-(2) and 54-(3) (b) of the National Minimum Wage Act 1998;
- p** any person who is a prospective employee who is being assessed by the Insured as to their suitability for employment; or
- q** any person who is deemed to be an employee by a court of law in the United Kingdom.

## Insured

The person, persons, Limited or Public Limited Company or Limited Liability Partnership named in the Schedule.

**Landlord**

The owner of the Premises or any part thereof who lets the property to a tenant for a fee under the terms of a lease or rental agreement.

**Premises**

Premises at the address(es) stated in the Schedule.

**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 shown as operative in the Schedule and the Schedule all of which should be read together as one contract.

**Schedule**

The schedule applicable to the Policy.

**Sum Insured**

The sum insured as set out in the Schedule.

**Excess**

The Company shall not be liable for the first amount of each and every loss stated under the excesses set out in the Schedule or otherwise stated in this Policy.



# General Conditions

**These Conditions apply to all Sections of this Policy. The Insured must comply with these Conditions. Where additional Conditions apply to a specific Section of the 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 4 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

The Insured shall:

- a** take all reasonable precautions to prevent or minimise Damage, accident or injury; and
- b** maintain the Buildings in a good state of repair.

## 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, at the Premises or in any property therein, relating to the occupancy, or in any other circumstances whereby the risk is increased other than in accordance with:
  - i** Condition C – Non-Invalidation under Section 1: Buildings, of this Policy;
  - ii** General Condition A Alterations and Additions to the Premises including partial refurbishments and fit-outs, under Sections 1 and 2: Supplemental, of this Policy;
  - iii** where operative, Additional Extension A Automatic Cover – Newly Acquired/Newly Completed Redeveloped or Refurbished Properties, Additional Extension B Inadvertent Omission to Insure, Additional Extension C Privity of Contract and Additional Extension D Third Party Failure to Insure Applicable, under Sections 1 and 2: Supplemental, of this Policy;
  - iv** where operative, Extension 19 Inadvertence to Insure and Newly Acquired Equipment under Section 6: Engineering Breakdown, of this Policy; or
  - v** 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 Cancellation

- a** Cancellation Rights of the Insured
  - i** This Policy may be cancelled by the Insured within 14 days of receipt of the Policy (this is known as the “cooling off” period). If the Insured elects to cancel within this period they must return all documents 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 “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 in writing 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 refunded 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 30 days’ notice in writing 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.

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.

## 5 Instalments

- a Notwithstanding General Condition 4b, 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 in writing to the Insured at the Insured's last known address.
- 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 4 above. The calculation made by the Company will be final and binding.

## 6 Choice of Law

The Insured and the Company may choose which law will apply to this Policy. Unless both parties agree otherwise, English law will apply. The Company has supplied this Policy and other information to the Insured in English and the Company will continue to communicate with the Insured in English.

## 7 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 the Contracts (Rights of Third Parties) Act 1999.

## 8 Sanctions, Prohibitions or Restrictions

The Company shall not provide coverage or be liable to provide any indemnity or payment or other benefit under this Policy if and to the extent that doing so would breach any prohibition.

If any prohibition takes effect during the Period of Insurance, the Company or the Policyholder may cancel that part of this Policy which is prohibited or restricted with immediate effect by giving written notice to the other at their last known address.

If the whole or any part of this Policy is cancelled, the Company shall, if and to the extent that it does not breach any prohibition, return a proportionate amount of the premium for the unexpired period subject to minimum premium requirements and provided no claims have been paid or are outstanding.

For the purpose of this General Condition a prohibition shall mean any prohibition or restriction imposed by law or regulation including but not limited to:

- a any prohibition or restriction under United Nations resolutions;
- b any prohibition or restriction under the trade and/or economic sanctions laws and/or regulations of the United Kingdom, the European Union, the United States of America (including secondary sanctions) or any other jurisdiction relevant to the parties; and
- c any licence requirement and/or regulations in respect of transit and/or export control, under those laws and/or regulations, unless such licence or regulatory approval has been obtained prior to the activity commencing and the Company has approved the provision of insurance for the activity concerned.

# Claims Conditions

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

## 1 Observance of Terms

Failure to comply with any of the terms and conditions of this Policy where they are material or relevant to any claim will entitle the Company to reduce or avoid the Insured's claim.

## 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 and immediately send to the Company every relevant document relating to any impending prosecution, inquest or fatal accident enquiry or civil proceedings;
- b** immediately notify the Company of, and deliver to the Company at the Insured's 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** 60 days of the expiry of the Indemnity Period (as defined in Section 2: Loss of Income, of this Policy) in respect of business interruption claims; or
  - iii** 60 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; or
  - ii** theft or any attempt thereat,
 in relation to this Policy;
- d** make no admission of liability or offer, promise or payment without the Company's written consent;

- e** take all reasonable action to minimise any interruption or interference to the Business;
- f** 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
- g** in respect of Damage caused by Accident, Breakdown or Collapse to Covered Equipment (as defined in Section 6) discontinue use of any damaged Covered Equipment unless the Company authorises otherwise or 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 Sections 4, 4a, 4b and 5) resulting in any claim(s) under Sections 4, 4a, 4b and/or 5, to pay to the Insured the amount of the Indemnity Limit for such Occurrence (less any sums already paid as damages in respect of such Occurrence and in respect of Section 5 less costs and expenses incurred before the date of payment) or any lesser amount for which the claim(s) can be settled, following such payment, the Company shall have no further responsibility in

connection with such claim(s) except in respect of Section 5 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 4 b) by notice to the Insured 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, 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.

The Company shall not enforce any rights against:

- a** a tenant or lessee, in respect of Damage to the part of the Buildings in the demise of that tenant or lessee, or to common parts of the Buildings, unless the Damage arises out of a criminal, fraudulent or malicious act by the tenant or lessee.  
At the request of the Insured, after a claim, the waiver may be extended to the remainder of the Buildings unless the Damage arises out of a criminal, fraudulent or malicious act;
- b** a property manager, in respect of Damage to the Buildings, but only if requested to do so by the Insured after a claim under the Policy and the Damage does not arise out of a fraudulent or criminal act; or

- c** any company being parent of or subsidiary to the Insured or any company which is a subsidiary of a parent company of which the Insured are themselves a subsidiary in each case within the meaning of the Companies Act 2006.

#### 6 Other Insurances

Unless otherwise stated in this Policy:

- a** if at the time of an event giving rise to a claim there is any other insurance effected by or on behalf of the Insured applicable to such event, the liability of the Company shall be limited to a proportion of the loss equal to the proportion between (a) the relevant limit of indemnity under this insurance and (b) the aggregate of that limit and the relevant limits under any other insurances; 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 in respect of such event 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 difference arises 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 is to decide the matter in dispute according to English law and is to be appointed by the parties in accordance with the English statutory provisions in that behalf for the time being in force. Where any difference is by Condition to be referred to arbitration, the making of an award will be a condition precedent to any right of action against the Company.

#### 8 Option to Rebuild

The Company may at its option rebuild or restore the Buildings destroyed or portions damaged but it is not bound to rebuild or restore the property exactly or completely and only as circumstances permit. The Insured will give the Company all plans, documents, books and information at their own expense that the Company may reasonably require to carry out this work.

# General Exclusions

**These General Exclusions set out what is not covered under this Policy (other than in respect of Section 3: Terrorism, of 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:

### A 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:

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

### B Fines

fines, penalties, punitive or exemplary damages or liquidated damages.

### C 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 or Terrorism (or any action taken in controlling, preventing, suppressing or in any way relating to Terrorism); or
  - ii** civil commotion in Northern Ireland, except:
    - a** where directly or indirectly caused by or contributed to by or arising from the detonation of munitions of war, or parts thereof, within one mile

of the property insured by this Policy, provided that the presence of such munitions does not result from a state of war current at the time of loss, destruction or damage.

This exception shall not apply to:

- i** property insured which is outside the United Kingdom, the Channel Islands or the Isle of Man; or
- ii** Section 6: Engineering Breakdown, of this Policy; and
- b** to the extent stated in Section 3: Terrorism, of this Policy, where insured;
- 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 or 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 Terrorism Liability Provisions relating to this General Exclusion as set out below.

For the purpose of this General Exclusion:

**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 or damage to 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 HM 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.



### Terrorism Liability Provisions

Subject otherwise to the terms definitions conditions clauses and exclusions of this Policy, in respect of legal liability:

- i** caused by or contributed to by or arising from an act or acts of Terrorism (as defined above but excluding any act or acts consisting solely of the threat of force or violence); and
- ii** such act or acts occurring in England, Scotland or Wales but not in the territorial sea adjacent thereto as defined by the Territorial Sea Act 1987,

the Company will indemnify the Insured:

- 1** under Section 5: Employers' Liability, where insured, provided that in respect of any one event or all events of a series consequent on one original cause, the Company's liability in respect of all legal liability, costs and expenses directly or indirectly caused by or contributed to by or arising from such act or acts of Terrorism will not exceed £5,000,000;
- 2** under Sections 4: Property Owners' Liability, 4(a) Property Owners' Liability - Legionellosis and 4(b) Property Owners' Liability - Financial Loss, where insured, against legal liability costs and expenses directly or indirectly caused by or contributed to by or arising from such act or acts of Terrorism provided that the Company's liability for all compensation (excluding costs) will not exceed:
  - a** in respect of any one event or all events of a series consequent on one original cause £5,000,000 or the amount of the Indemnity Limit stated in the Schedule whichever is the lower; and
  - b** in respect of all pollution or contamination consequent upon such act or acts of Terrorism and which is deemed to have occurred during any one Period of Insurance £5,000,000 in the aggregate or the amount of the Indemnity Limit stated in the Schedule whichever is the lower.

### **D Cyber (not applicable to Section 5: Employers' Liability and Section 6: Engineering Breakdown)**

- a** Cyber Loss; or
- b** loss, damage, liability, claim, cost, expense of whatsoever nature, arising from or connected with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data.

Provided that:

- a** the exclusion at item **a** above shall not apply to:
  - i** any Damage to property insured and resulting business interruption, where insured by this Policy and which is not otherwise excluded under this Policy, which results from any 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 or apparatus or pipe, sprinkler leakage, theft or impact by any vehicle or animal; or
  - ii** any liability not otherwise excluded under Section 4: Property Owners' Liability and Section 4(a): Property Owners' Liability Legionellosis, of this Policy, where insured, for ensuing Bodily Injury or Damage to physical property (Bodily Injury being as defined in those Sections),

which results from a Cyber Incident unless that Cyber Incident is arising from or connected with a Cyber Act; and

- b** the exclusion at item **b** above shall not apply where Data Processing Media owned or operated by the Insured suffers physical loss or physical damage. In no event will cover under this Policy exceed the cost of repairing or replacing the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs shall not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be no higher than the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.

The Company shall not indemnify the Insured for any action taken in controlling, preventing, suppressing or remediating a Cyber Incident or a Cyber Act.

**E Pollution or Contamination (not applicable to Section 4: Property Owners' Liability, Section 4a: Legionellosis, Section 4b: Financial Loss and Section 5: Employers' Liability)**

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 as defined below; or
- b** a Defined Peril which itself results from pollution or contamination.

For the purpose of this General Exclusion Defined Perils shall mean:

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 or apparatus or pipe, sprinkler leakage, theft or impact by any vehicle or animal.

**F Infectious or Contagious Disease**

- a** loss, destruction or damage, to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom; or
- b** any other losses, costs or expenses whatsoever; or
- c** any legal liability of whatsoever nature, directly or indirectly caused by or contributed to by or in any way arising from infectious or contagious disease and/or the fear or threat (actual or perceived) of infectious or contagious disease.

In this General Exclusion, the expression "infectious or contagious disease" shall mean any such disease whatsoever without limitation based upon its nature or characteristics (including, without limitation, the nature of any infective agent, any means of infection or transmission and/or any effects of the disease).

This General Exclusion shall not apply to:

- i** items **i 1** to **i 3** inclusive of sub-paragraph b Disease, Vermin, Defective Sanitary Arrangements, Murder and Suicide, in Extension B Contingency Rent Extensions for Landlord's Protection, under Section 2: Loss of Income; and
- ii** Section 4: Property Owners' Liability, Section 4(a): Legionellosis, Section 4(b): Financial Loss, Sections 4, 4(a) and 4(b): Supplemental, Section 5: Employers' Liability and Section 7: Legal Expenses,

of this Policy.



# Section 1: **Property Damage**

## Definitions

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

### Buildings

- a** structures (including foundations)
- b** Landlord's fixtures and fittings (including all machinery and plant and consumables used in connection with the Premises) and tenants' improvements for which the Landlord is responsible in, on or around the structures;
- c** building management and security systems;
- d** gangways, pedestrian malls and pedestrian access bridges;
- e** walls, gates, fences and Services;
- f** indoor and outdoor swimming pools, roads, pavements, car parks, hard standing and street furniture;
- g** landscaping and recreational features including garden furniture ornaments and statues;
- h** any other items for which allowance has been made in a written assessment of the Declared Value (as defined under Condition E Underinsurance Condition below),

all being the property of the Insured or for which the Insured is responsible and situate at the Premises.

### Communal Contents

Furniture, furnishings, fixtures and fittings, not forming a permanent part of the Building, in the common parts of the Buildings, the property of the Insured or for which the Insured is responsible.

### Landlord's Contents

Furniture, furnishings, fixtures and fittings, not forming a permanent part of the Building, utensils and domestic appliances, excluding:

- a** stock and materials in trade;
- b** money, securities, deeds, bonds or documents of any description;
- c** business books, plans, specifications and computer records;
- d** jewellery, watches, furs, precious metals, precious stones or articles made from them;
- e** curios, works of art, antiques, sculptures;
- f** property used for commercial or trade purposes; or
- g** property more specifically insured,

all being the property of the Insured for which they are responsible as Landlord and situate at the Premises.

## Services

Telephone cables, computer cables, television cables, electricity cables, gas piping, water mains, drains, sewers and the accessories to all these providing services to or from the Buildings and for which the Insured is responsible.

## Stipulations

Legislation or regulations under Acts of Parliament or local authority bye-laws.

## Cover

The Company will indemnify the Insured in the event of Damage to the property described by each item in the Schedule arising from any of the following Perils as shown in the Schedule and occurring during the Period of Insurance.

## Perils

### 1 **A Fire.**

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

Notwithstanding this exclusion, explosion of domestic boilers or gas is covered by this Peril provided that:

- i** such boiler or gas is used for domestic purposes only; and
- ii** Damage is not caused by earthquake or subterranean fire.

### **C Lightning.**

- D Aircraft** or other aerial devices or articles dropped therefrom.

### 2 **Earthquake or Subterranean Fire.**

### 3 **Riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances** excluding Damage arising from cessation of work.

### 4 **Malicious persons and acts of vandalism.**

### 5 **Storm or 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;
- e to walls (not forming part of the structure), fences and gates unless there is Damage to structural parts of the Buildings at the same time;
- f to moveable property in the open or in open-sided structures; or
- g Damage to trees, plants, shrubs and turf unless there is Damage to structural parts of the Buildings at the same time.

**6 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 landslide;
- d attributable solely to change in the water table level;
- e to walls (not forming part of the structure), fences and gates unless there is Damage to structural parts of the Buildings at the same time;
- f to moveable property in the open or in open-sided structures; or
- g Damage to trees, plants, shrubs and turf unless there is Damage to structural parts of the Buildings at the same time.

- 7 Escape of water or oil** from any tank apparatus pipe or appliance excluding Damage arising from water discharged or leaking from an automatic sprinkler installation but including the cost of repairing or replacing tanks, apparatus, pipes or appliances which have been damaged by freezing.

**8 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 any mechanically propelled vehicle or any article falling therefrom or any animal.

- 9 Escape of water from any automatic sprinkler installation** excluding Damage arising from freezing in any Buildings which are empty, disused or unoccupied unless the installation is operational with the prior agreement of the Company.

- 10 Theft or attempted theft** excluding any loss which the Insured is able to recover from another source.

**11 Subsidence or ground heave of the site on which the Buildings stand or landslide** excluding:

- a Damage arising from:
  - i the settlement or movement of made-up ground;
  - ii coastal or river erosion;
  - iii normal settlement or bedding down of new structures at the Premises; or
- b Damage arising from:
  - i the construction, demolition, structural alteration or structural repair of any property;
  - ii groundworks or excavation works, at the Premises; or
- c Damage which commenced prior to inception of cover for this Peril under this Policy.

**12 Accidental breakage of or Damage to fixed glass or fixed sanitary ware** including the necessary and reasonable costs of boarding-up, temporary repairs, removal of debris and obstructions, removal or replacement of frames or alarm foil, lettering, painting, embossing, silvering or other ornamental work including neon and other fixed signs but excluding:

- a Damage to any glass flawed or broken at the commencement of this insurance;
- b dilapidated frames and framework;
- c Damage caused by adjustments, repairs, dismantling or erection of neon or other fixed signs or any part while removed from their normal working position;
- d mechanical or electrical fault or breakdown; or
- e scratching or chipping.

**13 Any other accident** excluding:

- a Damage by any of the causes expressly excluded from the Perils specified in paragraphs 1 to 12 above (whether operative or otherwise under this Section);
- b Damage arising from:
  - i its own defective design or the use of faulty materials or faulty or defective workmanship on the part of the Insured or any of their Employees;
  - ii inherent vice, latent defects, gradual deterioration, wear and tear but this shall not exclude subsequent Damage which itself arises from a cause not otherwise excluded.

**c** Damage arising from:

- i** corrosion, rust, wet or dry rot, marring, scratching, vermin, insects;
- ii** joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith;
- iii** mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which the breakdown or derangement originates;

but this shall not exclude:

- i** such Damage which itself arises from other Damage and is not otherwise excluded;
- ii** subsequent Damage which itself arises from a cause not otherwise excluded.

**d** Damage arising from:

- i** pollution or contamination unless arising from a sudden identifiable, unintended and unexpected cause which;
  - 1** occurs in its entirety at a specific moment in time and place during any one Period of Insurance; and
  - 2** is not otherwise excluded
- ii** disappearance or unexplained loss.

**e** Damage to:

- i** any building or structure arising from its own collapse or cracking;
- ii** any property or structure in the course of construction or erection or undergoing structural alteration or structural repair or demolition.

**Basis of Settlement**

In the event of Damage to the property insured under this Section one of the following bases of settlement shall apply:

**A Reinstatement**

the cost of rebuilding being the cost incurred in rebuilding the Buildings (or of restoring the damaged parts of other items specified) to a condition substantially the same as but not better or more extensive than their condition when new (if in the Schedule it is stated that Indemnity Basis A applies); or

**B Indemnity Value**

the cost of rebuilding being the cost incurred in rebuilding the Buildings (or of restoring the damaged parts of other items specified) to a condition substantially the same as but not better or more extensive than their condition when new less an appropriate reduction for wear and tear (if in the Schedule it is stated that Indemnity Basis **B** applies); or

**Loss of Market Value**

if the Insured elects not to rebuild or restore the Buildings (and the Company does not exercise its option to rebuild) the reduction in the market value of the Buildings immediately following the Damage solely as a result of the Damage but not exceeding the amount which would have been payable had the Buildings been rebuilt or repaired.

At the discretion of the Company, the Buildings may be rebuilt or restored in any manner suitable for the Insured's requirements subject to the liability of the Company not being increased.

**Limit of Liability**

The maximum amount payable for all losses or series of losses arising directly from the same originating cause in respect of any item insured under this Section is the Sum Insured stated in the Schedule for such item, except that in respect of each item insured under this Section for Buildings, the insurance provided in respect of:

- a** Extension D: Contract Works;
- b** Extension Q: Frustration of Reinstatement;
- c** Extension AL: Sprinkler Costs; and
- d** Condition F: Rent of Residential Property of Sections 1 and 2 (Supplemental),

is in addition to the Sum Insured on Buildings.

