

13 Any Accidental Cause (“all risks”) excluding

- 1 Damage to property insured resulting from any of The Perils 1-12
- 2 Damage to property insured caused by or consisting of
 - a inherent vice latent defect gradual deterioration wear and tear frost change in water table level its own faulty or defective design or materials
 - b faulty or defective workmanship operational error or omission on the part of the Insured or any of his Employees
 - c the bursting of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured

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

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

Damage consisting of

- c joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith
 - d mechanical or electrical breakdown or derangement in respect of the particular equipment machine apparatus or equipment in which such breakdown or derangement originates but this shall not exclude
 - i such Damage not otherwise excluded which itself results from any of The Perils 1-12 within or from any other accidental loss destruction or damage
 - ii subsequent Damage which itself results from a cause not otherwise excluded
 - e electrical or magnetic injury disturbance or erasure of electronic records other than by lightning
- 4 Damage caused by or consisting of
 - a subsidence ground heave or landslide
 - b normal settlement or bedding down of new structures
 - c acts of fraud or dishonesty including the infidelity or dishonesty of the Insured or any Employee or other person to whom any property insured may be entrusted but this exclusion shall not apply to loss or damage by theft or any attempt thereat by or in collusion with any Employee or other person lawfully on the Premises.
 - d disappearance unexplained or inventory shortage misfiling or misplacing of information
 - 5 Destruction of or damage to a building or structure caused by its own collapse or cracking unless resulting from any of The Perils 1-12 within in so far as it is not otherwise excluded
 - 6 Damage in respect of movable property in the open or in open-sided buildings fences and gates caused by wind rain hail sleet snow flood and dust

- 7** Damage to any property insured
 - a** Caused by fire resulting from its undergoing any heating process or any process involving the application of heat
 - b** (other than by fire or explosion) resulting from its undergoing any process of production packing treatment testing commissioning servicing or repair

- 8** Damage
 - a** caused by freezing
 - b** caused by escape of water from any tank apparatus or pipe
 - c** caused (other than by fire or explosion) by malicious persons not acting on behalf of or in connection with any political organisation
 - d** caused by theft or attempted theft
 - e** to fixed glass and sanitaryware
in respect of any building which is silent empty or not in use

- 9** Damage in respect of
 - a** jewellery precious stones precious metals bullion furs
 - b** property in transit
 - c** money cheques stamps bonds credit cards or securities of any description other than such Damage caused by any of The Perils Numbers 1-12 within in so far as it is not otherwise excluded
 - d** fixed glass and sanitaryware
 - i** due to repairs and alterations being carried out at the Premises
 - ii** during installation or removal of such glass or sanitaryware
 - iii** which was broken or cracked prior to the inception of this policy

- 10** Damage in respect of
 - a** vehicles licensed for road use (including accessories thereon) caravans trailers railway locomotives rolling stock watercraft or aircraft
 - b** property or structures in the course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
 - c** land roads piers jetties bridges culverts or excavations
 - d** livestock growing crops or trees
unless specifically mentioned as insured by this Section

- 11** Damage occasioned by delay embargo nationalisation confiscation requisition seizure or destruction by the government or any public authority

Extensions

The insurance provided by this Section is extended to include

A Professional Fees

The insurance by each item on Buildings Tenants Improvements or Plant Machinery and Trade Fixtures includes an amount for Architects' Surveyors' Consulting Engineers' and Legal Fees necessarily and reasonably incurred in the reinstatement or repair of the property consequent on its Damage but not for preparing any claim. The total amount payable under this extension and the Section for any item will not exceed its sum insured

B Public Authorities

The insurance by each item for Buildings Tenants Improvements and Plant Machinery and Trade Fixtures extends to include the additional cost of reinstatement of any Damage to the Property Insured and undamaged portions thereof incurred solely by reason of the necessity to comply with European Community legislation regulations under Acts of Parliament or local authority bye-laws provided that:

- a The Insured receives the notice to comply after the Damage occurs
- b The work of reinstatement is completed within twelve months of the date of the Damage or within such further time as the Company may in writing allow
- c The total amount recoverable under any item of this Section in respect of this extension shall not exceed
 - i In respect of the Damaged property 15% of its sum insured
 - ii In respect of undamaged portions of the property (other than foundations) 15% of the total amount for which the Company would have been liable had the property been wholly destroyed
- d The total amount recoverable under any item of this Section shall not exceed its sum insured