**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, for Damage caused by any of the Perils 1 to 13 inclusive.

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

**Buildings awaiting Refurbishment, Redevelopment or Renovation**

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

## Extensions

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

### A Archaeological Discoveries

The Company will pay reasonable costs necessarily incurred following Damage as a direct result of compliance by the Insured with their statutory obligations following the discovery of archaeological finds during site excavation.

Provided always that:

- a** the Company's liability will not exceed £50,000 any one occurrence; and
- b** the Insured do not have any pre-existing knowledge of the presence of archaeological remains prior to commencement of works.

### B Adjacent Property Damage

If a building not the responsibility of the Insured but adjacent to any Buildings insured under this Policy suffers Damage by any of the Perils and that building is not repaired or reinstated because there is no valid insurance in force for any reason, the Company will pay the cost or additional cost of rebuilding or restoring or making safe the Insured's own Building to comply with any Stipulations or to restore the structural waterproofing or weatherproofing integrity of the building.

The insurance provided under Section 2 also extends to include losses arising in consequence of such uninsured Damage.

If any such Buildings insured were offered for sale on the open market prior to the Damage and which are subsequently sold, the Company will instead pay any reduction in the sale price due solely as a result of such Damage. The amount payable shall be substantiated by a practicing member of the Royal Institution of Chartered Surveyors approved by both the Insured and the Company and shall not exceed the cost of restoration or making good described above.

The Company's liability under this Extension is limited to £250,000 any one Premises.

### C Contractor's Interest

Where the Insured is required to effect insurance on the Buildings in the joint names of themselves and the contractor under the terms of a condition in the contract between the Insured and the Contractor then the interest of the contractor in the Buildings as a joint insured is hereby noted provided the Insured shall advise the Company of details of any single contract valued in

excess of £250,000 excluding VAT or 10% of the Sum Insured on the property insured, whichever is the less, and pay any additional premium the Company may require.

### D Contract Works

The insurance by each item under this Section of the Policy includes any contract works and unfixed goods and materials introduced to the site of the Buildings for the purposes of alterations or improvements to the Buildings for which the Insured is responsible, subject to the contract price not exceeding £250,000 excluding VAT and subject to an overall limit of £500,000 for all losses or series of losses, arising directly from the same originating cause.

The Company will not be liable under this Extension for the first £500 of each and every loss.

### E Damage by Emergency Services

The cost of restoring any Damage caused to gardens by the Emergency Services in attending the Premises as a result of the operation of any Peril insured under this Section up to a maximum of £50,000 any one claim.

### F Debris Recycling Costs

The Company will indemnify the Insured for costs reasonably and necessarily incurred by the Insured with the Company's consent to sort, segregate and transport recyclable debris to recycling facilities anywhere in the United Kingdom, the Channel Islands or the Isle of Man following Damage to the Building.

Provided that the Company's liability will not exceed 25% of the total amount paid or payable under Extension G.

### G Debris Removal and Associated Costs

In the event of Damage, the Company will pay the costs involved in:

- a** securing, shoring up, boarding up, weatherproofing or propping Buildings to make them safe;
- b** dismantling, demolishing and removing debris;
- c** clearing, cleaning and repairing Services; and
- d** cleaning up pollution or contamination of the Buildings or the site on which the Buildings stand, excluding pollution or contamination which existed prior to the Damage and subject to the Company's liability for such costs not exceeding £1,000,000 any one cause and in the aggregate in any one Period of Insurance,

but excluding any costs or expenses incurred in removing debris from outside the site of the Premises other than

from the drains or the surface area immediately adjacent to the perimeter of the Premises.

## **H Diminution in Value**

If a building not the responsibility of the Insured but within one mile of any Buildings insured under this Policy suffers Damage by any of the Perils and the Buildings insured were offered for sale on the open market prior to the Damage and are subsequently sold at a reduced price, the Company will pay any reduction in the sale price due solely as a result of such Damage. The amount payable shall be substantiated by a practicing member of the Royal Institution of Chartered Surveyors approved by both the Insured and the Company.

The Company's liability under this Extension is limited to £250,000 for all losses or series of losses, arising directly from the same originating cause.

## **I Emergency Access**

The Company will indemnify the Insured for the costs incurred following Damage to the Buildings caused by the police or persons acting under their control in gaining access to the Buildings as a result of concern for the welfare of the tenant(s) or to combat Damage caused by an insured Peril to the Premises subject to an aggregate maximum of £5,000 in any one Period of Insurance.

This Extension shall not include any criminal investigation or as a result of unlawful activities at the Premises.

## **J Energy Performance and Sustainable Buildings**

This insurance is extended to include the following:

- a** Costs reasonably and necessarily incurred with the Company's consent to comply with the recommendations made under any current Energy Performance Certificate following Damage to the Building; and
- b** Costs reasonably and necessarily incurred with the Company's consent arising from the use of alternative materials or sources of materials in accordance with the principles of the BRE Environmental and Sustainability Standard.

Provided that:

- i** The Company will not be liable for any undamaged portions of the Building; and
- ii** The Company's liability in respect of this Extension will not exceed £50,000 any one claim.

## **K Public Authorities Early Funding of Requirements**

The Company will pay the interest charges necessarily and reasonably incurred by the Insured solely to provide

the balance of any pre-existing funds set aside for the purpose of financing the full cost of compliance with any Stipulations provided that:

- a** as a result of the Damage the Insured is prematurely required to implement the Stipulations at the time of reinstatement;
- b** the liability of the Company shall exclude that proportion of interest charges incurred in the funding of any part of the additional cost which should have been provided for prior to the Damage but for which no funds have been set aside;
- c** the liability of the Company under this Extension for all losses or series of losses arising directly from the same originating cause shall not exceed 5% of the Sum Insured on the Buildings suffering the Damage.

## **L Public Authorities Stipulations**

The Company will pay such additional cost of rebuilding or repair as may be incurred with the Company's consent in complying with Stipulations first imposed upon the Insured following the Damage in respect of both damaged and undamaged portions of the Buildings but excluding costs incurred in complying with Stipulations in respect of Damage which occurred prior to the granting of cover by the Company.

The Company's liability in respect of the cost of complying with Stipulations relating to the undamaged portions of the Buildings (other than the foundations) is limited to 15% of the amount the Company would have been liable to pay to reinstate the Buildings had it been wholly destroyed.

The Company shall not be liable for any rate tax duty development or other charge or assessment that may arise out of capital appreciation as a result of complying with any of the Stipulations.

## **M Exhibition Equipment and Models**

The insurance provided for items on Buildings extends to include exhibition or display models and similar promotional equipment whilst being used or stored within any Premises and which have suffered Damage.

Provided that:

- a** such equipment is the property of the Insured or the Insured has accepted responsibility for the equipment at the time of Damage;
- b** no other more specific insurance has been arranged.

The liability of the Company in respect of this Extension shall not exceed £50,000 for all losses or series of losses, arising directly from the same originating cause.



**N Extinguishment and Alarm Resetting Expenses**

The Company will pay the reasonable costs incurred by the Insured following Damage with the Company's consent in:

- a** refilling fire extinguishing appliances;
- b** recharging gas flooding systems;
- c** replacing used sprinkler heads;
- d** refilling sprinkler tanks where costs are metered;
- e** resetting fire and intruder alarms and closed-circuit television systems; and/or
- f** charges made by any Public Authority, relating to the extinguishment or fighting of fire.

**O Fly Tipping**

The insurance on Buildings extends to include the reasonable costs of clearing and removing any property illegally deposited in or around the Premises subject to the Company's liability not exceeding £5,000 for all losses or series of losses arising directly from the same originating cause and £50,000 in the aggregate in any Period of Insurance and excluding the first £500 of each and every loss.

**P Frustrated Legal Costs**

If the sale of any Buildings insured is aborted solely in consequence of Damage by any of the Perils, the Policy extends to include the actual loss sustained by the Insured in respect of legal costs and expenses incurred or subsequently incurred solely as a consequence of the cancellation of the sale as a result of Damage.

The liability of the Company in respect of this Extension shall not exceed £25,000 in the aggregate in any one Period of Insurance.

**Q Frustration of Reinstatement**

If rebuilding or restoration of the Buildings is frustrated by the refusal of the authority responsible for granting planning permission to allow a building of the same size and/or use, the Company will pay the cost of constructing a building to the extent permitted by the planning authority plus any reduction in the market value of the Insured's interest in the land and Buildings solely as a result of Damage immediately following agreement by the Company that such frustration is unavoidable plus any capital sums legally payable by the Insured to any lessees under the terms of the lease or otherwise in consequence of such frustration.

Provided that the Insured:

- a** have made every effort to regain the original planning consent; and
- b** shall not have nor had any reason to be aware of Stipulations which could result in the Buildings not being repaired or restored in their original form.

Where any payment made by the Company includes any capital sum for loss of market value the amount payable shall be reduced to take account of any compensation payable or allowance made to the Insured as a result of such refusal.

The liability of the Company under this Extension is limited to the Sum Insured shown in the Schedule against Buildings plus £1,000,000.

**R Further Investigation Expenses**

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

The Company will pay the reasonable costs incurred by the Insured, with the Company's prior consent, in establishing whether or not other Buildings in the immediate vicinity owned or leased by them for which they are responsible have suffered Damage in the same incident as that causing Damage to the Building but only if such Buildings are subsequently found to have suffered such Damage for which the Company are liable.

**S Gardening Equipment**

Costs reasonably and necessarily incurred with the Company's consent for reinstatement of the property insured following Damage to gardening equipment and garden furniture owned by the Insured and used at the Premises in connection with the Business but excluding such property contained in garden squares.

Provided that:

- a** the Company shall not be liable under this Extension for Damage:
  - i** caused by Perils 4 (Malicious persons and acts of vandalism) or 10 (Theft or attempted theft) unless such Damage results from:
    - a** the entry to or exit from the 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;

- ii to property in the open or in open-sided structures caused by Perils 5 (Storm or Tempest) or 6 (Flood);
- b the liability of the Company under this Extension shall not exceed £10,000 in respect of any one claim or series of claims, arising out of any one original cause.

### **T Garden Squares**

The insurance on Buildings extends to include trees, shrubs, plants, turf, ponds, lakes, fountains, landscaping, garden furniture, ornaments, statues and gardening equipment forming part of any garden square owned by the Insured and not more specifically insured.

The liability of the Company under this Extension for all claims shall not exceed £25,000 in the aggregate in any one Period of Insurance.

### **U Ground Rent**

Up to 2 years ground rent if the Buildings are rendered temporarily uninhabitable but only during the period necessary for reinstatement and up to a maximum of 10% of the Buildings Sum Insured.

### **V Illegal Cultivation of Drugs**

Costs reasonably and necessarily incurred with the Company's consent in the event of any Damage resulting from the Illegal cultivation of drugs in a residential building or a residential portion of a commercial building by their tenant, lessee or licensee.

It is a condition precedent to any liability being accepted by the Company to make payment under this Policy that the Insured shall have:

- a carried out comprehensive internal and external surveys of the Premises at least every 3 months prior to the Damage and maintained a written log of such inspections;
- b obtained written references for the tenant prior to the letting proceeding; and
- c recorded details of the tenant's bank account details and verified same by collecting at least one payment via such means.

### **W Incombustible Reinstatement**

Following Damage, this Policy extends to include the additional costs of reinstatement incurred with the Company's prior written consent in utilising alternative materials that are incombustible or are Loss Prevention Council approved.

Provided that:

- 1 the Company will not be liable for:
  - a any undamaged portions of the Buildings insured;
  - b the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the Buildings or by the owner thereof of the works funded by the application of this clause;
  - c the cost incurred in complying with prevailing building or other regulations under or framed in pursuance of any Acts of Parliament or local authority bye-laws, under which notice has been served upon the Insured prior to the happening of the Damage;
  - d the cost of any improvements scheduled by the Insured to take place at the Premises prior to the happening of the Damage; or
  - e the first 10% of all costs otherwise payable under the terms of this Extension;
- 2 no payment beyond the amount that would have been payable in the absence of this Extension will be made:
  - a unless reinstatement commences and proceeds without unreasonable delay and in any case must be commenced within 12 months of the date of the Damage or within such further time as the Company may allow during the said 12 months
  - b until the cost of reinstatement has actually been incurred
- 3 The Company's liability under this Extension in respect of any one occurrence shall not exceed:
  - a an amount equivalent to 100% of the actual amount paid or payable by the Company to reinstate the Damage to the said Buildings in the absence of this clause; or
  - b the Limit stated in the Schedule for this Extension,
 whichever is the lesser.



## **X Insurance Premiums and Technical Agents' Fees**

The Company will pay premiums necessarily and reasonably incurred by the Insured following Damage in arranging contract works policies with the Company or in continuing any pre-existing latent defects policies including the cost of technical agents' fees necessarily and reasonably incurred by the Insured in continuing any pre-existing latent defects policies.

## **Y Involuntary Betterment**

In the event that new property of the like, kind and quality is not obtainable following Damage, property which is as similar as possible to that which has sustained Damage and which is capable of performing the same function will be deemed to be new property of the like, kind and quality and will not be considered to be betterment.

In the event of replacement with new property, the Company will pay the cost of purchasing and installing technologically current equipment which is necessitated by incompatibility between:

- a** new equipment installed to replace equipment which has sustained Damage; and
- b** undamaged existing equipment at the same or an independent Premises.

Provided always that such substitution of materials is with the Company's prior written consent.

## **Z Land Not Otherwise Insured**

The insurance by this Policy extends to indemnify the Insured for Damage by any of the Perils to Land (meaning land not more specifically insured) for which the Insured is responsible.

The Company will pay the costs incurred in restoring the Land to a condition and appearance substantially the same as its condition and appearance immediately before the Damage or if the Insured elects not to restore the Land the Company will pay the loss of market value being the reduction in the market value of the Land immediately following the Damage solely as a result of the Damage but not exceeding the amount which would have been payable had the Land been restored.

The liability of the Company under this Extension shall not exceed £1,000,000 for all losses or series of losses, arising directly from the same originating cause.

## **AA Landscaping**

The Company will pay the cost incurred following Damage in restoring any such item of landscaping to its appearance when first planted but excluding any cost arising from the failure of these items to germinate or become established.

## **AB Loss Minimisation**

In the event of Damage, the insurance by this Section extends to include all costs and expenses necessarily and reasonably incurred by the Insured for the sole purpose of avoiding or diminishing the amount of a loss following Damage which but for that expenditure would have occurred including temporary additional security protection which may include, but is not limited to, boarding, temporary doors, weatherproofing, making secure and securing the site.

Provided that the Company will not be liable to pay:

- a** more than would have been payable had such costs not been incurred;
- b** more than £25,000 in total for all claims or series of claims, arising out of any one original cause.

## **AC Loss of or Duplication of Keys**

The Company will pay the reasonable cost of replacement locks and Keys in respect of doors and windows for which the Insured is responsible and which are necessary to maintain the security of the Premises:

- a** following the accidental loss of Keys; and
- b** where there is reasonable evidence that such Keys have been copied by an unauthorised person,

subject to the Company's liability not exceeding £50,000 for all losses or series of losses, arising directly from the same originating cause.

For the purpose of this Extension the definition of Keys is:

Any device used to open a lock including but not restricted to any electronic device, key card or remote-control transmitter.

## **AD Metered Water, Electricity, Gas and Oil Charges**

The Company will pay costs incurred by the Insured for loss of metered water, electricity, gas or oil as a result of Damage except those in respect of any loss which has not been discovered and remedial action taken within 30 days of occurrence of the Damage.

The Company's liability under this Extension shall not exceed £50,000 for all losses or series of losses, arising directly from the same originating cause.

## **AE Obsolete Building Materials**

Costs reasonably and necessarily incurred with the Company's consent due to the additional cost incurred to repair Damage to materials which, given consideration to the knowledge at the time of installation, construction or fitting, were deemed fit for purpose but at the date of loss are no longer deemed fit for purpose and will be replaced with alternative materials currently considered appropriate for purpose.

**AF Preservation of Undamaged Property**

The Company will pay costs necessarily and reasonably incurred by the Insured with the Company's consent in dismantling and/or moving undamaged portions of any property insured within or to and from alternative premises for safekeeping.

**AG Professional Fees**

The cost of professional fees reasonably and necessarily incurred in the rebuilding or repair of the Buildings, which shall only include the reasonable fees of managing agents incurred with the consent of the Company when:

- a** they are in respect of work of benefit to the Company;
- b** they relate to work which is necessary for repair or reinstatement of Buildings; and
- c** they have been agreed with the Company in advance,

but shall not include fees which are incurred as part of the managing agent's general administrative duties or purely in connection with the preparation or administrative handling of a claim.

**AH Reinstatement to Match**

Where Buildings have suffered Damage, the Insured may replace, repair or restore the property with equivalent property which employs current technology and replacement, repair or restoration of such property shall not for the purposes of this Policy be regarded as being better or more extensive than when new. This Policy further extends to include the replacement or modification of undamaged property insofar as it is necessary to adapt it to operate in conjunction with that property which has been replaced, repaired or restored, provided that the Company's total liability is not increased beyond the amount that would otherwise have been payable for the replacement, repair or restoration of the property destroyed or damaged in its original form.

**AI Removal of Insect Nests**

The insurance by this Policy is extended to include the costs incurred by the Insured in removing wasp, bee, hornet or other harmful insect nests from Buildings insured by this Policy.

**AJ Removal of Tenants' Debris**

In the event that the lessee:

- a** vacates the Premises without giving prior notification to the Insured or their agents; or
- b** vacates the Premises solely due to liquidation or bankruptcy of the lessee, or the business of the lessee being placed into administration or receivership,

the Company will pay costs necessarily and reasonably incurred by the Insured following Damage or abandonment of the Premises by the lessee in respect of the removal of tenants' debris.

Provided that:

- i** the liability of the Company in respect of this Extension shall not exceed £25,000 for all losses or series of losses arising directly from the same originating cause;
- ii** the Company shall not be liable for any amount which can be subsequently recovered from the lessee or the business of the lessee; and
- iii** the amount of loss shall be reduced by any proceeds from the sale of abandoned goods.

**AK Removal of Vermin**

The insurance by this Policy is extended to include the reasonable costs incurred by the Insured where they are required by a local authority or similar body to have vermin removed from any Buildings insured by this Policy.

**AL Sprinkler Costs**

The Company will pay the additional costs incurred in upgrading an automatic sprinkler installation to the current Loss Prevention Council Rules solely as imposed upon the Insured by the Company following Damage to the Buildings, provided that at the time of Damage the installation conformed to either the 28th or 29th Edition Rules or the Rules for Automatic Sprinkler Installations as issued by the Loss Prevention Council and current at the time of installation but did not conform to subsequent amendments to those Rules.

**AM Temporary Removal**

The insurance is extended to include any parts of the Buildings temporarily removed for cleaning, renovation or repair or display or similar purposes but only to the extent that they are not otherwise insured.

**AN Trace and Access**

In the event of Damage resulting from:

- a** the escape of water from any tank apparatus or pipe or leakage of fuel from any fixed oil heating installation; or
- b** accidental damage to cables, underground pipes and drains serving the Premises,

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.

**AO Theft and Malicious Damage by Tenants**

In the event of Damage by Perils 4 and 10, the insurance by this Section extends to include Damage by tenants and other persons lawfully on the Premises, which cannot be recovered from any security deposit lodged by the tenant, up to a maximum amount of £10,000 any one claim.

**AP Tree Felling or Lopping**

The Company will pay reasonable costs and expenses necessarily incurred in felling, lopping and removing trees for which the Insured are legally responsible and which are an immediate threat to the safety of life or property.

Provided always that the Company will not be liable:

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

The Company's liability under this Extension shall not exceed £5,000 in the aggregate for all claims made in any one Period of Insurance.