C Theft Damage to Buildings

The cost of repairing Damage by Theft or any attempt thereat to the Buildings of the Premises (whether or not the Buildings are insured hereunder) if the Insured are responsible for the repairs and the Damage is not otherwise insured

D Damage to Framework (Glass)

Any cover granted under this insurance in respect of Damage to fixed glass includes the reasonable costs of

- a Any necessary boarding up or temporary glazing pending replacement of broken glass
- b Removing and refixing window fittings and other obstacles to replacement

E Clearing of Drains

The insurance in respect of Buildings extends to cover expenses necessarily and reasonably incurred in cleaning clearing and/or repairing drains gutters sewers and the like in consequence of Damage by any of the perils insured against on the Insured's own premises

F Loss of Metered Water

Cover against Damage caused by the Bursting or overflowing of Water Tanks Apparatus or Pipes not being automatic sprinkler installations includes up to £10,000 for the cost of water (calculated at the current rate per cubic metre) consumed as a direct result of the bursting or overflowing

G Other Interests

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

H Non-invalidation

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

I Contracting Purchasers' Interest

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

J Mortgagees etc.

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

K Subrogation Waiver

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

- a** any Company standing in the relation of Parent to Subsidiary (Subsidiary to Parent) to the Insured as defined in the Companies Act or Companies (NI) Order as appropriate current at the time of the Damage
- b** 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 or Companies (NI) order as appropriate, current at the time of the Damage

L Capital Additions

The Insurance for the Buildings Tenants Improvements and Plant and Machinery extends to cover amounts representing additions and extensions to the property insured by the said Items (but not to appreciation in value) in excess of the sums insured provided that the Insured undertakes to advise such additional insurance as soon as practicable or at the next renewal date of the policy whichever is the sooner and to pay the additional premium required from the date of inception thereof

The limit of the Company's liability under this extension (unless otherwise stated herein) shall be the lesser of either 10% of the sum insured by the Item concerned or £250,000. Following advice to the Company of any such additional insurance the provisions of this extension are fully reinstated

M Cost of Debris Removal/ Re-erection

The Insurance for the Buildings Tenants Improvements Plant and Machinery and Stock extends to include costs and expenses necessarily incurred by the Insured with the consent of the Company in

- a** removing debris
- b** dismantling and/or demolishing
- c** shoring up or propping
- d** re-erecting fitting and fixing Plant and Machinery

of the portion(s) of the property which is the subject of a claim under this Section.

The liability of the Company under this extension and the Section for any item other than Stock will in no case exceed the sum insured for that Item. In respect of any item applying wholly or partly to Stock the liability of the Company shall be limited to 10% of the item sum insured but not exceeding £10,000

The Company will not pay for any costs or expenses

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

N Temporary Removal

- a** The Insurance for each item of property other than Stock in Trade is covered whilst such property is temporarily removed from the Premises for the purposes of cleaning renovation repair or other similar purposes to any other premises within the United Kingdom or in transit by road rail or inland waterway.

Provided that the maximum liability of the Company hereunder in respect of any one incident of Damage shall not exceed 15% of the sum insured on each Item and in the case of documents manuscripts plans and the like 15% of the total value thereof

- b** The cover in respect of Plant Machinery and Trade Fixtures and Stock in Trade is also extended to include property as therein defined transferred between Premises described in the Schedule including transit by road rail or inland waterway between such Premises.

Provided that the amount recoverable under this part of the extension shall not exceed the amount which would have been recoverable had the Damage occurred at the premises from which the property is transferred, or in the aggregate 15% of the sum insured by the said items or £50,000 whichever is the less in respect of any such transfers at any one time

both **(a)** and **(b)** above are subject to

- i** such property not being more specifically insured;
- ii** the Excess applying under this extension;

O Fire Brigade Damage to Grounds

The insurance by this Section extends to include Damage caused by the Fire Brigade to the grounds at the Premises as far as the Insured is responsible for the cost of repair provided that the Company's liability for any one claim for such Damage is limited to £10,000

P Theft of Keys

The Company will indemnify the Insured in respect of the replacement of locks following the loss of keys to the Building of the Premises, intruder alarm or to any safe or strongroom therein by Theft from;

- a** the buildings of the Premises
- b** the private dwelling of the Insured or any authorised employee

Provided that:

- i** the maximum amount any one loss shall not exceed £1,000
- ii** the Company shall not be liable for the keys to any intruder alarm safe or strongroom left in the premises overnight
- iii** the Company shall not be liable for the first £25 of each and every claim in respect of b) above

Q Contract Price

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

R Moulds and Dies

The definition of Plant Machinery and Trade Fixtures is extended to include insofar as they are not otherwise insured patterns models moulds plans and designs the property of the Insured's customers and for which the Insured are responsible.

In respect of these items only Provision 1a) of the Reinstatement Clause is restated as

- a** unless the work of reinstatement is commenced and carried out within five years from the date of loss

Provided that the maximum liability of the Company in any one Period of Insurance shall not exceed £10,000 any one incident and in the aggregate or any other limit specified in the Schedule. The insurance by this item is not subject to Average

S Trace and Access

In the event of Damage resulting from Escape of Water or Oil as covered by this Policy the Company will pay the costs necessarily and reasonably incurred in locating the source of such Damage and subsequently making good subject to the Company's liability under this extension not exceeding £5,000 any one claim and £25,000 in the aggregate.

T Subsidence

If so stated in the Schedule cover provided by this Section in respect of the Buildings extends to include Damage caused by Subsidence or Groundheave of any part of the site on which the Premises stand and Landslip but excluding destruction or damage

- a** to yards car parks roads pavements swimming pools walls gates and fences unless also affecting a Building insured hereby
- b** caused by or consisting of:
 - i** the normal bedding down or settlement of new structures
 - ii** the settlement or movement of made up ground
 - iii** river or coastal erosion
 - iv** defective design or workmanship or the use of defective materials
 - v** fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe
- c** which commenced prior to the inception of this cover
- d** Damage resulting from:
 - i** demolition construction structural alteration or repair of any property or
 - ii** groundworks or excavationat the same premises
- e** the amount of the Excess stated in the schedule for each and every claim

Specific Condition

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 of or cancel this cover

U Fire Extinguishment Expenses

In the event of Damage to the property insured caused by fire the insurance by this Section is extended to include costs reasonably and necessarily incurred with the consent of the Company in refilling fire extinguishment appliances replacing used sprinkler heads and refilling sprinkler tanks resulting from such Damage subject to the Company's liability under this Extension not exceeding £5,000 any one claim.

Clauses

1 Designation

Where necessary the item or column heading under which any property is insured shall be determined by the designation under which such property has been entered in the Insured's books

2 Reinstatement

In the event of Property other than Stock insured by this Section being destroyed or damaged the basis upon which the amount payable under such items is to be calculated shall be the cost of Reinstatement subject to the provisions set out below

“Reinstatement” means

- a** replacement by similar property in either case in a condition equal to but not better or more extensive than when new
- b** where property is damaged the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same but not better or more extensive than its condition when new

Provisions

- 1** No payment beyond the amount which would have been payable had this clause not been operative shall be made:
 - a** unless the work of Reinstatement is commenced and carried out with reasonable despatch
 - b** until the costs of Reinstatement has been incurred
 - c** unless any other insurance covering the Insured's interest in the property at the time of Damage is upon the same basis of Reinstatement as this Policy and if no such payment is made then the rights and liabilities of the Company and the Insured shall be those which would have applied had this extension not been operative.
- 2** Reinstatement may be carried out at another site and in any manner suitable to the Insured subject to the liability of the Company not being increased as a result
- 3** In the event of partial Damage to any property insured under this extension the Company's liability for any loss shall not exceed the cost which would have been incurred had such property been totally destroyed
- 4** Each item insured under this Clause is declared to be separately subject to the following Condition of Average

If the sum insured on any item at the time of Damage is less than 85% of the cost of reinstating the whole of the property insured by such item at the time of Reinstatement then the Insured shall be considered as being their own Insurer for the difference and shall bear a rateable proportion of the loss accordingly

3 Workmen

Workmen are allowed in and about any of the Premises for the purposes of making new erection or alterations repair decoration plant installation general maintenance and the like without prejudice to the terms and conditions of this Policy

4 Reinstatement of Sum Insured

In the event of a claim and in the absence of written notice by the Company or the Insured to the contrary the relevant sum insured will be maintained provided that the Insured agrees to pay the appropriate additional premium.