**AQ Unauthorised Use of Electricity, Gas, Water or Oil**

The Company will pay the cost of metered electricity, gas, water or oil, for which the Insured is legally responsible arising from its unauthorised use by persons taking possession, keeping possession or occupying the Premises without the Insured's authority subject to the Company's liability not exceeding £25,000 for all losses or series of losses arising directly from the same originating cause and only if the Premises has been inspected weekly by a responsible person on behalf of the Insured and all practicable steps are taken to terminate such unauthorised use as soon as it is discovered.

**AR Value Added Tax**

The insurance by each item on Buildings extends to include Value Added Tax paid by the Insured which is not subsequently recoverable provided that:

- a i** the Insured's liability for such tax arises solely as a result of the reinstatement or repair of the Buildings to which such item relates following Damage;
- ii** the Company have paid or agreed to pay for such Damage; and

- iii** if payment made by the Company in respect of reinstatement or repair of such Damage shall be less than the actual cost of reinstatement or repair, any payment under this Extension resulting from the Damage shall be reduced in like proportion;
- b** the Insured's liability for such tax does not arise from the replacement Buildings having greater floor area than or being better or more extensive than the destroyed or damaged Buildings;
- c** where an option to reinstate on another site is exercised the Company's liability under this Extension shall not exceed the amount of tax that would have been payable had the Buildings been rebuilt on its original site; and
- d** the Company's liability under this Extension shall not include amounts payable by the Insured as penalties or interest for non-payment or late payment of tax.

**AS Workmen**

Workmen are allowed at the Premises for the purpose of making minor structural and other alterations from time to time without prejudice to this insurance.

**AT Underground Services**

The Company will indemnify the Insured under this Section for Damage, for which the Insured is legally liable, by any of the Perils 1 to 13 inclusive (whether or not such Peril is operative) to underground pipes, cables, drains (and their respective inspection covers), supplying services to and carrying waste from the Premises to the point of junction with the public supply lines, mains and sewers.

**AU Further Extensions**

Certain further Extensions apply to this Section as stated under Sections 1 and 2: Supplemental, of this Policy.

**Conditions Applicable to this Section****A Buildings Awaiting Demolition**

If at the time of the Damage any Buildings are awaiting demolition, the liability of the Company shall be limited to the additional cost of removing debris as detailed in the Debris Removal and Associated Costs Extension that is incurred by the Insured solely as a result of such Damage.

**B Designation of Property**

For the purpose of determining where necessary the heading under which property is insured, the Company will accept the designation under which such property has been entered in the Insured's books or which has been used by the Insured in computing the Sums Insured. All items for which the Insured is responsible under the terms of the lease between the Insured and lessee are also accepted as falling within the definition of Buildings.

**C Non-Invalidation**

Mortgagees, freeholders and lessors not otherwise protected by the Lenders (Insured Party) Protection Condition shall not be prejudiced by any increase in the risk of Damage resulting from any alteration, act or omission by any mortgagors, lessees or occupiers provided such increase in risk is without their prior knowledge or authority and that the Company are notified immediately they become aware of such increase in risk and the Insured pays any additional premium required.

**D Seventy Two Hour Provision**

In respect of Perils 5, 6, 7 and 9, Damage occurring continuously or intermittently, during any period of 72 hours shall be deemed to constitute one loss under the Policy for the purpose of the payment of any Excess for which the Company shall not be liable.

**E Underinsurance Condition****Buildings**

If the total of the Declared Values for all Buildings insured is less than the total of the Day One Rebuilding Values, unless the Day One Rebuilding Value of a Building has been set in accordance with a valuation carried out by an accredited member of the Royal Institute of Chartered Surveyors (RICS) within 4 years prior to the date of Damage and updated annually in-between in accordance with the recommendation of an accredited RICS member, the Company's liability for any loss shall be limited to that proportion of the amount otherwise payable which the total Declared Value on Buildings bears to the total of the Day One Rebuilding Values.

**Landlord's Contents**

If at the time of Damage the total of the Declared Values for all Landlord's Contents insured is less than the cost of reinstatement at the inception of the Period of Insurance, then the Company's liability for any loss shall be limited to that proportion thereof which the total Declared Value on Landlord's Contents bears to such cost of reinstatement.

**Communal Contents**

If at the time of Damage the total of the Declared Values for all Communal Contents insured is less than the cost of reinstatement at the inception of the Period of Insurance, then the Company's liability for any loss shall be limited to that proportion thereof which the total Declared Value on Communal Contents bears to such cost of reinstatement.

**Proviso applicable to this Condition**

Where the Declared Value for Buildings includes allowance for Landlord's Contents and/or Communal Contents, the above calculations shall apply separately to each item in accordance with the allocation of values contained in the Insured's written assessment of the Declared Value. In the event that no allocation of values exists, the assessment of the Declared Value for Buildings shall take precedence.

**Definitions applicable to this Condition****Declared Value:**

The base value shown in brackets by or below the Sum Insured, such value excluding any provision for inflation.

**Day One Rebuilding Value:**

The total of the costs applying at the commencement of the Period of Insurance in rebuilding the Buildings to a condition substantially the same as their condition when new, including allowances for the Stipulations Debris Removal and Associated Costs and Professional Fees or if in the Schedule it is stated that the Indemnity Basis B (as set out in Section 1 Basis of Settlement) applies: after an appropriate deduction for wear and tear.

**F Subsidence**

In respect of Peril 11 (where insured by this Section), 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.

**G Further Conditions**

Certain further Conditions apply to this Section as stated under Sections 1 and 2: Supplemental, of this Policy.

# Section 2: **Loss of Income**

## Definitions

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

### Indemnity Period

The period beginning with the occurrence of the Damage and ending not later than the Maximum Indemnity Period during which:

- a** in respect of Rent:  
the Rent receivable is affected as a result of the Damage;
- b** in respect of Estimated Gross Revenue:  
the Gross Revenue is affected as a result of the Damage.

### Maximum Indemnity Period

The number of months stated in the Schedule unless amended elsewhere in this Section.

### Rent

Rent including turnover rent and service charges (unless service charges are insured by a separate item) and revenue from advertising space, paid or payable to the Insured in respect of the letting of the Premises specified in the Schedule.

### Gross Revenue

The additional income received by the Insured from the ownership of the Premises, but excluding:

- i** Rent or service charges;
- ii** revenue derived from advertising space; or
- iii** revenue derived from any Premises occupied by the Insured other than for residential purposes.

### Estimated Gross Revenue

The Gross Revenue 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; 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), belonging to or under the control of the Insured, in which internal pressure is due to steam only.

Provided that Damage is not caused by earthquake or subterranean fire.

### 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.

NOTE: In respect of Standard Gross Revenue, adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business, either before or after the Damage, or which would have affected the Business had the Damage not occurred.

The figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

### First Year of Trading

For the purpose of any claim arising from Damage occurring before the completion of the first year's trading of the Business, Standard Gross Revenue shall be defined as follows and not as stated above:

**Standard Gross Revenue** – the proportional equivalent for the period equal to the Indemnity Period of Gross Revenue realised during the period between the date of commencement of the Business and the date of the Damage.

### Cover

In the event that a Premises suffers Damage caused by a Peril (other than Peril 1b) insured under Section 1 of the Policy or by Explosion (as defined in this Section), the Company will indemnify the Insured for the following in respect of Buildings which have suffered Damage caused by such Perils:

#### A **Loss of Rent**

- a** rent receivable:  
the actual amount of the reduction in the Rent receivable by the Insured during the Indemnity Period solely in consequence of the Damage less any savings that result from reduced costs and expenses during the same period and less any Rent received from the provision of alternative accommodation;
- b** the cost of re-letting:  
the legal and other costs necessarily and reasonably incurred with the Company's prior consent during the Indemnity Period in re-letting the Buildings solely in consequence of the Damage;



- c** the additional expenditure:  
the expenditure necessarily and reasonably incurred with the Company's prior consent solely in consequence of the Damage solely to avoid or minimise the loss of Rent during the Indemnity Period but not exceeding 110% of the amount of the reduction avoided by such expenditure;
- d** the business rates:  
the further expenditure including but not limited to business rates payable to public authorities necessarily and reasonably incurred by the Insured with the Company's prior consent solely in consequence of the Damage which would have been payable by lessees during the Indemnity Period;
- e** public relations expenditure:  
the further additional expenditure in maintaining public relations whilst repairs are being carried out during the indemnity period necessarily and reasonably incurred with the Company's prior consent solely in consequence of the Damage;
- f** accelerated reinstatement expenditure:  
the further additional expenditure necessarily and reasonably incurred with the Company's prior consent during the Indemnity Period solely in consequence of the Damage solely to avoid or minimise any loss of Rent not recoverable by the Insured under this or any other policy during the period of twelve months immediately after the expiry of the Indemnity Period but not exceeding the loss of Rent thereby avoided during that period of twelve months by the Insured;
- g** professional fees:  
the reasonable charges payable by the Insured and incurred with the prior consent of the Company during the Indemnity Period to:
  - i** their professional accountants for producing such information as may be required by the Company under the terms of the Claims Conditions and for reporting that such information is in accordance with the Insured's accounts;
  - ii** their lawyers for determining their contractual rights under any rent cesser clause or insurance break clause contained in any relevant lease, but not for any other purpose in the preparation of any claim.

In the event of underinsurance, the amount payable shall be adjusted in accordance with the Underinsurance Provision Rent – Blanket Basis Clause.

The maximum amount payable for all losses or series of losses arising directly from the same originating cause in respect of any item on Loss of Rent insured under this Section is 200% of the Sum Insured stated in the Schedule for such item before any adjustment in accordance with the Underinsurance Provision Rent – Blanket Basis Clause.

**B Estimated Gross Revenue** (if shown as Operative in the Schedule)

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.

Provided that the liability of the Company in respect of this Cover B in total for all claims or series of claims, arising out of any one original cause, shall in no case exceed 133.3% of the Estimated Gross Revenue.

**C Additional Increased Cost of Working** (if shown as Operative in the Schedule)

The further expenditure necessarily and reasonably incurred in consequence of the Damage solely to avoid or minimise the loss of Rent or to comply with lease or service obligations during the Indemnity Period. The maximum amount the Company will pay under this Cover C is the Sum Insured stated in the Schedule.

**D Advanced Rent** (if shown as Operative in the Schedule)

Rent which but for the Damage would have been receivable during the Indemnity Period in respect of buildings in the course of erection, redevelopment, refurbishment or fitting out for future occupation but not yet leased and which are not specifically insured elsewhere.

The maximum amount the Company will pay under this Cover D is the Sum Insured stated in the Schedule.

When adjusting the Insured's claim in respect of Premises where there are no leases or licences in force:

- a** account shall be taken of:
  - i** any negotiations the Insured have had with prospective tenants both before and after the Damage;
  - ii** the demand for similar accommodation in the area; and
- b** allowance will be made for all extraordinary and other circumstances of the Business, including, but not limited to, fluctuations in market conditions.

## Extensions

**The Insurance under this Section is extended to include the following:**

### **A Buildings Awaiting Letting at Commencement of Period of Insurance**

If at the time of the Damage any Buildings referred to in the Schedule have been newly leased since commencement of the Period of Insurance but no Sum Insured on Loss of Rent has been allocated to the new tenancy, the insurance extends to include such Rent for a total sum not exceeding £500,000 per annum for a Maximum Indemnity Period of three years for all losses or series of losses arising directly from the same originating cause.

### **B Contingency Rent Extensions for Landlords' Protection**

- 1** Where there is provision in the lease agreed between the Landlord and lessee of the Buildings for an abatement of rent in the event of any loss as described below; or
- 2** where the Rent receivable by the Landlord is reduced as a direct consequence of the turnover of the lessee's business being reduced by any such loss; or
- 3** in respect of any Premises where there are no leases or licenses in force at the date of any such loss,

the insurance by the item on Loss of Rent is extended to include the following, subject to the Company's liability not exceeding £1,000,000 for all losses or series of losses, arising directly from the same originating cause:

#### **a Denial of Access**

Loss as insured caused by prevention or hindrance of access to the Buildings or prevention of use of the Buildings in consequence of any property or rights of way within one mile of the Buildings being:

- i** unlawfully occupied by third parties except in the course of a dispute between any employer and employee or group of workers;
- ii** thought to contain or actually containing a harmful device, provided that the police are immediately informed; or
- iii** closed down or sealed off in accordance with instructions issued by the police or by any other statutory body except where the cause of such closure or sealing is due to:
  - 1** the condition of the Buildings or the business carried on within the Buildings; or
  - 2** the Insured or lessee's non-compliance with a prior order of the police or any statutory body.

Provided that:

- i** the Company shall not be liable for loss arising from any cause within the control of the Insured or lessee or loss which is the direct result of repairs or maintenance being carried out to property as a result of inherent defect or wear and tear; and
- ii** the Indemnity Period under Extension B a Denial of Access shall not exceed 3 months;

### **b Disease, Vermin, Defective Sanitary Arrangements, Murder and Suicide**

Loss as insured arising from the closure of the Premises or any part thereof on the order or advice of any local or governmental public authority due to any occurrence of the following at the Premises:

- i**
  - 1** 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, typhoid fever, viral hepatitis, whooping cough or yellow fever;
  - 2** any discovery of an organism likely to result in the occurrence of a disease listed in 1 above;
  - 3** a disease listed in 1 above attributable to food or drink supplied from the Premises;
- ii** the discovery of vermin or pests;
- iii** any accident causing defects in the drains or other sanitary arrangements; or



- iv** any occurrence of murder or suicide.

Provided that:

- i** for the purposes of this Extension the Indemnity Period shall commence from the date on which the Premises or any part thereof is closed on the order or advice of the local or governmental public authority;
- ii** the Company shall not be liable under this Extension:
  - 1** for any costs incurred in the cleaning, repair, replacement, recall or checking of property; or
  - 2** for loss arising at Premises which are not wholly or partially closed on the order or advice of the local governmental public authority;

#### **c Failure of Utilities**

Loss as insured caused by the failure of the supply of:

- i** electricity at the terminal ends of the supply authority's service feeders at the Buildings;
- ii** gas at the supply authority's meters at the Buildings;
- iii** water at the supply authority's main stop cock serving the Buildings; or
- iv** land based telecommunications,

by any accidental cause other than the deliberate act of any supply authority or by any such authority exercising its power to withhold or restrict supply or by drought.

#### **C Loss of Attraction**

The insurance by each item on Loss of Rent includes loss as insured caused by Damage to buildings or other property within one mile of the Premises which would have such an effect on the business carried on at the Premises that:

- a** an agreement to lease the Premises or any part of the Premises in course of negotiation or review is avoided or amended and the Rent receivable by the Insured is reduced; or
- b** the turnover of any lessee's business is affected and Rent receivable by the Insured is reduced,

subject to the Company's liability not exceeding £1,000,000 for all losses or series of losses arising directly from the same originating cause.

#### **D Loss of Attraction – Anchor Tenants**

If solely in consequence of Damage an anchor tenant vacates the Premises by virtue of their lease agreement enabling them to do so, this insurance shall include the loss of Rent following the insolvency of other tenants which can be attributable to a reduction in the number of customers attracted to the Premises, subject to a Maximum Indemnity Period of 12 months following the Damage.

#### **E Loss of Investment Income on Late Payment of Rent**

If solely in consequence of Damage the Company are paying indemnity under this Policy in respect of loss of Rent and the payment by the Company to the Insured is made later than the date upon which the Insured would normally have expected to receive the Rent from a lessee, the Company will pay a further sum representing the investment interest lost to the Insured during the delay period.

#### **F Managing Agents and Insured's Own Premises**

The insurance by each item on Loss of Rent includes loss as insured resulting solely from Damage by any of the Perils insured under Section 1 to buildings or other property at any Premises in the United Kingdom owned or occupied by the Insured or their managing agents for the purposes of their business in consequence of which Rent receivable by the Insured is reduced, subject to the Company's liability not exceeding £1,000,000 for all losses or series of losses arising directly from the same originating cause.

#### **G Prevention of Access**

The insurance by each item on Loss of Rent includes loss as insured caused by prevention or hindrance of access to the Premises or prevention of use of the Premises in consequence of Damage by any of the Perils insured under Section 1 to property within one mile 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 the Company's liability under this Extension shall not exceed £1,000,000 for all losses or series of losses, arising directly from the same originating cause.

#### **H Shortfall in Rent Following Review**

If during the Indemnity Period the Insured is precluded from exercising their right to implement a rent review

under the terms of a lease then the Company will pay in respect of the Buildings which have suffered Damage the loss of projected increase in rent being the amount of the actual shortfall in rent solely in consequence of the Damage that would otherwise have been receivable had that rent review been implemented from the expiry of the Indemnity Period until the date of the next subsequent rent review but in no case exceeding sixty months.

### I Stepped Rent

If during the Indemnity Period and as a result of Damage by any of the Perils insured under Section 1 the Insured is precluded from exercising their right to receive the full rental income that they would have received but for a stepped rent clause in the lease, the Company will pay the actual loss of Rent sustained in respect of the Buildings which have suffered the Damage.

### J Turnover Rent (Future Reviews)

If in consequence of Damage by any of the Perils insured under Section 1 any lessee suffers a reduction in the turnover of their business and solely in consequence of this there is a reduction in the Rent receivable by the Insured during the period commencing from the date of the next rent review subsequent to the Damage, the Company will pay to the Insured the actual amount of the reduction in Rent solely in consequence of the Damage up to a maximum indemnity Period of 60 months from that date.

### K Further Extensions

Certain further Extensions apply to this Section as stated under Sections 1 and 2: Supplemental, of this Policy.

## Conditions Applicable to this Section

### A Break Clauses

This insurance shall not be prejudiced by any insurance or casualty break clause in a lease that enables a lessee to determine the lease in the event of Damage.

### B Buildings Awaiting Sale

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

- 1 during the period prior to the date upon which but for the Damage the Buildings would have been sold:

- i the loss of Rent being:
  - the actual amount of the reduction in the Rent receivable by the Insured; and
- ii the loss of Gross Revenue (where insured by this Section) being:
  - the actual amount of the reduction in the Gross Revenue receivable by the Insured,

solely in consequence of the Damage;

- 2 during the period commencing with the date upon which but for the Damage the Buildings would have been sold and ending with the actual date of sale or with the expiry of the Maximum Indemnity Period if earlier, the loss in respect of interest being:
  - i the actual interest incurred on capital borrowed (solely to offset in whole or part the loss of use of the sale proceeds) for the purpose of financing the Business, subject to the actual rate of interest (for the purpose of calculating the actual interest incurred) being capped by the Company at the rate that is the average of the daily Sterling Overnight Index Average rates applying during the Indemnity Period (excluding weekends) plus 4%; and
  - ii the investment interest lost to the Insured on any balance of the sale proceeds (after deduction of any capital borrowed as provided under i above),

less any amount receivable in respect of Rent and (where insured) Gross Revenue;

- 3 the additional expenditure being:
  - i the expenditure necessarily and reasonably incurred solely in consequence of the Damage solely to avoid or minimise the loss payable under 1 or 2 immediately above but not exceeding the amount of loss avoided by such expenditure;
  - ii the additional legal fees and other expenditure incurred solely as a result of the cancellation or delay in consequence of the Damage but not exceeding either an amount equivalent to the expenditure incurred immediately prior to the Damage or £50,000 whichever is the less for all losses or series of losses arising directly from the same originating cause except:
    - a the amount payable shall be adjusted to provide for any benefit derived by the Insured from cancellation of or delay in the sale so that it represents as nearly as may be reasonably practicable the actual loss suffered by the Insured;

- b** in the event of underinsurance, the amount payable shall be adjusted in accordance with the Underinsurance Provision Rent – Blanket Basis Clause.

Provided that the maximum amount payable for all losses or series of losses arising directly from the same originating cause in respect of any item on Loss of Rent insured under this Section is 200% of the Sum Insured stated in the Schedule for such item before any adjustment in accordance with the Underinsurance Provision Rent – Blanket Basis Clause.

### **C Rent-Free Period**

If at the date of the Damage any Building insured by this Policy is subject to a 'Rent Free Period' concession under the terms of the lease, then the Maximum Indemnity Period stated in the Schedule shall be adjusted by adding to the number of months/years shown in the Schedule as the remaining balance of such 'Rent-Free Period' subject to allowance for the actual future Rent having been included in the Day One Rental Value and subject to the amount added not exceeding twenty-four months.

### **D Further Conditions**

Certain further Conditions apply to this Section as stated under Sections 1 and 2: Supplemental, of this Policy.

## **Clauses applicable to this Section**

**The following Clauses apply to this Section:**

### **1 Material Damage Proviso – Applicable separately to each Item**

This insurance shall not apply in respect of any item on Loss of Rent or Gross Revenue unless at the time of the Damage there is in force an insurance covering the interest of the Insured in the Buildings where the Damage has occurred and:

- a** payment shall have been made or liability admitted under such insurance; or
- b** payment would have been made or liability would have been admitted thereunder but for the operation of a proviso excluding liability for losses below a specified amount,

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

### **2 Payments on Account**

Payments on account will be made to the Insured in respect of claims for loss of Rent on the date upon which

but for the Damage the Rent would have been due from the lessee unless the claim is under investigation by the Company.

### **3 Underinsurance Provision Rent – Blanket Basis**

If at the time Damage occurs the total Sum Insured on Loss of Rent is less than the Day One Rental Value, the Company's liability for any loss shall be limited to that proportion of the amount otherwise payable which the Sum Insured bears to the Day One Rental Value.

### **Day One Rental Value**

The actual annual Rent at the commencement of the Period of Insurance including reasonable estimated allowances for any turnover rent and/or service charges if insured which shall be proportionately increased if the Indemnity Period exceeds 12 months.

If no rent is being received at the commencement of the Period of Insurance, the Day One Rental Value shall be deemed to be the estimated market rent, or if there is a rent-free period, it shall be deemed to be the actual annual Rent that applies from the date immediately after the rent-free period ceases.

### **4 Renewal Clause** (applicable to Estimated Gross Revenue)

The Insured shall, prior to each renewal of the Policy, provide the Company with the Estimated Gross Revenue 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 Premium Adjustment Clause** (applicable to Estimated Gross Revenue)

The first and annual premiums in respect of Estimated Gross Revenue 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 Revenue 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 Revenue, the above-mentioned declaration shall be increased by the Company for the purpose of premium adjustment, by the amount by which the Gross Revenue 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 Revenue 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 or Estimated Gross Revenue for the relative Period of Insurance, a pro rata addition to the premium paid shall be immediately payable by the Insured to the Company.

# Section 1 and 2: (Supplemental)

**The following are applicable to the Sections stated:**

## General Conditions applicable to Sections 1 & 2

**These Conditions apply to Section 1 & 2 of the Policy.**

### A Alterations and Additions to the Premises including partial refurbishments and fit-outs

In the event that alterations or additions to the Premises are effected during the Period of Insurance and are not more specifically insured, the following increases in cover shall apply from practical completion of the work until the expiry of the Period of Insurance immediately following such completion.

#### Buildings and Landlord's Contents

The Declared Value and Sum Insured shall each be increased by such percentage as represents the value of the alterations or additions not exceeding either 20% of the Declared Value or Sum Insured (as applicable) or £2,000,000 in the aggregate for Buildings and Landlord's Contents, whichever is the less.

#### Rent

If the Rent is to increase following completion of the alterations or additions the Company's liability shall be increased by the anticipated amount of the additional Rent for the Indemnity Period insured not exceeding either 20% of the Sum Insured in respect of the Rent or £500,000 whichever is the less.

### B Automatic Reinstatement of Sum Insured

In the absence of written notice by the Company or the Insured to the contrary within 30 days of the notification of any Damage, the Sums Insured by this insurance will not be reduced by the amount of any loss subject to the Insured paying any appropriate additional premium on the amount of the loss.

### C Contracting Purchaser's Interest

If at the time of any insured Damage the Insured shall have exchanged contracts (or missives concluded) to sell their interest in any Building insured, the purchaser shall, with the written consent of the Insured, be included as a co-insured in the Schedule to the Policy from the date of exchange (or conclusion of missives) and shall be entitled to the benefit of the insurance on Sections 1 and 2 under this Policy in respect of such Damage. This Condition shall only apply if the purchase is subsequently completed and if the Buildings and Rent are not otherwise insured at the time of the loss by the purchaser or on their behalf.

In respect of insurance on Rent, where Damage has occurred prior to exchange of contracts (or conclusion of missives) and the purchase is subsequently completed, the purchaser shall, with the consent of the Insured, be entitled on completion of the purchase to the benefit of the Rent insurance to the same extent as the Insured would have if the Building had not been sold.

### D General Interest Condition

The interests of freeholders, head lessees, owners, lessees, under-lessees, assignees and/or mortgagees of property insured by this Policy, or any parties specifically named in the Schedule as having an interest hereunder, are noted in the insurance provided by the Policy subject to their names and respective interests being disclosed to the Company by the Insured in the event of any claim arising.

### E Lenders (Insured Party) Protection

If the Insured described in the Schedule comprises more than one entity each operating separately and distinctly (hereinafter referred to as an Insured Party) then, except as provided in this Condition, cover shall apply in the same manner and to the same extent as if individual policies had been issued to each such Insured Party provided that the total liability of the Company to all of the Insured Parties collectively shall not exceed the Sums Insured and limits of indemnity including any inner limits in the Policy or Schedule.

Any payment or payments by the Company to any one or more of the Insured Parties shall reduce to the extent of that payment the Company's liability to all of the Insured Parties and if applicable in the aggregate.

The Insured Parties will at all times preserve the various contractual rights and agreements entered into by the Insured Parties and the contractual remedies of such Insured Parties in the event of Damage.

The Company shall be entitled to avoid liability to or as may be appropriate claim damages from any Insured Party in circumstances of fraud, breach of duty to make a fair presentation of the risk or breach of any condition precedent to liability of this Policy, each referred to in this Condition as a Vitiating Act.

It is however agreed that a Vitiating Act committed by one Insured Party shall not prejudice the right to indemnity of any other Insured Party that has an insurable interest and has not committed a Vitiating Act.

In respect of claims not exceeding £25,000, each Insured Party that has not made the claim will only be consulted if the Damage is not reinstated.



## F Rent of Residential Property

In the event that Buildings occupied solely or partially for residential purposes suffer Damage and no Sum Insured on Rent for the residential portions has been allocated, then this insurance extends to include such loss of Rent including the cost of re-letting and any additional expenditure as detailed above.

For the purposes of the cover by this Condition:

- a** Indemnity Period shall mean the period from the date of the Damage for which the Company shall be liable to pay any loss and the Maximum Indemnity Period shall be 36 months;
- b** the Underinsurance Condition is deleted.

This Condition will alternatively indemnify the Insured in respect of any expenditure incurred in the provision of comparable accommodation for the benefit of the owner or lessee or any tenant of the owner or lessee of any individual Premises or part thereof.

The Company's liability under this Condition shall not exceed 33.3% of the Sum Insured applicable to the residential building or residential portion of the building concerned.

## Additional Extensions Applicable to Sections 1 & 2

**These Additional Extensions are applicable to Sections 1 & 2 and are in addition to any other applicable Extensions.**

Provided that:

- i** the Company is the sole provider of insurance cover for all of the Insured's properties which are owned by them in connection with the Business; and
- ii** the Insured have an obligation to arrange such insurance,

the insurance by Sections 1 and 2 of this Policy is extended to include the following Additional Extensions:

### A Automatic Cover – Newly Acquired/Newly Completed, Redeveloped or Refurbished Properties

This insurance is extended to include cover:

- a** from the date of exchange of contracts for premises newly acquired by the Insured;
- b** from the date of practical completion for premises previously insured under a construction policy within the United Kingdom, the Channel Islands and the Isle of Man to the extent that the Insured's

interest is not protected by any other more specific insurance.

Provided that:

- i** as soon as reasonably practicable the Insured shall notify the Company in writing of each premises and arrange specific cover with the Company;
- ii** the cover under this Extension shall operate for a maximum period of 30 days from the date set out in **a** or **b** above, as applicable;
- iii** this insurance shall not apply in respect of any cause or cover otherwise excluded from these Sections of the Policy;
- iv** the Company's liability for all losses or series of losses, arising directly from the same originating cause for Sections 1 and 2 shall not exceed £5,000,000 in respect of any one premises;
- v** in respect of any premises purchased for refurbishment or redevelopment, Indemnity Basis B (as set out in Section 1 Basis of Settlement) shall apply in respect of Buildings and in respect of any premises purchased and due for demolition the basis of settlement shall be the additional costs associated with clearing and securing the Buildings;
- vi** the insurance under this Extension shall be subject to all the terms, definitions, conditions, clauses and exclusions, of this Policy.

### B Inadvertent Omission to Insure

The insurance is extended to include any premises in the United Kingdom which the Insured own or which they are responsible to insure:

- a** which the Insured has inadvertently failed to insure under this Policy or any other policy;
- b** where the Insured has inadvertently failed to insure against all the Perils by Section 1 of the Policy, but only for those Perils which the Insured has failed to insure against.

Provided that:

- a** immediately on becoming aware of:
  - i** any premises not insured under **a** above, the Insured shall arrange insurance with the Company with effect from inception of this Policy or from inception of any policy this Policy has replaced or the date upon which the insurance should have been arranged whichever is the later;

- ii any premises not insured under **b** above, the Insured shall arrange insurance for the uninsured Perils with effect from inception of this Policy or from inception of any policy this Policy has replaced or the date upon which the insurance should have been arranged whichever is the later;

- b** this Extension shall not apply to any premises covered under Additional Extension A Automatic Cover – Newly Acquired/Newly Completed Redeveloped or Refurbished Properties;
- c** the Company's liability under this Extension for all losses or series of losses, arising directly from the same originating cause for Sections 1 and 2 shall not exceed £5,000,000 any one Premises;
- d** in respect of any premises purchased for refurbishment or redevelopment, cover is limited to Indemnity Basis B (as set out in Section 1 Basis of Settlement) and in respect of any premises purchased and due for demolition, the basis of settlement shall be the additional costs associated with clearing and securing the Buildings;
- e** the insurance under this Extension shall be subject to all the terms, definitions, conditions, clauses and exclusions, of this Policy.

### C Privity of Contract

The insurance is extended to provide indemnity to the Insured:

- a** against legal liability as former Landlord or tenant to any Landlord or tenant to insure, repair or reinstate Damage to the Premises which:
  - i** arises from a breach by any subsequent Landlord or tenant of its obligations under a lease to insure, repair or reinstate Damage to the Premises such that the Insured is also thereby in breach of those obligations; and
  - ii** arises out of any claim which is first made in writing to the Insured during any Period of Insurance and notified to the Company during or within 30 days after expiry of the Period of Insurance;
- b** against legal liability for claimant's costs and expenses in connection with **a** above;
- c** in respect of:
  - i** costs of legal representation at proceedings in any court arising out of any occurrence specified

in **a** above which may be the subject of indemnity under this Extension;

- ii all other costs and expenses in relation to any matter which may form the subject of a claim for indemnity under **a** above,

incurred with the Company's written consent.

Provided that:

- a** the indemnity shall not apply to legal liability arising out of any cause happening before the date of inception of this Policy;
- b** the Company's liability for all losses or series of losses, arising directly from the same originating cause for Sections 1 and 2 shall not exceed £5,000,000 any one premises;
- c** notwithstanding proviso **a** above in no case shall the liability of the Company exceed the lesser of:
  - i** the difference between:
    - 1** the amount payable under any insurance effected by any other Landlord, former Landlord, tenant, former tenant or any other insurance of this type; and
    - 2** the total cost of insurance repairs or reinstatement as provided by this Policy, except in cases which fall within **ii** below;
  - ii** the difference between:
    - 1** the amount payable under any insurance effected by any other Landlord, former Landlord, tenant, former tenant or any other insurance of this type; and
    - 2** the amount payable by Indemnity Basis B (as set out in Section 1 Basis of Settlement) if at the date of the occurrence or event giving rise to such liability the premises are intended for renovation, refurbishment or redevelopment;
  - iii** in either of **i** or **ii** above, the Company's rateable portion of the Damage calculated according to the number of persons (whether or not insured) who have at the time held or who hold the reversion of the lease of the premises;
- d** the Insured must take all reasonable steps including, but not limited to, making or joining in any necessary application to court to obtain release from its liabilities as former Landlord or tenant of the premises following disposal;
- e** the insurance under this Extension shall be subject to all the terms, definitions, conditions, clauses and exclusions, of this Policy.



For the purposes of this Extension, premises shall mean Buildings of which the Insured was previously the Landlord but no longer the Landlord at the date of occurrence or event giving rise to such liability.

#### **D Third Party Failure to Insure**

The insurance provided by Section 1 of this Policy extends to include any premises within the United Kingdom, the Channel Islands and the Isle of Man owned or leased by the Insured which by virtue of lease requirements are required to be insured by another party and where that party has:

- a** failed to insure against all the Perils insured by this Policy; or
- b** failed to insure for a sufficient amount to provide for reinstatement of the Buildings and/or for loss of Rent as specified in the lease; or
- c** invalidated the Policy or the claim.

Provided that:

- a** immediately on becoming aware of:
  - i** any premises not insured for all the Perils insured by this Policy, the Insured shall arrange insurance for the uninsured Perils;
  - ii** any premises not insured for a sufficient amount to provide for reinstatement of the Buildings and/or loss of Rent as specified in the lease, the Insured shall arrange insurance for the reinstatement of the Buildings and/or loss of Rent as specified;
  - iii** any facts or circumstances that might invalidate the Policy or a claim, the Insured shall notify the Company accordingly;
- b** this Extension shall not apply to any premises covered under Additional Extension A Automatic Cover – Newly Acquired/Newly Completed Redeveloped or Refurbished Properties or Additional Extension B Inadvertent Omission to Insure, and in respect of premises under **a** above, shall apply only for the Perils not insured by the third party's policy;
- c** the Company's liability for all losses or series of losses, arising directly from the same originating cause for Sections 1 and 2 shall not exceed £5,000,000 any one premises, but in no case shall the liability of the Company exceed:
  - i** the difference between the amount payable under any insurance effected by the third party

or any other insurance on the premises and the total cost of reinstatement and loss of Rent as provided by this Policy; or

- ii** the value of the Insured's interest in the premises, whichever is less;
- d** there shall be in force at the time of Damage a valid and enforceable lease requiring the property to be insured against some or all of the Perils insured hereby;
- e** the Insured has procedures in place to ensure that the third party effects and maintains adequate insurance and wherever possible the Insured's interest is noted and protected by a non-invalidation clause and lapse/cancellation notification undertaking;
- f** the insurance under this provision shall be subject to all the terms, definitions, conditions, clauses and exclusions, of the Policy with the exception of paragraphs **a** and **c** of Claims Condition 5 (Subrogation).

# Section 3: Terrorism Insurance

**THIS INSURANCE DOES NOT APPLY IF SHOWN AS NOT INSURED IN THE SCHEDULE**

Notwithstanding any provisions to the contrary within this Policy, the insurance in respect of all items, Clauses or Extensions, insured by the insurances shown in the Terrorism Insurance section of the Schedule, are extended to include Terrorism Insurance as specified in the Heads of Cover below.

Terrorism Insurance Heads of Cover:

- A** Damage;
- B** Non-Damage; and
- C** loss resulting from Damage to Property,

to the extent and insofar that they are insured by this Policy in the Territories stated below, the proximate cause of which is an Act of Terrorism, where any Act of Terrorism within Great Britain must be certified as such by HM Treasury or a tribunal as may be agreed by HM Treasury, provided always that Terrorism Insurance is:

- 1)** subject to Exclusions **1–3** below; and
- 2)** not subject to any other exclusions stated in this Policy, provided also that the Company’s liability in any one Period of Insurance shall not exceed:
  - i** in the whole the total Sum Insured; and
  - ii** in respect of any item its Sum Insured, or any other stated Limit of Liability specified in the Schedule or elsewhere in the Policy,

whichever is the lower subject always to the limit(s) applying to Terrorism Insurance shown against the Territories stated below after the application of all the provisions of the insurance including any Insured’s Contribution or Excess.

Territory	Limit of Liability
<b>A)</b> Great Britain	As otherwise specified in this Policy
<b>B)</b> Elsewhere in the world	Not insured

**Conditions**

- 1** In any action, suit or other proceedings where the Company alleges that any Damage, Non-Damage or loss resulting from Damage to Property is not covered by this Terrorism Insurance the burden of proving that such Damage, Non-Damage or loss is covered shall be upon the Insured.
- 2** Any terms in this Policy which provide for adjustments of Premium based upon declarations on expiry or during the Period of Insurance do not apply to Terrorism Insurance.
- 3** If this Policy is subject to any Long-Term Agreement / Undertaking, it does not apply to Terrorism Insurance.

All the terms, definitions, provisions, conditions, and extensions of this Policy apply except in so far as they are expressly varied by the Terrorism Insurance section.

**Exclusions**

Terrorism Insurance does not cover:

- 1 Riot civil commotion War and Allied Risks**

Any loss or Damage whatsoever or any consequential loss directly or indirectly occasioned by or happening through or in consequence of riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.
- 2 Electronic Risks**

Any loss or Damage whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from:

  - A)** Damage or Non Damage to or the destruction of any Computer System; or
  - B)** any alteration, modification, distortion, erasure or corruption of Data; and

in each case whether the property of the Insured or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from Virus or Similar Mechanism or Hacking or Phishing or Denial of Service Attack.
- 3 Nuclear Risks and Chemical, Biological and Radiological Contamination**

Any loss whatsoever or any expenditure resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from:

  - A)** the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
  - B)** ionising radiation or contamination by radioactivity or from the combustion of any radioactive material;
  - C)** chemical and/or biological and/or radiological irritants, contaminants, or pollutants,

in respect of property situated outside of Great Britain.

**Special Provision**

- 1 Cyber Terrorism**

This Special Provision applies only to:

  - A)** Terrorism Insurance Heads of Cover **A** and **C**; and

- B)** Property situated within Great Britain except it is not a requirement of cover for the person(s) initiating the act of terrorism to be sited in England, Wales, or Scotland;

and does not apply to:

- i)** Terrorism Insurance Head of Cover **B**; or
- ii)** Property situated outside of Great Britain; or
- iii)** Residential Property insured in the name of a Private Individual.

Electronic Risks Exclusion **2A)** and **2B)** above shall not apply to any Covered Loss provided that such Covered Loss:

- 1)** results directly (or, solely as regards **2)c)** below, indirectly) from fire, explosion, flood, escape of water from any tank, apparatus or pipe (including any sprinkler system), impact of aircraft or any aerial devices or articles dropped from them, impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle, destruction of, damage to or movement of buildings or structures, plant or machinery other than any Computer System; and
- 2)** comprises:
  - a)** the cost of reinstatement, replacement or repair in respect of damage to or destruction of Property insured by the Insured; or
  - b)** the amount of business interruption loss suffered directly by the Insured by way of loss of or reduction in profits, revenue or turnover or increased cost of working and not by way of liability to any third party as a direct result of either;
    - i)** damage to or destruction of Property insured by the Insured; or
    - ii)** as a direct result of denial, prevention or hindrance of access to or use of the Property insured by the Insured by reason of an Act of Terrorism causing damage to other property within one mile of the Property insured by the Insured to which access is affected; or
  - c)** the amount of loss caused by the cancellation, abandonment, postponement, interruption, curtailment or relocation of an event as a result of damage to or destruction of Property and any additional costs or charges reasonably and necessarily paid by the Insured to avoid or diminish such loss,

and

- 3)** is not proximately caused by an Act of Terrorism in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by, acting on behalf of or part of any de jure or de facto government of any nation, country or state.

The meaning of Property for the purposes of this Special Provision shall additionally exclude:

- A)** any money (including Money as defined within this Policy), currency, electronic cryptographic or virtual currency including bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any other financial instrument or any sort whatever; and
- B)** any Data.

Notwithstanding the exclusion of Data from Property, to the extent that damage to or destruction of Property within the meaning of **2)** within this Special Provision, indirectly results from any alteration, modification, distortion, erasure or corruption of Data, because the occurrence of one or more of the matters referred to in **1)** within this Special Provision results directly or indirectly from any alteration, modification, distortion, erasure or corruption of Data, that shall not prevent cost or business interruption loss directly resulting from damage to or destruction of such Property from being recoverable under this Special Provision.

In no other circumstances than the previous paragraph, however, will any loss or losses directly or indirectly caused by, contributed to by or arising from or occasioned by or resulting from any alteration, modification, distortion, erasure or corruption of Data be recoverable under this Terrorism Insurance.

## Definitions

**Where the following defined words appear elsewhere in this Policy, they are replaced only in respect of this Terrorism Section by the definitions below. All other definitions remain unchanged.**

### Act of Terrorism

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

**Computer Systems**

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

**Covered Loss**

means all losses arising under Terrorism Insurance Heads of Cover **A** and/or **C** of this Terrorism Insurance section that occurs in the Territory, the proximate cause of which is an Act of Terrorism.

**Damage**

means physical loss, destruction or damage.

**Data**

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

**Denial of Service Attack**

means any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability or performance of networks, network services, network connectivity or Computer Systems.

The definition of Denial of Service Attack includes, but is not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses, the generation of excess or non-genuine traffic between and amongst networks and the procurement of such actions or instructions by other Computer Systems.

**Great Britain**

means England, Wales and Scotland (including the Channel Tunnel up to the frontier with the Republic of France as defined by the Treaty of Canterbury 1986) but not the territorial seas adjacent to (as defined by the Territorial Sea Act 1987).

**Hacking**

means unauthorised access or legitimate access resulting in unauthorised acts to any Computer System by whatever means, whether the property of the Insured or not.

**Non-Damage**

means all losses arising as a result of interruption or interference with the Business of the Insured in consequence of:

- A)** access to, exit from or use of any premises located within the Territory owned or occupied by the Insured being impaired or prevented due to the actions of the police, competent authority or any other statutory authority, the proximate cause of which is an Act of Terrorism; and/or
- B)** an Act of Terrorism in the vicinity of, but in no event further than one mile from, any premises within the Territory owned or occupied by the Insured which results in the business carried on at such premises having a diminished attraction to customers and solely in consequence thereof, an identifiable reduction in the business of the Insured, but in no event shall the maximum period of indemnity for such interruption or interference with the business exceed three months.

**Nuclear Installation**

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

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

**Nuclear Reactor**

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

**Phishing**

means any access or attempted access to Data or a Computer System made by means of misrepresentation or deception whether effected by or to a human, a Computer System, an AI system or by whatever means.

**Private Individual**

means any:

- A)** individual; or
- B)** beneficiaries of or trustees of a trust where insurance is arranged under the terms of a trust; or
- C)** beneficiaries or executors of a will; or
- D)** sole traders,

where Residential Property is occupied by the individual, a beneficiary or trustee of a trust, or a beneficiary or executor of a will, or sole trader as their private residence(s), unless more than 20% commercially occupied (either by floor area or on the basis of the number of days that the Property is open to public).

The definition of Private Individual shall include two or more persons where insurance is arranged in their several names and/or the title of the Insured includes the name of a bank or building society or other financial institution for the purpose of noting their interest in the Property Insured.

### **Property**

means Property Insured (as defined within this Policy), but excluding:

- A)** any land or building which is occupied as a private residence or any part thereof which is so occupied unless:
  - i)** insured under the same contract of insurance as the remainder of the building which is not a private residence and is more than 20% commercially occupied (either by area or on the basis of the number of days that the Property is open to public); or
  - ii)** not insured in the name of a Private Individual; or
- B)** any Nuclear Installation or Nuclear Reactor and all fixtures and fittings situated thereon and attached thereto and all pipes wires cables drains or other conduits or service media of any description which are affixed or connected to or in any way serve such Nuclear Installation or Nuclear Reactor.

### **Residential Property**

means houses and blocks of flats and other dwellings (including household contents and personal effects of every description).

### **Virus or Similar Mechanism**

means any program code, programming instruction or any set of instructions constructed with the purpose and ability, or generated or operated by an AI system, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor computer programs, Computer Systems, Data or operations, whether involving self-replication or not.

The definition of Virus or Similar Mechanism includes but is not limited to trojan horses, worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate, or monitor as above.



# Section 4: **Property Owners' Liability**

## Definitions

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

### Occurrences

- 1** accidental Bodily Injury to any person;
- 2** Damage to physical property;
- 3** accidental obstruction, trespass, nuisance or interference with any easement of air, light, water or way;
- 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.

### Indemnity Limit

The Company's liability under this Section payable in respect of any one Occurrence or series of Occurrences arising directly from the same originating cause shall not exceed the Indemnity Limit stated in Section 4 of the Schedule.

### 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; 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.

### Excess

The Company shall not be liable for the first amount of each and every claim stated under the excesses set out in the Schedule or otherwise stated in this Section.

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

## 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.

## Territorial Limits

- a** The United Kingdom, the Channel Islands and the Isle of Man; and
- b** elsewhere in the world for visits in connection with the Business undertaken by the Insured or any of the Insured's directors or Employees normally resident in **a** above, in respect of the performance of non-manual work, but excluding any work involving the collection and delivery of goods or the erection and dismantling of estate agency boards and signs.

## Cover

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 they are 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.

# Section 4(a): **Property Owners' Liability Legionellosis**

**Cover under this Sub-Section only applies if shown as Operative in the Schedule.**

## 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.

### Craft

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

### Excess

This Section does not cover and the Company shall not be liable for the first £2,500 or the first 10% of each and every claim, whichever is the greater, which shall be retained by the Insured as the Insured's own liability and uninsured.

### Indemnity Limit

The Company's liability (inclusive of all costs and expenses) under this Section payable in respect of any one Occurrence or series of Occurrences arising directly from the same originating cause or in the aggregate in any Period of Insurance shall not exceed the Indemnity Limit stated in Section 4(a) of the Schedule.

### Legionellosis

Any discharge, release or escape of legionella or other airborne pathogens from water tanks, water systems, air conditioning plants, cooling towers and the like.

### Occurrences

Accidental Bodily Injury to any person caused by Legionellosis in respect of the Business.

### Cover

The Company will, subject to the Indemnity Limit, indemnify the Insured under this Section or any person indemnified under Extensions E Indemnity to Principals and F Indemnity to Others of Section 4 Property Owners Liability against:

- 1 a** all sums which the Insured shall become legally liable to pay as damages (including interest thereon); and
  - b** claimant's costs and expenses, if the Insured is ordered to pay them or paid with the Company's written consent,
- in respect of an Occurrence where:

- a** the claim is first made in writing to the Insured or any person indemnified under Extensions E (Indemnity to Principals) and F (Indemnity to Others) of Section 4 Property Owners Liability during the Period of Insurance; or
  - b** the Insured or any person indemnified under Extensions E (Indemnity to Principals) and F (Indemnity to Others) of Section 4 Property Owners Liability first becomes aware of any circumstance during the Period of Insurance which:
    - i** has caused or is alleged to have caused the Occurrence; or
    - ii** can be reasonably expected to give rise to a claim which may be the subject of the indemnity provided above and is notified to the Company:
      - 1** during; or
      - 2** within 30 days after expiry of, the same Period of Insurance;
- 2 a** all costs and expenses, incurred by the Insured with the Company's written consent in defending any claim under this Section; and
  - b** the solicitor's fees incurred by the Insured 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 an Occurrence which may be the subject of indemnity under this Section or at any coroner's inquest or fatal accident enquiry relating to any Occurrence.

Provided that:

- i** the Company may at any time pay the Indemnity Limit (less any sums already paid) or any lesser amount for which at the absolute discretion of the Company the claim or claims can be settled. The Company will then relinquish control of such claims and be under no further liability in respect thereof;
- ii** all claims arising out of the same isolated, repeated or continuing incidence of Legionellosis shall be deemed to be made in the Period of Insurance when:
  - a** the first claim was made in writing to the Insured or any person indemnified under Extensions E (Indemnity to Principals) and F (Indemnity to Others) of Section 4 Property Owners Liability and notified to the Company; or
  - b** the first notification of any circumstance was first made to the Company; and
- iii** the Company will not be liable for the amount of the Excess.

# Section 4(b): **Property Owners' Liability Financial Loss**

**Cover under this Sub-Section only applies if shown as Operative in the Schedule.**

## Definitions

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

### Asbestos

Crocidolite, amosite, chrysotile, actinolite, fibrous anthophyllite or fibrous tremolite or any mixture containing any of those minerals.

### Asbestos Containing Materials

Any material containing Asbestos or Asbestos Dust.

### Asbestos Dust

Fibres or particles of Asbestos.

### Craft

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

### Excess

This Section does not cover and the Company shall not be liable for the first £2,500 or the first 10% of each and every claim, whichever is the greater, which shall be retained by the Insured as the Insured's own liability and uninsured.

### Indemnity Limit

The Company's liability (inclusive of all costs and expenses) under this Section payable in respect of any one Occurrence or series of Occurrences arising directly from the same originating cause or in the aggregate in any Period of Insurance shall not exceed the Indemnity Limit stated in Section 4(b) of the Schedule.

### Intellectual Property Rights

Any patent, trade mark, copyright, registered design, technical or commercial information or other intellectual property.

## Cover

The Company will, subject to the Indemnity Limit, indemnify the Insured or any person indemnified under Extensions E (Indemnity to Principals) and (F Indemnity to Others) of Section 4 Property Owners Liability against:

- 1 a** all sums which the Insured shall become legally liable to pay (other than arising under contract) as damages (including interest thereon); and
- b** claimant's costs and expenses, if the Insured is ordered to pay them or paid with the Company's written consent,

in respect of financial loss incurred in connection with the Business where the claim is:

- i** first made in writing to the Insured or any person indemnified under Extensions E (Indemnity to Principals) and F (Indemnity to Others) of Section 4 Property Owners Liability during the Period of Insurance; and
- ii** notified to the Company:
  - a** during; or
  - b** within 30 days after expiry of,
 the same Period of Insurance;
- 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 by the Insured 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 financial loss which may be the subject of indemnity under this Section.

Provided that:

- i** the Company may at any time pay the Indemnity Limit (less any sums already paid) or any lesser amount for which at the absolute discretion of the Company the claim or claims can be settled. The Company will then relinquish control of such claims and be under no further liability in respect thereof;
- ii** the financial loss is sustained within the United Kingdom; and
- iii** the Company will not be liable for the amount of the Excess.

# Section 4, 4(a) and 4(b): **Supplemental**

**The following are applicable to the Sections stated.**

## **Extensions applicable to Section 4 only**

### **A Corporate Manslaughter and Corporate Homicide Act 2007**

The Company will indemnify the insured against legal costs and expenses, 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 Channel Islands or the Isle of Man 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 the United Kingdom, the Channel Islands or the Isle of Man;
- c** the Company must consent in writing 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 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 the Extension the Insured would

have obtained indemnity from any other source or insurance.

### **B Contingent Motor**

Notwithstanding Exclusion 7 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 the Company shall not be liable:

- 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.

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

The Company will indemnify the Insured and, at the Insured's request, any director 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 other costs in appealing against any judgment given.

Provided that:

- a** the prosecution relates to the health, safety and welfare of any person other than an Employee;
- b** proceedings arise from an incident which relates to a claim or potential claim under this Section; and
- c** this indemnity shall not apply to:
  - i** the payment of any costs or expenses incurred without the Company's written consent; or
  - ii** the payment of fines or penalties.

### **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 physical 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 the 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 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 the respective Section if the claim had been made against the Insured;
  - 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 their respective capacities as such; and
  - iii** any of the Insured's directors or senior officials in respect of private work undertaken by any Employee for that director or senior official.

Provided that:

- i** such persons are not entitled to indemnity under any other policy covering such liability;
- ii** each person shall observe, fulfil and be subject to the terms, definitions, conditions, clauses and exclusions, of this Policy, in so far as they can apply;
- iii** the Company will retain sole conduct and control of any claim; and
- iv** where the Company is required to indemnify more than one party, the Company's total liability will not exceed the relevant Indemnity Limit.

## **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 this indemnity 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 Company will 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 (or any replacement legislation), 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 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 Claims under Data Protection Legislation**

The Company will indemnify the Insured against any compensation claim in respect of material or non-material damage where such damage occurs during the Period of Insurance and happens in connection with the Business, provided that the Insured:

- a** has complied in all respects with the Insured's obligations under the Data Protection (Charges and Information) Regulations 2018;
- b** is not in business as a computer bureau; and
- c** was acting as a sole and independent controller in respect of the matter giving rise to the compensation claim.



The Company's liability under this Extension (including all compensation, costs and expenses) shall be limited to a maximum amount of £500,000 in the aggregate and in any one Period of Insurance.

Provided that this indemnity shall not apply to:

- i** any material or non-material damage caused by any deliberate act or omission, by the Insured, where such material or non-material damage could reasonably have been expected by the Insured having regard to the nature and circumstances of such act or omission;
- ii** any material or non-material damage caused by any act of fraud or dishonesty;
- iii** the costs and expenses of rectifying, rewriting or erasing data (including personal data);
- iv** liability arising from the recording, processing or provision of data for reward or to determine the financial status of any person;
- v** the payment by the Insured of any regulatory fines or penalties; or
- vi** any material or non-material damage caused by:
  - a** any deliberate, reckless or negligent act of any Employee; or
  - b** any failure by an Employee to act in accordance with the Insured's internal policies, procedures and guidelines.

For the purposes of this Extension:

- i** "GDPR" means:  
The retained European Union law version of the General Data Protection Regulation (EU) 2016/679.
- ii** "compensation claim" means:  
Any sums which the Insured becomes legally liable to pay as compensation to any data subject under and in accordance with Article 82 of the United Kingdom GDPR, or any equivalent legislation in the Isle of Man or the Channel Islands, or any similar or successor legislation, including the Data Protection Act 2018 (as may be amended from time to time).
- iii** "controller" shall have the meaning given to it in Article 4 (7) of the United Kingdom GDPR.
- iv** "material or non-material damage" shall be interpreted in accordance with Article 82 of the United Kingdom GDPR.

## **K General Interest**

The interests of freeholders, head lessees, owners, lessees, under-lessees, assignees and/or mortgagees of

property insured by this Policy, or any parties specifically named in the Schedule as having an interest hereunder, are noted in the insurance provided by Section 4 of this Policy subject to their names and respective interests being disclosed to the Company by the Insured in the event of any claim arising.

## **L Environmental Statutory Clean Up Costs**

The Company will indemnify the Insured in respect of all sums including Regulatory Debts that the Insured is legally liable to pay in respect of Remediation or Clean Up costs arising from Environmental Damage caused by Pollution or Contamination where such liability arises under an environmental directive, statute or statutory instrument.

Provided that:

- a** liability arises from Pollution or Contamination 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 all Pollution or Contamination which arises out of any one incident shall be deemed to have occurred at the time such incident takes place;
- b** the maximum amount the Company will pay under this Extension in total for all claims in the aggregate and in any one Period of Insurance shall not exceed £100,000; and
- c** the Company shall not be liable in respect of:
  - i** primary, complementary or compensatory remediation costs for Damage to the Insured's land, premises, watercourse or body of water:
    - a** whether owned, leased, hired or tenanted, to or by the Insured; or
    - b** otherwise, in the Insured's care, custody or control;
  - ii** Remediation or Clean Up costs for Damage to the Insured's land, premises, watercourse or body of water:
    - a** whether owned, leased, hired or tenanted, to or by the Insured; or
    - b** otherwise, in the Insured's care, custody or control;
  - iii** removal of any risk of an adverse effect on human health on the Insured's land, premises, watercourse or body of water:
    - a** whether owned, leased, hired or tenanted, to or by the Insured; or
    - b** otherwise, in the Insured's care, custody or control;

- iv** costs in achieving an improvement or alteration in the condition of the land, atmosphere or watercourse or body of water, beyond that required under any relevant and applicable law or statutory enactment at the time Remediation commences;
- v** costs for prevention of imminent threat of Environmental Damage where such costs are incurred without there being Pollution or Contamination 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;
- vi** costs for the reinstatement or reintroduction of biota (combined flora and fauna) excluding special species and natural habitats;
- vii** fines or penalties of any kind.

For the purposes of this Extension, the following definitions apply:

#### **Environmental Damage**

Impact on biodiversity, being land, air, water, groundwater, drinking water supplies and fish, wildlife, biota (combined flora and fauna) and their habitats, excluding special species and natural habitats.

#### **Regulatory Debt**

Statutory Clean Up costs for Remediation of the Insured's own sites and third-party sites.

#### **Clean Up**

- a** Testing for or monitoring of Pollution or Contamination; and
- b** cleaning up, removing, containing, treating, detoxifying or neutralising, Pollution or Contamination.

#### **Remediation**

Remedying the effects of Pollution or Contamination.

#### **Excess applicable to this Extension**

This Extension does not cover and the Company shall not be liable for the first £1,000 of each and every claim.

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

### **Extensions applicable to Sections 4 & 4(a) only**

#### **M 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:

- a** any director or partner of the Insured £500.
- b** any Employee £250.

#### **N 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.

### **Conditions applicable to Sections 4, 4(a) & 4(b)**

#### **1 Contractual Liability**

In relation to any legal liability assumed by the Insured under agreement which would not have attached to the Insured in the absence of such agreement, this Section will only apply if the Company retains sole conduct and control of any claim against the Insured relating to such liability but excluding liability:

- a** for liquidated damages or under any penalty clause;
- b** arising from any contract which involves work outside the United Kingdom, the Channel Islands or the Isle of Man; or
- c** for Damage to property caused by those risks against which the Insured is required to effect insurance by reason of Clause 6.5.1 of the Joint Contracts Tribunal (JCT) Standard Form of Building Contract or any clause of similar intent in other forms of contract.

## Exclusions applicable to Section 4 only

### 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** materials, goods or other property sold, supplied, installed or erected by or on behalf of the Insured;
- 2** Damage to physical property sustained while it is being worked upon and directly resulting from such work;
- 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 physical property belonging to or in the charge or under the control of the Insured but this Exclusion shall not apply to directors or partners of the Insured, Employees' or visitors' property including vehicles or their contents 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); or
- 5** 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 an offshore rig or platform.

## Exclusions applicable to Sections 4, 4(a) & 4(b)

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

- 6** 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;
- 7** 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 the Premises;

- ii** the loading or unloading of such vehicle;
- iii** the movement of any such vehicle not the property of the Insured which is interfering with the performance of the Business; or
- iv** the possession of any such vehicle at the Premises,

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;

- 8** legal liability arising out of any goods (including their containers, packaging, labelling and instructions for use) manufactured, sold, supplied, hired out, repaired, renovated, serviced, maintained, altered, erected, installed, examined, checked 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 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;
- 9** liquidated damages, fines or penalties;
- 10** punitive, exemplary or aggravated damages or any additional damages resulting from the multiplication of compensatory damages;
- 11** (not applicable to Section 4a) all 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 incident, shall be deemed to have occurred at the time such incident takes place;
  - b** the liability of the Company 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 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; or
- 12** all 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.

## **Exclusions applicable to Section 4(b) only**

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

- 13 a** legal liability for mental injury or fear of suffering bodily injury, death, disease or illness, arising out of actual or suspected exposure to Asbestos, Asbestos Dust or Asbestos Containing Materials;
- b** legal liability for the costs of management (including those of any persons under any statutory duty to manage), removal, repair, alteration, recall or replacement, of any property or part thereof, arising out of the presence of Asbestos, Asbestos Dust or Asbestos Containing Materials;
- 14** legal liability arising out of any breach of anti-trust laws;
- 15** legal liability of whatsoever nature directly or indirectly caused or contributed to or occurring by:
  - a** the presence of Asbestos, Asbestos Dust or Asbestos Containing Materials;
  - b** the release of Asbestos Dust; or
  - c** the exposure of persons, buildings or property to Asbestos, Asbestos Dust or Asbestos Containing Materials;
- 16** legal liability arising out of any defamation, injurious falsehood, passing off or infringement of any Intellectual Property Rights;
- 17** legal liability arising from the diminution in the value of any property;
- 18** legal liability for any financial loss sustained by any Employee arising out of and in the course of employment by the Insured in the Business;
- 19** legal liability to any statutory authority arising from the enforcement of statutory requirements or the performance of statutory duties;
- 20** legal liability for financial loss arising from any reciprocal arrangement for the storage or processing of computer data or use of computer facilities; or
- 21** legal liability arising out of or in connection with any delays, strikes or labour disturbances.

# Section 5: **Employers' Liability**

## Definitions

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

### Occurrence

Bodily Injury caused to any Employee occurring 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.

### Indemnity Limit

The Company's liability (inclusive of all costs and expenses) under this Section payable in respect of any one Occurrence or series of Occurrences arising directly from the same originating cause, shall not exceed the Indemnity Limit stated in the Schedule.

### 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; 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.

### Territorial Limits

- a** The United Kingdom, the Channel Islands and the Isle of Man; and
- b** elsewhere in the world for visits in connection with the Business undertaken by the Insured or any of the Insured's directors or Employees, normally resident in **a** above, in respect of the performance of non-manual work, but excluding any work involving the collection and delivery of goods or the erection and dismantling of estate agency boards and signs.

## Cover

The Company will subject to the Indemnity Limit indemnify the Insured 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 relating to an Occurrence.

## Extensions

**The insurance under this Section is extended to include the following.**

### A **Corporate Manslaughter and Corporate Homicide Act 2007**

The Company will indemnify the Insured against legal costs and expenses, 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 Channel Islands or the Isle of Man 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 the United Kingdom, the Channel Islands or the Isle of Man;
- c** the Company must consent in writing 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 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 the Extension the Insured would have obtained indemnity from any other source or insurance.

## **B 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:

- a** any director or partner of the Insured      £500.
- b** any Employee      £250.

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

The Company will indemnify the Insured and, at the Insured's request, any director 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 other costs in appealing against any judgment given.

Provided that:

- a** the prosecution relates to the health, safety and welfare of Employee(s);
- b** proceedings arise from an incident which relates to a claim or potential claim under this Section; and
- c** this indemnity shall not apply to:
  - i** the payment of any costs or expenses incurred without the Company's written consent; or
  - ii** the payment of fines or penalties.

## **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**

Subject to the terms of this Section, the Company will indemnify:

- a** in the event of death of any person entitled to indemnity under this Section, the deceased person's legal personal representatives, but only in respect of legal liability incurred by the Insured; and
- b** if the Insured so requests:
  - i** any principal in respect of liability arising out of the performance by the Insured of any agreement entered into by the Insured with the principal to the extent required by such agreement;
  - ii** any director 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

- iii** any officer, committee member or member, of the Insured's canteen, sports, social or welfare organisations and fire, security, first aid, medical or ambulance services, in their respective capacities as such; and
- iv** any of the Insured's directors or senior officials in respect of private work undertaken by any Employee for that director or senior official.

Provided that:

- i** such persons are not entitled to indemnity under any other policy covering such liability;
- ii** each person shall observe, fulfil and be subject to the terms, definitions, conditions, clauses and exclusions, of this Policy, in so far as they can apply;
- iii** the Company will retain sole conduct and control of any claim; and
- iv** where the Company is required to indemnify more than one party, the Company's total liability will not exceed the relevant Indemnity Limit.

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

## **Conditions applicable to this Section**

### **A 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.

### **B 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.

### **C Contractual Liability**

In relation to any legal liability assumed by the Insured under agreement which would not have attached to the Insured in the absence of such agreement, this Section will only apply if the Company retains sole conduct and control of any claim against the Insured relating to such liability.

## **Exclusions applicable to this Section**

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

- a** 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 vehicle on a road. For the purpose of this Exclusion, the expressions "motor vehicle", "use" and "road", shall have the same meanings as in Part VII of the Road Traffic Act 1988; or
- b** 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 6: **Engineering Breakdown**

## Definitions

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

### Accident

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

Losses or series of losses arising directly from the same originating Accident shall be considered one Accident.

### Anchor location

A well-known third-party business which is responsible, and which the Business depends upon, for attracting customers to the Premises.

### Biomass and Biogas Installations

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

### Breakdown

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

### Collapse

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

### Computer Equipment

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

### Computer Media

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

### Covered Equipment

Equipment owned by the Insured or for which the Insured is responsible:

- i** which is built to operate under vacuum or pressure (other than weight of contents); or
- ii** that generates, transmits, stores or converts energy, including but not limited to:
  - a** heating systems and hot water heaters;
  - b** air circulation, ventilation, air conditioning and non-process refrigeration systems;
  - c** electrical panels, emergency generators and electrical distribution systems;
  - d** security, alarm and sound systems;
  - e** lifts and escalators;
  - f** office equipment, including telephone systems, fax machines, copiers and printers;
  - g** retail equipment, bar-code scanners, credit and debit card payment systems and cash registers;
  - h** fork lift trucks at the Premises;
  - i** domestic kitchen and food preparation equipment, laundry and cleaning equipment and audio-visual equipment; or
- iii** which is Computer Equipment, but excluding:
  - a** any supporting structure, foundation, masonry, brickwork or cabinet;

- b** any insulating or refractory material;
- c** any vehicle, aircraft, floating vessel or any equipment mounted on such vehicle (other than vehicle recovery crane or equipment which is included but not the actual vehicle);
- d** self-propelled plant and equipment (other than fork lift trucks and pallet trucks used by the Insured at their premises) dragline excavation or construction equipment;
- e** equipment manufactured by the Insured for sale;
- f** safety or protective devices due to their functioning;
- g** tools, dies, cutting edges, crushing surfaces, trailing cables, non-metallic linings, driving belts or bands, or any part requiring periodic renewal;
- h** any electronic equipment (other than Computer Equipment), used for research, diagnostic, treatment, experimental or other medical or scientific purposes with a new replacement value in excess of £30,000;
- i** any Manufacturing, Production or Process Equipment including linked Computer Equipment;
- j** any electricity generating equipment other than:
  - i** emergency back-up power equipment;
  - ii** wind turbines less than 10kw; or
  - iii** photovoltaic equipment less than 50kw;
- k** any Biomass or Biogas Installation;
- l** any Hydroelectric Installation; or
- m** equipment owned by tenants of the Insured.

### Cyber Event

- a** a failure of electronic equipment to correctly recognise, process or store any data; or
- b** a hostile, malicious, illegal or transgressive act committed through electronic systems or (including but not limited to):
  - i** a virus, meaning a program, code, programming instruction or any set of instructions intended to damage, interfere with or have a negative effect on computer programs, data or operations;
  - ii** hacking, meaning unauthorised access to any computer or other electronic equipment; or
  - iii** a denial of service attack, meaning any actions or instructions intended to damage, interfere with or affect the availability or performance of networks, network services, network connectivity or telecommunication systems.

### Electronic Derangement

Malfunction of the Computer Equipment or electronic circuitry controlling or operating the Covered Equipment that is not

accompanied by visible damage and requires replacement of one or more insured components of the Covered Equipment in order to restore it to its normal operation.

Electronic derangement does not include:

- a** the rebooting, reloading or updating of software or firmware;
- b** the incompatibility of Covered Equipment with any software or equipment installed, introduced or networked within the previous 30 days;
- c** the Covered Equipment being of insufficient size, specification or capacity; or
- d** malfunction resulting from any cause excluded by Exclusion 2 applicable to this Section.

### 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 under this Section.

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

### Explosion

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

### Hazardous Substance

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

### Hired Plant

Mechanical, electrical or manually powered implements, materials, containment, preparation and handling equipment, scaffolding, staging, ladders and similar equipment hired in by the Insured.

### Hydroelectric Installations

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

### Indemnity Limit

The Company's liability under this Section shall not exceed £5,000,000 any one Accident, and within this limit, the Company shall not be liable for more than:

- i** £500,000 any one Accident to Computer Equipment.
- ii** £5,000 any one Accident to Portable Computer Equipment.
- iii** the limit or limits specifically stated in the Extensions applicable to this Section of the Policy.

### Manufacturing, Production or Process Equipment

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

### Perishable Goods

Any perishable good which it is normal practice to place into a refrigeration unit for purposes of preservation.

### Portable Computer Equipment

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

### Service Provider

A business that the Insured hires under a written contract to perform services on its behalf in connection with the Business.

### Transit

The loading, unloading and movement of covered equipment (owned by the Insured or for which the Insured is responsible) other than by air or sea unless the sea transit is by roll-on/roll-off ferry.

### Cover

Subject to the Indemnity Limit, the Company will indemnify the Insured under this Section for direct physical Damage caused to Covered Equipment resulting from an Accident.

### Basis of Settlement

The Basis of Settlement of claims under this Section will be as defined in Section 1 Basis of Settlement A (Reinstatement), except as otherwise stated in Extension 19 Inadvertent Omission to Insure and Newly Acquired Equipment, of this Section.

### Extensions

**The insurance under this Section is extended to include the following, subject to the Company's liability not exceeding the limits stated therein or the Indemnity Limit:**

#### 1 Hazardous Substances

The Company shall be liable for Damage to Covered Equipment caused by contamination by a Hazardous Substance, including any additional expenses incurred in cleaning up or disposing of such property.

The maximum liability of the Company under this Extension shall not exceed £10,000 any one Accident.

#### 2 Covered Equipment Away from Premises

Cover is extended to include direct physical Damage and any specified consequential loss arising therefrom (where insured by this Section of the Policy), caused by or resulting from an Accident to Covered Equipment occurring whilst such equipment is:

- a** in Transit anywhere in the United Kingdom, the Channel Islands or the Isle of Man;
- b** temporarily removed from the Premises to any other location within the United Kingdom, the Channel Islands or the Isle of Man, provided that the Covered Equipment remains under the Insured's control;
- c** temporarily removed from the Premises to any location within the European Union or European Free Trade Area including whilst in Transit thereto and therefrom, for the purpose of repair, replacement, restoration, service or modification; or
- d** Portable Computer Equipment at any location including whilst in Transit anywhere in the world.

#### 3 Reinstatement of Data

Unless otherwise excluded the Company shall be liable under this Section for costs incurred in reinstating data lost or damaged as a result of an Accident to or Electronic



Derangement of Computer Equipment or building management and control systems, including such loss or damage which occurs at the premises of the Insured's Service Provider(s).

Provided that:

- a** liability is limited solely to the cost of reinstating data onto Computer Media;
- b** the Company shall not be liable for Damage to software; and
- c** the Company shall not be liable under this Extension for costs more specifically described under Extension 4 Increased Costs of Working.

The maximum liability of the Company under this Extension shall not exceed £50,000 any one Accident.

#### 4 Computer Increased Costs of Working

Unless otherwise excluded the Company shall be liable to pay reasonable costs necessarily incurred in minimising or preventing the resulting interruption or interference to the Insured's computer operations.

The maximum liability of the Company under this Extension shall not exceed £50,000 any one Accident.

#### 5 Loss of Income

If Section 2 – Loss of Income, of this Policy is shown as operative in the Schedule, the Company shall be liable for financial loss caused by or arising from an Accident to Covered Equipment, including such Damage which occurs at the Insured's Service Provider(s) premises.

The Company's maximum liability under this Extension for all Accidents shall not exceed £100,000 in any one Period of Insurance.

The Company shall not be liable under this Extension for any loss resulting from Extension 10 Damage to Own Surrounding Property.

#### 6 Perishable Goods

The Company shall be liable for Damage to frozen or chilled Perishable Goods owned by the Insured or in any refrigeration unit owned by the Insured due to change in temperature caused by an Accident or failure of the electricity supply.

The Company will not cover Damage caused:

- a** by the deliberate act of any electricity undertaking in terminating, disconnecting, restricting or withholding the supply of electricity;
- b** by neglect or misuse;
- c** by wear, tear, deterioration of the cabinet or other gradually operating cause; or

- d** as a result of incorrect setting of thermostats or automatic controlling devices.

The Company will not be liable for 20% of any loss where the refrigeration unit is over 10 years old.

The maximum liability of the Company in respect of this Extension shall not exceed £15,000 for frozen or chilled foods and £5,000 in respect of any other Perishable Goods for any one Accident or failure of the electricity supply.

#### 7 Expediting Expenses

With respect to damaged Covered Equipment, the Company shall be liable for any reasonable costs necessarily incurred to make temporary repairs and expedite permanent repairs or permanent replacement.

The maximum liability of the Company under this Extension shall not exceed £20,000 in respect of any one Accident.

#### 8 Hire of Substitute Item

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

The maximum liability of the Company under this Extension shall not exceed £10,000 in respect of any one Accident.

#### 9 Storage Tanks and Loss of Contents

The Company shall be liable for Damage resulting from an Accident to storage tanks or water tanks (other than sprinkler system tanks) including connected pipework belonging to the Insured or for which the Insured are responsible at the Premises. In addition, this Extension covers loss of the contents of storage tanks caused by:

- a** escape of contents – leakage discharge or overflow from the storage tanks resulting from an Accident; and
- b** contamination – contamination of the contents of the storage tanks resulting from an Accident including cleaning costs incurred as a result of such loss.

The maximum liability of the Company under this Extension shall not exceed £10,000 in respect of any one Accident.

#### 10 Damage to Own Surrounding Property

The Company shall be liable for Damage to property belonging to the Insured or which is in their custody

or control and for which they are responsible, at the Premises, directly resulting from the Explosion or Collapse of any Covered Equipment operating under steam pressure.

The maximum liability of the Company under this Extension shall not exceed £2,000,000 in respect of any one Accident.

## **11 Additional Access Costs**

If cover under Section 2 – Loss of Income, is shown as operative in the Schedule, the Company will indemnify the Insured for any additional costs necessarily and reasonably incurred in order to gain access to repair or replace the Covered Equipment following an Accident.

The maximum liability of the Company under this Extension shall not exceed £20,000 in respect of any one Accident.

## **12 EEI (Environmental & Efficiency Improvements)**

With the Company's prior written agreement, the Company shall be liable for the additional costs involved should Covered Equipment require replacement following an Accident to replace the Covered Equipment with similar equipment that is better for the environment, safer and more efficient than the Covered Equipment being replaced but not exceeding 125% of what the cost would have been to replace with Covered Equipment of like kind, capacity, size, quality and function or £25,000 whichever is the less, subject always to the Indemnity Limit under this Section.

## **13 Hired Plant**

The Company shall be liable in respect of the Insured's legal liability under the terms of a hiring agreement to pay:

- a** for loss of or damage to Hired Plant; or
- b** continuing hiring charges for Hired Plant following loss or damage insured under **a** whilst the Hired Plant is at the Premises and whilst in transit (other than by sea or air) from one Premises to another.

The Company will, where legal proceedings have been defended with the Company's written consent, be liable for all legal expenses actually incurred by the Insured.

Provided that:

- 1** the maximum liability of the Company under this Extension shall not exceed £25,000 in any one Period of Insurance.
- 2** the insurance under this Extension shall apply only to items of Hired Plant which have a new replacement value of £20,000 or less.

This Extension is subject to:

### **A Premium Adjustment Clause**

Provided that the hiring charges incurred in respect of any one claim under this Extension do not exceed £1,000, no declaration of charges is required.

In the event that hiring charges incurred in respect of any one claim exceed £1,000, then the Insured shall provide declarations of the actual hiring charges incurred.

The earned premium shall be calculated by applying the agreed rate to the actual hiring charges and any additional premium due shall be payable to the Company.

### **B Hiring Conditions**

The insurance provided by Extension 13 will indemnify the Insured to the extent required by:

- a** the Model Conditions for the hiring of plant recommended by the Construction Plant-hire Association or the Scottish Plant Owners Association or similar conditions not more onerous; and/or
- b** specific conditions agreed by the Company in writing and endorsed hereon.

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;

### **C Re-Hired Plant**

Plant hired in for re-hire must be hired out under conditions no less onerous than those of the original hire.

## **15 Debris Removal**

In respect of each claim for loss or damage for which liability is accepted under this Section, the insurance provided by this Section extends to include costs incurred in the removal of debris and protection of the Covered Equipment following indemnifiable loss or damage to the Covered Equipment.

The maximum liability of the Company under this Extension shall not exceed £25,000 in respect of any one Accident.

## **16 Repair Investigation Costs**

With the Company's prior written agreement, the Company shall be liable for costs relating to repair investigations and tests by consulting engineers in respect of Damage to Covered Equipment following an Accident.

The liability of the Company under this Extension for all Accidents following indemnifiable damage to Covered Equipment shall not exceed £25,000 in respect of any one Accident.

The Company will not be liable under this Extension for fees incurred in preparing a claim under this Section.

## 17 Public Relations Costs

In the event of financial loss and with the Company's prior written agreement, the Company will pay the cost for the services of a professional public relations firm to assist the Insured in creating and disseminating communications to:

- the media;
- the public; and/or
- the Insured's customers and clients.

The maximum liability of the Company under this Section shall not exceed £25,000 in respect of any one Accident.

## 18 Anchor Location

Provided that Section 2 Loss of Income, of this Policy is operative, the Company shall indemnify the Insured for financial loss caused by or resulting from an Accident to property at an Anchor Location.

Provided that:

- i the property at the Anchor Location is of a similar type and function to the Covered Equipment insured by this Section; and
- ii the Anchor Location has been open for business for at least six weeks prior to the Accident and is located within one mile of the Premises.

The maximum liability of the Company under this Extension shall not exceed £50,000 in any one Period of Insurance.

## 19 Inadvertent Omission to Insure and Newly Acquired Equipment

Where cover under Additional Extensions A and B under Sections 1 and 2 (Supplemental) is applicable, then cover for Engineering Breakdown under this Section is extended to include these Extensions.

## Conditions applicable to this Section

The following Conditions apply to this Section:

### 1 Precautions

The Insured shall exercise due diligence in:

- a complying with any statute or order; and

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

### 2 Back Up Records

The Insured must back up original data at least every 7 days.

If a Service Provider processes or stores data for the Insured, the Insured must make sure that the terms of the contract with the Service Provider allows for data to be backed up in line with this Condition.

The Insured must take precautions to make sure that all data is stored safely.

If the Insured fails to keep to this Condition, the Company may still pay a claim if the Insured can show that formal procedures are in place to keep to this Condition and that the failure was an accidental oversight or as a result of circumstances beyond the Insured's control.

## Exclusions applicable to this Section

The following Exclusions apply in respect of this Policy Section.

The Company will not be liable for:

- 1 Damage caused by or resulting from:
  - a a hydrostatic, pneumatic, or gas pressure test of any boiler or pressure vessel; or
  - b an insulation breakdown test of any type of electrical equipment; or
  - c depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions, unless such Damage results from an Accident; or
  - d any condition which can be corrected by resetting, calibrating, realigning, tightening, adjusting, or cleaning or by the performance of maintenance, unless such Damage results from an Accident;
- 2 any Damage or loss, of any kind, caused by a Cyber Event or any malfunction resulting therefrom;
- 3 Damage to data or Computer Media of any kind caused by:
  - a programming error or programming limitation;
  - b loss of data unless provided under Extension 3 Reinstatement of Data;
  - c loss of access;
  - d loss of use; or
  - e loss of functionality;

- 4** Damage recoverable under a maintenance agreement or any warranty or guarantee;
- 5** any claim, cost or loss, caused by or resulting from the Insured's commercial decision to stop trading, or the decision of a Service Provider to stop or reduce trade with the Insured or restrict services;
- 6** the amount of the Excess stated in the Schedule.

# Section 7: Legal Expenses

**Claims under this Section are administered and managed by ARAG on behalf of the Company.**

## Terms of the Agreement:

The Company agrees to provide the insurance described in this Section for the Insured (or where specified, the Insured Person) in respect of any Insured Incident arising in connection with the Business.

Provided that:

- 1 Reasonable Prospects exist for the duration of the claim;
- 2 the Date of Occurrence of the Insured Incident is:
  - a during the Period of Insurance; or;
  - b during the currency of a previous equivalent legal expenses insurance, provided that:
    - i the previous legal expenses insurance policy required the Insured to report claims during its currency;
    - ii the Insured could not have notified a claim previously as the Insured could not have reasonably been aware of the Insured Incident;
    - iii cover has been continuously maintained in force;
    - iv ARAG will not cover any claim that should have been covered under a previously operative legal expenses insurance policy;
    - v the available limit of indemnity will be limited to the lesser of the sums payable under this or the Insured's previous policy;
- 3 any legal proceedings will be dealt with by a court, or other body which ARAG agree to, within the Territorial Limits; and
- 4 the Insured Incident happens within the Territorial Limits.

## What the Company Will Pay

The Company will pay an Appointed Representative, on the Insured's behalf, Costs and Expenses incurred following an Insured Incident, and any compensation awards that ARAG have agreed to, provided that:

- 1 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, for Costs and Expenses and compensation awards claims, is £250,000;
- 2 the most the Company will pay for the total of all compensation awards under Insured Incident A 2 Compensation Awards (Employment Disputes and Compensation Awards) in any one Period of Insurance is £1,000,000;

- 3 the most the Company will pay in Costs and Expenses is no more than the amount the Company would have paid to a Preferred Law Firm or tax consultancy. The amount the Company will pay a law firm (where acting on the Insured's behalf) is currently £100 per hour. This amount may vary from time to time;
- 4 in respect of an appeal or the defence of an appeal, the Insured must tell ARAG as soon as possible and within the statutory time limits allowed that they want to appeal. Before the Company pays the Costs and Expenses for appeals, ARAG must agree that Reasonable Prospects exist;
- 5 for an enforcement of judgment to recover money and interest due to the Insured after a successful claim under this Section, ARAG must agree that Reasonable Prospects exist;
- 6 where an award of damages is the only legal remedy to a dispute and the cost of pursuing legal action is likely to be more than any award of damages, the most the Company will pay in Costs and Expenses is the value of the likely award; and
- 7 in respect of Insured Incident B 6 Jury Service and Court Attendance (Legal Defence), the maximum the Company will pay is the Insured Person's net salary or wages for the time that the Insured Person is attending court or tribunal less any amount the Insured, the court or tribunal pays.

## What the Company will not pay

- 1 In the event of a claim, if the Insured decide not to use the services of a Preferred Law Firm or tax consultancy, the Insured will be responsible for any costs that fall outside the ARAG Standard Terms of Appointment and these will not be paid by the Company.
- 2 If the Insured is registered for VAT, the Company will not pay the VAT element of any Costs and Expenses.
- 3 The Company shall not be responsible for the first £500 of any contract dispute claim where the amount in dispute exceeds £5,000 (including VAT). If the Insured is using a Preferred Law Firm, the Insured will be asked to pay this within 21 days of their claim having been assessed as having Reasonable Prospects. If the Insured is using their own law firm, this will be within 21 days of their appointment (following confirmation that the Insured's claim has Reasonable Prospects). If the Insured does not pay this amount, the cover for their claim could be withdrawn.



## Making a Claim

### Important Information

Please do not ask for help from a lawyer, accountant or anyone else before ARAG has agreed that the Insured Person should do so, otherwise the Company will not pay the costs involved even if ARAG accepts the claim.

### Reporting the claim

Please refer to the Helpline Services section in this Policy booklet for the legal advice services which are available.

If the issue cannot be dealt with through legal advice and needs to be dealt with as a potential claim under this

Section of the Policy:

- call ARAG on **0345 878 5033**, available 24 hours a day, 7 days a week.
- have the policy number ready (this is shown on the Schedule) for when ARAG ask for details about the claim.

### ARAG will assess the claim:

- To check the claim is covered by the policy.
- If it is covered, it will be sent to a lawyer who specialises in that type of claim.

### The lawyer will:

- Assess the case and tell the Insured Person how likely it is that the claim will succeed.

### If the Insured Person is more likely than not to win, the lawyer will:

- Manage the case from start to finish.

Please note this is an overview of the claims process for guidance purposes only. ARAG's claims handlers can answer any questions the Insured Person may have when they receive the claim. Alternatively, the Insured Person can visit **claims.araginsurance.co.uk**.

## Definitions

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

### Appointed Representative

The Preferred Law Firm or tax consultancy, law firm, accountant or other suitably qualified person ARAG will appoint on the Insured Person's behalf.

### ARAG

ARAG Legal Expenses Insurance Company Limited.

### ARAG Standard Terms of Appointment

The terms and conditions (including the amount ARAG will pay to an Appointed Representative) that apply to the relevant type of claim, which could include a conditional fee agreement (no win, no fee). Where a law firm is acting on the Insured Person's behalf the amount is currently £100 per hour. This amount may vary from time to time.

### Costs and Expenses

- a** All reasonable, proportionate and necessary costs chargeable by the Appointed Representative and agreed by ARAG in accordance with the ARAG Standard Terms of Appointment; and
- b** The costs incurred by opponents in civil cases if the Insured Person has been ordered to pay them, or the Insured Person pays them with the agreement of ARAG.

### Date of Occurrence

- a** For civil cases (other than as specified under **c** to **e** below), the date of the event that leads to a claim. If there is more than one event arising at different times from the same originating cause, the Date of Occurrence is the date of the first of these events. (This is the date the event happened, which may be before the date the Insured Person first became aware of it.)
- b** For criminal cases, the date the Insured Person began, or is alleged to have begun, to break the law.
- c** For Insured Incident C. Statutory Licence Appeal, the date 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, mandatory registration or British Standard Certificate of Registration.
- d** For Insured Incident I. Tax Protection, the date when HM Revenue & Customs, or the relevant authority, first notifies the Insured of its intention to carry out an enquiry. For VAT or Employer Compliance Disputes, the date the

dispute arises during the Period of Insurance following the issue of an assessment, written decision or notice of a civil penalty.

- e** For Insured Incident B 5. Statutory Notice Appeals (Legal Defence), the date when the Insured Person is issued with the relevant notice and has the right to appeal.

### Employer Compliance Dispute

A dispute with HM Revenue & Customs concerning the Insured's compliance with Pay As You Earn, Social Security, Construction Industry or IR35 legislation and regulations.

### Insured Incident

As set out in sub-sections A to J under the heading "Insured Incidents" of this Section 7 (Legal Expenses).

### Insured Person

- a** The Insured and the directors, partners, managers, Employees and any other individuals declared to the Company by the Insured.
- b** A person contracted to work for the Insured, who works for the Insured on the same basis as the Insured's Employees, and performs that work under the Insured's supervision and direction.

### Let Property

The property or properties which are owned by the Insured or for which the Insured is responsible and insured as declared to the Company and let under a tenancy agreement which is in writing, properly executed and containing an enforceable forfeiture clause.

### Preferred Law Firm

A law firm, barrister or tax expert ARAG choose to provide legal or other services. These specialists are chosen as they have the proven expertise to deal with the Insured Person's claim and must comply with the ARAG agreed service standard levels, which ARAG audit regularly. They are appointed according to the ARAG Standard Terms of Appointment.

### Reasonable Prospects

- a** For civil cases, the prospects that the Insured Person will recover losses or damages or a reduction in tax or National Insurance liabilities (or obtain any other legal remedy that ARAG have agreed to, including an enforcement of judgment), make a successful defence, or make a successful appeal or defence of an appeal, must be at least 51%. A Preferred Law Firm or tax consultancy on ARAG's behalf, will assess whether there are Reasonable Prospects.

- b** For criminal cases there is no requirement for there to be prospects of a successful outcome.
- c** For civil and criminal appeals the prospects of a successful outcome must be at least 51%.

### Tax Enquiry

A written notice of enquiry, issued by HM Revenue & Customs, to carry out an Income Tax or Corporation Tax compliance check which either:

- a** includes a request to examine any aspect of the Insured's books and records; or
- b** advises of a check of the Insured's whole tax return.

### Territorial Limits

- a** For Insured Incidents B Legal Defence (excluding B 5 Statutory Notice Appeals), and H Personal injury:

The United Kingdom the European Union, the Channel Islands, the Isle of Man, Albania, Andorra, Bosnia Herzegovina, Gibraltar, Iceland, Liechtenstein, Monaco, Montenegro, North Macedonia, Norway, San Marino, Serbia, Switzerland and Turkey.

- b** For all other Insured Incidents:

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

### Value Added Tax (VAT) Dispute

A dispute with HM Revenue & Customs following the issue of an assessment, written decision or notice of a civil penalty relating to the Insured's VAT affairs.

## Insured Incidents

### A Employment Disputes and Compensation Awards

#### 1 Employment Disputes

The Company will pay Costs and Expenses to defend the Insured's legal rights:

- a** before the issue of legal proceedings in a court or tribunal:
  - i** following the dismissal of an Employee; or
  - ii** where an Employee or ex-Employee has contacted ACAS ('Advisory, Conciliation and Arbitration Service') to commence the Early Conciliation procedure;
- b** in unfair dismissal disputes under the ACAS Arbitration Scheme; or
- c** in legal proceedings in respect of any dispute relating to:

- i a contract of employment with the Insured; or
- ii an alleged breach of the statutory rights of an Employee, ex-Employee or prospective Employee under employment legislation.

### Exclusions

The Company will not pay any claim relating to the following:

- 1 unless equivalent legal expenses insurance was continuously in force before:
  - a any dispute where the originating cause of action arises within the first 90 days of the inception of cover under this Section of the Policy;
  - b any dispute with an Employee who was subject to a written or oral warning (formal or informal) within 180 days immediately preceding the date of inception of this Section of the Policy, if the Date of Occurrence was within the first 180 days of the inception of cover under this Section of the Policy and the dispute relates directly to the same matter(s) which gave rise to that warning; or
  - c any notice of redundancy or alleged redundancy or unfair selection for redundancy, arising within the first 180 days of the inception of cover under this Section of the Policy;
- 2 Employee internal disciplinary or grievance procedures;
- 3 damages for personal injury;
- 4 Transfer of Undertakings Regulations (TUPE) or the Transfer of Employment (Pension Protection) Regulations; or
- 5 pursuing the legal rights of the Insured.

## 2 Compensation Awards

The company will pay:

- a any basic and compensatory award; and/or
- b an order for compensation or damages following a breach of the insured's statutory duties under employment legislation,

in respect of a claim ARAG have accepted under Insured Incident A1 Employment Disputes.

Provided that:

- i in cases relating to performance and/or conduct, the Insured has throughout the employment dispute either:
  - a followed the ACAS Code of Disciplinary and Grievance Procedures;
  - b followed equivalent codes of practice issued by the Labour Relations Agency in Northern Ireland; or
  - c sought and followed advice from the ARAG legal advice service (telephone **0330 041 3760**);
- ii for an order of compensation following the Insured's breach of statutory duty under employment legislation, the Insured has at all times sought and followed advice from ARAG legal advice service since the date when the Insured should have known about the employment dispute (telephone **0330 041 3760**);
- iii for any compensation award for redundancy or alleged redundancy or unfair selection for redundancy, the Insured has sought and followed advice from ARAG before starting any redundancy process or procedure with their Employees (telephone **0330 041 3760**);
- iv 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 ARAG.

The total amount payable by the Company for all compensation awards and sums of money in settlement of a dispute, shall not exceed £1,000,000 in the aggregate and in any one Period of Insurance.

### Exclusions

The Company will not pay any claim relating to the following:

- 1 Any compensation award relating to the following:
  - a trade union activities, trade union membership or non-membership;
  - b pregnancy or maternity rights, paternity, parental or adoption rights;
  - c health and safety related dismissals brought under section 44 of the Employment Rights Act 1996; or

- d statutory rights in relation to trustees of occupational pension schemes;

- 2 Non-payment of money due under a contract;
- 3 Any award ordered because the Insured has failed to provide relevant records to Employees under National Minimum Wage legislation;
- 4 A compensation award or increase in a compensation award relating to failure to comply with a current or previous recommendation made by a tribunal; or
- 5 A settlement agreed and payable following conciliation under the ACAS Early Conciliation procedure.

### 3 Employee Civil Legal Defence

The Company will pay Costs and Expenses to defend the legal rights of the Insured Person (other than the Insured) if:

- a an event arising from their work as an Employee leads to civil action being taken against them under legislation for unlawful discrimination; or
- b civil action is being taken against them as trustee of a pension fund set up for the benefit of the Insured's Employees.

Cover under this Insured Incident for any Insured Person (other than the Insured) will only be provided at the Insured's request.

### 4 Service Occupancy

The Company will pay Costs and Expenses to recover possession of premises owned by, or for which the Insured is responsible from the Insured's Employee or ex-Employee.

#### Exclusion

The Company will not pay any claim relating to defending the Insured's legal rights other than defending a counter-claim that is an Insured Incident under this Section of the Policy.

## B Legal Defence

Provided that for each of the following sections 1 to 6 of Insured Incident B Legal Defence cover the Insured requests the Company to provide cover for the Insured Person, the Company will pay Costs and Expenses to defend the Insured Person's legal rights:

### 1 Criminal Pre-proceedings Cover

prior to the issue of legal proceedings, when dealing with the Police, 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.

Provided that for claims relating to the Health and Safety at Work etc. Act 1974, the Territorial Limits shall be any place where the Act applies.

Please note that the Company will only cover criminal investigations and/or prosecutions which arise in direct connection with the activities of the Business. Please see Terms of the Agreement on the first page of this Section.

#### Exclusions

The Company will not pay any claim relating to:

- 1 any criminal investigation or enquiry by, with or on behalf of HM Revenue & Customs; or
- 2 investigations due to alleged infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

### 2 Criminal Prosecution Defence

following an event which leads to the Insured Person being prosecuted in a court of criminal jurisdiction.

Provided that for claims relating to the Health and Safety at Work etc. Act 1974, the Territorial Limits shall be any place where the Act applies.

Please note that the Company will only cover criminal investigations and/or prosecutions which arise in direct connection with the activities of the Business. Please see Terms of the Agreement on the first page of this Section.

#### Exclusion

The Company will not pay any claim relating to prosecution due to alleged infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

### 3 Data Protection

if civil action is taken against the Insured Person for compensation under data protection legislation, when handling personal data in their capacity as a data controller and/or a data processor by:

- 1 an individual. The Company will also pay any compensation award in respect of such a claim; or
- 2 a data controller and/or data processor, which arises out of, or relates to, a claim made by an individual for compensation against that data controller and/or data processor. The Company

will not pay any compensation award in respect of such a claim.

Provided that in respect of 1 above, any sum of money in settlement of a dispute is awarded by a court under a judgment made after full argument and otherwise than by consent or default, or is payable under settlement approved in advance by ARAG.

Please note that the Company will not cover the cost of fines imposed by the Information Commissioner, or any other regulatory and/or criminal body. Please see Exclusion 3 Court awards and fines under this Section.

### Exclusions

The Company will not pay any claim relating to:

- 1 the loss, alteration, corruption or distortion of, or damage to stored personal data; or
- 2 a reduction in the functionality, availability, or operation of stored personal data,

resulting from hacking (unauthorised access), malicious or negligent transfer (electronic or otherwise) of a computer program that contains any malicious or damaging code, computer virus or similar mechanism.

### 4 Wrongful Arrest

if civil action is 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.

### 5 Statutory Notice Appeals

in an appeal against the imposition or terms of any statutory notice issued under legislation affecting the Business.

### Exclusion

The Company will not pay any claim relating to:

- 1 an appeal against the imposition or terms of any statutory notice issued in connection with the Insured's licence, mandatory registration or British Standard Certificate of Registration; or
- 2 a statutory notice issued by an Insured Person's regulatory or governing body.

### 6 Jury Service and Court Attendance

in the event of an Insured Person's absence from work:

- a to perform jury service; or

- b to attend any court or tribunal at the request of the Appointed Representative.

The maximum amount the Company will pay under this Insured Incident is the Insured Person's net salary or wages for the time that they are absent from work less any amount the Insured, the court or tribunal, have paid them.

The Company will reimburse the Insured for net salary or wages that the Insured have paid the Insured Person for that time, less any amount they have been paid by, or can recover from, the court or tribunal.

### Exclusion

The Company will not pay any claim for a loss which the Insured or the Insured Person is unable to prove.

## C Statutory Licence Appeal

The Company will pay Costs and Expenses in an appeal 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.

### Exclusions

The Company will not pay any claim relating to the following:

- 1 the original application or renewal application, of a statutory licence, mandatory registration or British Standard Certificate of Registration; or
- 2 the ownership, driving or use of a motor vehicle.

## D Contract Disputes

The Company will pay Costs and Expenses in a contractual dispute arising from an agreement or an alleged agreement, which has been entered into by the Insured or on the Insured's behalf for the purchase, hire, sale or provision of goods or of services.

Provided that:

- i the amount in dispute exceeds £250 (including VAT);
- ii if the amount in dispute exceeds £5,000 (including VAT), the Insured must pay the first £500 of any claim. If the Insured is using a Preferred Law Firm, the Insured will be asked to pay this within 21 days of the Insured's claim having been assessed as having Reasonable Prospects. If the Insured is using the Insured's own law firm, this will be within 21 days of their appointment (following confirmation the



Insured's claim has Reasonable Prospects). If the Insured does not pay this amount, the cover for the Insured's claim could be withdrawn;

- iii if the amount in dispute is payable in instalments, the instalments due and payable at the time of making the claim exceed £250 (including VAT); and
- iv if the dispute relates to money owed to the Insured, a claim under this Section is made within 90 days of the money becoming due and payable.

### Exclusions

The Company will not pay any claim relating to:

- 1 a dispute arising from an agreement entered into prior to inception of cover under this Section if the Date of Occurrence is within the first 90 days of inception of cover under this Section, unless equivalent legal expenses insurance was continuously in force immediately prior to inception of the cover provided by this Section;
- 2
  - a a dispute relating to an insurance policy, other than when the Insured's insurer refuses the Insured's claim;
  - b the sale, purchase, terms of a lease, licence, or tenancy of land or buildings other than a dispute with a professional adviser in connection with these matters;
  - c a loan, mortgage, pension, guarantee or any other financial product, other than a dispute with a professional adviser in connection with these matters; or
  - 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 is engaged in the business of selling motor vehicles;
- 3 a dispute with an Employee or ex-Employee which arises out of, or relates to, a contract of employment with the Insured. (Please refer to Insured Incident A Employment Disputes and Compensation Awards.);
- 4 a dispute which arises out of the:
  - a sale or provision of computer hardware, software, systems or services; or
  - b purchase or hire of computer hardware, software, systems or services tailored by a supplier to the Insured's own specification;
- 5 a dispute arising from a breach or alleged breach of professional duty by an Insured Person; or

- 6 the recovery of money and interest due from another party, other than disputes where the other party indicates that a defence exists.

### E Tenancy Disputes

The Company will pay Costs and Expenses in a 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.

### Exclusions

The Company will not pay any claim arising from or relating to:

- 1 the negotiation, review or renewal of the lease or tenancy agreement; or
- 2 a dispute arising from or relating to rent or service charges.

### F Debt Recovery

The Company will pay Costs and Expenses in a dispute relating to the recovery of money and interest due from the sale or provision of goods or services, including enforcement of judgments.

Provided that:

- a the debt exceeds £250 (including VAT);
- b a claim for debt recovery is made within 90 days of the money becoming due and payable; and
- c ARAG have the right to select the method of enforcement, or to forego enforcing judgment if ARAG are not satisfied that there are, or will be, sufficient assets available to satisfy judgment.

### Exclusions

The Company will not pay any claim relating to:

- 1 any debt arising from an agreement entered into prior to inception of cover under this Section if the debt is due within the first 90 days of inception of cover under this Section, unless equivalent legal expenses insurance was continuously in force immediately prior to inception of the cover provided by this Section;
- 2
  - a the settlement payable under an insurance policy;
  - b the sale, purchase, terms of a lease, licence, or tenancy of land or buildings;
  - c a loan, mortgage, pension, guarantee or any other financial product, other than a dispute with a professional adviser in connection with these matters; or

- 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 is engaged in the business of selling motor vehicles;
- 3** a dispute with an employee or ex-employee which arises out of, or relates to, a contract of employment with the Insured. (Please refer to Insured Incident A Employment Disputes and Compensation Awards);
- 4** a dispute which arises out of the supply, hire, sale or provision of computer hardware, software, systems or services;
- 5** the recovery of money and interest due from another party where the other party indicates that a defence exists; or
- 6** any dispute which arises from debts the Insured has purchased from a third party.

## G Property Protection

The Company will pay Costs and Expenses in a civil dispute relating to physical 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 physical property; or
- 2** a legal nuisance (meaning any unlawful interference with the Insured's use or enjoyment of their land, or some right over, or in connection with it); or
- 3** a trespass.

Please note that the Insured must have, or there must be Reasonable Prospects of establishing the Insured has, the legal ownership or right to the physical property that is the subject of the dispute.

### Exclusions

The Company will not pay any claim relating to:

- 1** a contract entered into by the Insured (Please refer to Insured Incident D Contract Disputes);
- 2** physical property which is in transit or which is lent or hired out;
- 3** goods at premises other than those occupied by the Insured unless the goods are at the premises for the purpose of installations or use in work to be carried out by the Insured;
- 4** mining subsidence;
- 5** the defence of the Insured's legal rights unless it is in defence of a counter-claim which is an Insured Incident under this Section of the Policy;

- 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 in the business of selling motor vehicles); or
- 7** the enforcement of a covenant by or against the Insured.

## H Personal Injury

At the Insured's request, the Company will pay Costs and Expenses for an Insured Person's and their family members' legal rights following a specific or sudden accident that causes them bodily injury or results in their death.

### Exclusions

The Company will not pay any claim relating to:

- 1** any illness or bodily injury that happens gradually;
- 2** psychological injury or mental illness, unless the condition follows a specific or sudden accident that has caused physical bodily injury;
- 3** the defence of an Insured Person's or their family members' legal rights other than in defence of a counter-claim which is an Insured Incident under this Section of the Policy; or
- 4** clinical negligence.

## I Tax Protection

The Company will pay Costs and Expenses for:

- 1** a Tax Enquiry;
- 2** an Employer Compliance Dispute;
- 3** a VAT Dispute.

Provided that the Insured has taken reasonable care to ensure that all returns are complete and correct and are submitted within the statutory time limits allowed.

Please note that the Company will only cover tax claims which arise in direct connection with the activities of the Business. Please see Terms of the Agreement at the beginning of this Section.

### Exclusions

The Company will not pay any claim relating to:

- 1** a tax avoidance scheme;
- 2** any failure to register for Value Added Tax or Pay As You Earn;
- 3** any investigation or enquiries by, with or on behalf of HM Revenue & Customs Special Investigations Section, Special Civil Investigations, Criminal

Investigations Unit, Criminal Taxes Unit, under Public Notice 160 or by the Revenue & Customs Prosecution Office;

- 4 import or excise duties and import VAT; or
- 5 any investigation or enquiry by HM Revenue & Customs into alleged dishonesty or alleged criminal offences.

**The following Insured Incidents are only operative if stated as operative in the Schedule:**

## **J Commercial and Residential Leased or Let Property**

### **a Dilapidations and Maintenance**

The Company will pay Costs and Expenses to pursue the Insured's legal rights:

- 1 in a dispute with a tenant arising from a breach or alleged breach of the tenancy agreement which relates to the use or maintenance of the Let Property, excluding repossession, recovery of money and dilapidations; or
- 2 in a dispute relating to dilapidations to the Let Property.

Provided that:

- a the amount in dispute relating to dilapidations exceeds £1,000;
- b prior to the tenancy beginning, a detailed inventory, which notes the condition of all items on the inventory is prepared by the Insured; and
- c after the tenant has vacated the Let Property, a detailed Schedule of Dilapidations is prepared by the Insured.

### **b Repossession**

The Company will pay Costs and Expenses:

- 1 to pursue the Insured's legal rights to obtain possession of the Let Property, provided that, where appropriate, all statutory and contractual notices have been correctly served by the Insured on the tenant; and
- 2 with the prior agreement of ARAG, to cover:
  - a the costs of the Insured's hotel accommodation for a maximum of 30 days up to £150 per day;
  - b storage costs up to £10 per day for storage of the Insured's personal possessions for a maximum of four weeks after termination of the tenancy agreement,

while the Insured is seeking possession of and is unable to reoccupy the Let Property.

### **c Rent Recovery**

The Company will pay Costs and Expenses to pursue the Insured's legal rights to recover money and interest due from a lease, licence or tenancy of the Let Property, including enforcement of judgment.

Provided that:

- a a claim is made within 90 days of the money becoming due and payable or, if it is rent that is owed, it must have been overdue for at least one calendar month;
- b if the Insured accept payment (or part payment) of any rent arrears from the tenant, the Insured must provide proof that they have warned the tenant that this does not prevent the Insured taking further action against them to recover monies owed;
- c where the tenant is a limited company, the Insured must have sought and followed advice from the Appointed Representative before accepting payment of rent arrears; and
- d the other party does not intimate that a defence exists.

### **d Nuisance and Eviction of Squatters**

The Company will pay Costs and Expenses to pursue the Insured's legal rights:

- 1 in defending any allegation of nuisance arising from any part of the Let Property used solely for residential purposes.
- 2 to evict anyone who is not the Insured's tenant or ex-tenant from the Let Property and who has not got the Insured's permission to be there.

### **Exclusions**

The Company will not pay any claim under this Insured Incident J (a to d inclusive) relating to:

- 1 a dispute where the originating cause of action arises within 90 days of inception of cover under this Section unless equivalent legal expenses insurance was continuously in force immediately prior to inception of the cover provided by this Section;
- 2 a dispute arising from or relating to:
  - a the negotiation, review or renewal of the lease or tenancy agreement;
  - b any matter relating to service charges;

- c** rent, tax or building regulations or decisions or compulsory purchase orders or restrictions or controls placed on the Insured's material property by any government or public or local authority;
  - d** any claim relating to registering rents, reviewing rents, buying the freehold of the Let Property or any matter that relates to rent tribunals, the leasehold valuation tribunal, land tribunals or rent assessment committees;
  - e** any planning application, review or decision;
  - f** mining subsidence; or
- 3** Any claim relating to:
- a** land or premises used for agricultural purposes;
  - b** any arbitration or Agricultural Land Tribunal hearing relating to any dispute arising out of a contract of tenancy or lease regulated by the 1986 Agricultural Holdings Act or 1995 Agricultural Tenancies Act or at hearings of the Scottish Land Court relating to disputes arising out of a contract of tenancy or lease regulated by the 1991 Agricultural Holdings (Scotland) Act or 2003 Agricultural Holdings (Scotland) Act under the terms of the tenancy or lease or as directed by statute.

## Conditions applicable to this Section

The following Conditions apply to this Section:

### 1 Representation

- a** On receiving a claim, if representation is necessary, ARAG will appoint a Preferred Law Firm or tax consultancy as the Insured Person's Appointed Representative to deal with the Insured Person's claim. They will try to settle the Insured Person's claim by negotiation without having to go to court.
- b** If the appointed Preferred Law Firm or tax consultancy cannot negotiate settlement of the Insured Person's claim and it is necessary to go to court and legal proceedings are issued or there is a conflict of interest, then the Insured Person may choose a law firm or tax expert to act as the Appointed Representative. ARAG will choose the Appointed Representative to represent the Insured Person in any proceedings where the Company are liable to pay a compensation award.
- c** If the Insured Person chooses a law firm as their own Appointed Representative who is not a Preferred Law Firm or tax consultancy, ARAG will give the Insured

Person's choice of law firm the opportunity to act on the same terms as a Preferred Law Firm or tax consultancy. However, if they refuse to act on this basis, the most the Company will pay is the amount the Company would have paid if they had agreed to the ARAG Standard Terms of Appointment. The amount the Company will pay a law firm (where acting on the Insured's behalf) is currently £100 per hour. This amount may vary from time to time.

- d** The Appointed Representative must co-operate with ARAG at all times and must keep ARAG up to date with the progress of the claim.

### 2 The Insured Person's Responsibilities

An Insured Person must:

- a** co-operate fully with ARAG and the Appointed Representative; and
- b** give the Appointed Representative any instructions that ARAG ask them to.

### 3 Offers to Settle a Claim

- a** An Insured Person must tell ARAG if anyone offers to settle a claim and must not negotiate or agree to any settlement without the expressed consent of ARAG.
- b** If an Insured Person does not accept a reasonable offer to settle a claim, the Company will not pay further Costs and Expenses.
- c** ARAG may decide to pay an Insured Person the reasonable value of the claim that the Insured Person is claiming or is being claimed against them instead of starting or continuing legal action. In these circumstances an Insured Person must allow ARAG to take over and pursue or settle a claim in their name. An Insured Person must allow ARAG to pursue at ARAG's own expense and for their benefit, any claim for compensation against any other person and an Insured Person must give ARAG all the information and help ARAG need to do so.

### 4 Assessing and Recovering Costs

- a** An Insured Person must instruct the Appointed Representative to have Costs and Expenses taxed, assessed or audited if ARAG ask for this.
- b** An Insured Person must take every step to recover Costs and Expenses and court attendance and jury service expenses that the Company has to pay and must pay the Company any amounts that are recovered.

## 5 Cancelling an Appointed Representative's Appointment

If the Appointed Representative refuses to continue acting for an Insured Person with good reason or if an Insured Person dismisses the Appointed Representative without good reason, the cover the Company provides will end at once, unless ARAG agrees to appoint another Appointed Representative.

## 6 Withdrawing Cover

- a** If an Insured Person settles a claim or withdraws their claim without the agreement of ARAG, or does not give suitable instructions to the Appointed Representative, the Company can withdraw cover and will be entitled to reclaim any Costs and Expenses which ARAG have paid on behalf of the Company.
- b** If during the course of a claim Reasonable Prospects no longer exist, the cover the Company provide will end at once. The Company will pay any Costs and Expenses and compensation awards the Company have agreed to, up to the date cover was withdrawn.

## 7 Expert Opinion

If there is a disagreement between an Insured Person and ARAG on the merits of the claim or proceedings, or on a legal principle, ARAG may suggest the Insured Person obtains, at their own expense, an opinion on the matter from an independent and appropriate expert.

The expert must be approved in advance by ARAG and the cost expressly agreed in writing between the Insured Person and ARAG. Subject to this, the Company will pay the cost of getting the opinion if the expert's opinion indicates that it is more likely than not that the Insured Person will recover damages (or obtain any other legal remedy that ARAG have agreed to) or make a successful defence.

This does not affect the Insured Person's rights under Condition 8 of this Section.

## 8 Arbitration

If there is a disagreement about the handling of a claim and it is not resolved through ARAG's internal complaints procedure, the Financial Ombudsman Service may be able to help. This is a free complaint resolution service for eligible complaints. (Details available from [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).)

If the dispute is not covered by the Financial Ombudsman Service, there is a separate arbitration process available. The arbitrator will be a jointly agreed barrister, solicitor or

other suitably qualified person. If there is a disagreement over the choice of arbitrator, ARAG will ask the Chartered Institute of Arbitrators to decide. The arbitrator will decide who will pay the costs of the arbitration. For example, costs may be split between the parties or one party may pay all the costs.

## 9 Keeping to the Section Terms

An Insured Person must:

- a** take reasonable steps to avoid and prevent claims;
- b** take reasonable steps to avoid incurring unnecessary costs;
- c** send everything the Company or ARAG ask for in writing;
- d** report to ARAG full and factual details of any claim as soon as possible and give ARAG any information that is needed; and
- e** keep to the terms and conditions of this Section of the Policy.

## 10 Other Insurances

Notwithstanding Claims Condition 6 under this Policy, if any claim covered under this Section is also covered by another policy, or would have been covered if this Section did not exist, the Company will only pay the Company's share of the claim even if the other insurer refuses the claim.

## 11 Applicable Law

Notwithstanding General Condition 6 Choice of Law of this Policy, this Section is governed by the law that applies in the part of the United Kingdom, Channel Islands or Isle of Man where the Insured's business is registered. Otherwise the law of England and Wales applies.

All Acts of Parliament mentioned in this Policy include equivalent laws in Scotland, Northern Ireland, the Channel Islands and the Isle of Man as appropriate.

## 12 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 and exclusions, under this Section, the interpretation under this Section shall take precedence.



## Exclusions applicable to this Section

**The Company will not pay any claim relating to the following:**

### 1 Late reported claims.

any claim reported to ARAG more than 180 days after the date the Insured Person should have known about the Insured Incident;

### 2 Costs ARAG have not agreed

Costs and Expenses incurred before expressed acceptance of a claim by ARAG;

### 3 Court awards and fines

fines, penalties, compensation or damages which the Insured Person is ordered to pay by a court or other authority, other than compensation awards covered under Insured Incidents A Employment Disputes and Compensation Awards and B Legal Defence;

### 4 Legal action ARAG has not agreed

legal action an Insured Person takes which ARAG or the Appointed Representative have not agreed to, or where the Insured Person does anything that hinders ARAG or the Appointed Representative;

### 5 Intellectual property rights

any claim relating to patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements;

### 6 Wilful acts

any wilful act or omission of an Insured Person deliberately intended to cause a claim under this Policy.

### 7 Franchise or agency agreements

any claim relating to rights under a franchise or agency agreement entered into by the Insured;

### 8 A dispute with ARAG

any claim under this Section of the Policy for a dispute with ARAG. For disagreements with ARAG about the handling of a claim, refer to Condition 8 Arbitration, under this Section;

### 9 Shareholding or partnership disputes

any claim relating to a shareholding or partnership share, in the Business;

### 10 Judicial review

Costs and Expenses arising from or relating to judicial review, coroner's inquest or fatal accident inquiry;

### 11 Bankruptcy

any claim where either at the start of, or during the course of a claim:

- a** the Insured is declared bankrupt;
- b** the Insured has filed a bankruptcy petition;
- c** the Insured has filed a winding-up petition;
- d** the Insured has made an arrangement with their creditors;
- e** the Insured has entered into a deed of arrangement;
- f** the Insured is in liquidation; or
- g** part or all of the Insured's affairs or property are in the care or control of a receiver or administrator;

### 12 Defamation

any claim relating to written or verbal remarks that damage the Insured Person's reputation; or

### 13 Litigant in person

any claim where an Insured Person is not represented by a law firm, barrister or tax expert.

## How to make a complaint

ARAG will always aim to give the Insured Person a high quality service. If the Insured Person thinks ARAG have let them down, they can contact ARAG by:

- phoning **0344 893 9013**
- emailing **customer-relations@arag.co.uk**
- writing to the Customer Relations Department at:  
ARAG Legal Expenses Insurance Company Limited  
Unit 4a, Greenway Court, Bedwas  
Caerphilly CF83 8DW
- completing the ARAG online complaint form at  
**www.arag.co.uk/complaints**

Further details of the ARAG internal complaint-handling procedures are available on request.

If the Insured Person is not happy with the complaint outcome or if ARAG have been unable to respond to the Insured Person's complaint within 8 weeks, they may be able to contact the Financial Ombudsman Service for help. This is a free complaint resolution service for eligible complaints. (Details available from **www.financial-ombudsman.org.uk**)

The Insured Person can contact them by:

- phoning **0800 023 4567** (free from mobile phones and landlines) or **0300 123 9123**.
- emailing:  
**complaint.info@financial-ombudsman.org.uk**
- writing to:  
The Financial Ombudsman Service  
Exchange Tower  
London, E14 9SR

Further information is available on their website:

**www.financial-ombudsman.org.uk**

Using this service does not affect the Insured Person's right to take legal action.

## Data Protection

ARAG will process your personal information in accordance with their Privacy Notice. You can find ARAG's Privacy Notice online at **www.arag.co.uk/privacy**. Alternatively you can make a request for a printed copy to be sent to you by contacting **dataprotection@arag.co.uk**.

## ARAG Regulatory Information

ARAG Head and Registered Office:

ARAG Legal Expenses Insurance Company Limited  
Unit 4a Greenway Court, Bedwas  
Caerphilly CF83 8DW

Registered in England and Wales, Company Number 103274.

Website: **www.arag.co.uk**

ARAG Legal Expenses Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FRN202106) and the Prudential Regulation Authority.

## Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). Compensation from the scheme may be claimed if we cannot meet our obligations. This will be dependent on the type of business and the circumstances of the claim. More information on the compensation scheme arrangements can be found on the FSCS website, **www.fscs.org.uk**.

# 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. We will return any premium paid in accordance with General Condition 4 Cancellation.

## Cancellation

If you wish to cancel the contract at any other time, please contact the broker, intermediary or agent who arranged the Policy. We will return any premium paid in accordance with General Condition 4 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:

RSA Customer Relations Team  
PO Box 255  
Wymondham  
NR18 8DP

Email: [rsacustomerrelations@uk.rsagroup.com](mailto:rsacustomerrelations@uk.rsagroup.com).

Please ensure that you quote your policy number in all correspondence.

Details of NIG's complaints procedures including information on what you should expect in response to your complaint can be found on NIG's website at

**[www.nig.com/contact-us/complaints](http://www.nig.com/contact-us/complaints)**.

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**.

Their website also has a great deal of useful information: **[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)**.

For complaints relating to Section 7: Legal Expenses, of this Policy, please refer to the "How to make a complaint" entry in that Section.

## Details about our Regulator

NIG policies are underwritten by Royal & Sun Alliance Insurance Ltd who is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, registration number **202323**. The Financial Conduct Authority website, which includes a register of all regulated firms can be visited at **[www.fca.org.uk](http://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](http://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](http://www.fscs.org.uk)**.

## Data Protection

At NIG we are aware of the trust you place in us when you buy our products and our responsibility to protect your information. You can view and/or download our privacy notice from **[www.rsainsurance.co.uk/privacy-policy/](http://www.rsainsurance.co.uk/privacy-policy/)**. This tells you what we do with the information we collect about you, how we protect your information, what your rights are under data protection legislation and tells you what we are required to do by law. This includes details of who to contact should you have any concerns about the way in which NIG are using your personal information.

**Whoever you are contacting, please always quote your Policy number as it will help your enquiry or complaint to be dealt with promptly.**

Please be aware that telephone calls may be recorded for training and monitoring purposes.





**NIG.COM**

NIG policies are underwritten by Royal & Sun Alliance Insurance Ltd (No. 93792)

Registered in England and Wales at St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority  
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