5 Automatic Sprinkler and Fire Alarm Installations

(Applicable if a reduced premium rate is allowed on account of such an installation or if the insurance covers Damage by the accidental escape of water from a sprinkler installation)

The Insured shall

- a take all reasonable steps to prevent frost and other damage to the installations and in so far as it is their responsibility
 - i maintain the installations (including the automatic external alarm signal) in efficient condition
 - ii maintain ready access to the water supply control facilities
- b in the event that changes repairs or alterations to the installations are proposed notify the Company in writing and obtain its prior agreement in writing
- c allow the Company access to the Premises at all reasonable times for the purposes of inspecting the installations
- d carry out the routine tests laid down by the Company and remedy promptly any defect revealed by a test

In the event that alterations or repairs become necessary to the automatic sprinkler installation the Company may at its option suspend any cover that is granted against Damage by the accidental escape of water from the installation until the alterations or repairs have been carried out and approved by the Company. Notice of any such alteration will be given by the Company in writing

Excess

a All Risks

This Insurance does not cover the amount of the Excess as specified in the Schedule being the first part of each and every loss to be borne by the Insured.

b Specified Perils

This Insurance does not cover the amount of the Excess as specified in the Schedule being the first part of every loss for Damage by Malicious Persons Theft Storm Tempest Flood Bursting or overflowing of Water Tanks Impact and Accidental Discharge or Leakage of Automatic Sprinkler Installations all as described by The Perils numbered 6 7 8 9 10 11 and 12 but in respect of Impact the Excess shall only apply to claims for Damage caused by vehicles or animals under the control of the Insured

Average

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

Special Conditions

The following Conditions apply to this Section.

1 Theft Protections

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

2 Waste and Refuse

It is a condition precedent to the liability of the Company that all waste and refuse be swept up daily and completely removed from the Premises at least once a week.

3 Endorsement A - Intruder Alarm Condition (only operative if stated in the Schedule)

Definitions

Intruder Alarm System: The component parts including the means of communication used to transmit signals

Alarmed Premises: The Premises or those portions of the Premises protected by the Intruder Alarm System

Responsible Person: The Insured or any person authorised by the Insured to be responsible for the security of the Premises

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

It is a condition precedent to liability in respect of Theft under this Policy that in respect of Damage following entry or attempted entry to or exit from the Premises by forcible and violent means that:

- 1 The Premises are protected by an Intruder Alarm System installed as agreed with the Company
- 2 The Intruder Alarm System shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance with the Intruder Alarm Installers or other Installers/Engineers as agreed with the Company
- 3 No alteration to or substitution of
 - a any part of the Intruder Alarm System
 - b the procedures agreed with the Company for Police or any other response to any activation of the Intruder Alarm system
 - c the maintenance contractshall be made without the written consent of the Company
- 4 The Alarmed Premises shall not be left without at least one Responsible Person therein without the agreement of the Company
 - a unless the Intruder Alarm system is set in its entirety with the means to transmit signals in full operation
 - b if the Police have withdrawn their response to alarm calls
- 5 All keys to the Intruder Alarm system are removed from the Premises when they are left unattended
- 6 The Insured maintains secrecy of codes for the operation of the Intruder Alarm System and no details of the same are left on the Premises
- 7 The Insured shall appoint at least two Keyholders and lodge written details (which must be kept up to date) with the Alarm Company and/or Police Authorities
- 8 In the event of notification of any activation of any Intruder Alarm System or interruption of the means of communication during any period that the Intruder Alarm System is set a Keyholder shall attend the Premises as soon as reasonably possible
- 9 In the event of the Insured receiving any notification
 - a that Police attendance in response to alarm signals/calls from the Intruder Alarm System may be withdrawn or the level of response reduced or delayed
 - b from a Local Authority or Magistrate imposing any requirement for abatement of nuisance
 - c that the Intruder Alarm system cannot be returned to or maintained in full working order the Insured shall advise the Company as soon as possible and in any event not later than 10.00am on the Company's next working day and comply with any subsequent requirement stipulated by the Company

Exclusions

The Company shall not be liable under this Section for Damage to any property insured arising out of or attributable to:

- 1 loss of market loss of use monetary devaluation or any other consequential loss

The Company shall also not be liable for

- 2 property let out on hire
- 3 loss resulting from the Insured voluntarily parting with title or possession of any property if induced to do so by deception
- 4 damage to any part of any electrical plant or apparatus directly caused by breakdown leakage of electricity or excessive pressure therein or by its own short circuiting or overrunning but damage to any other part of such plant or apparatus or to other property insured by the spread of fire therefrom is not excluded

The following Exclusions are applicable only to property covered under Stock at Exhibitions and the Temporary Removal extension

- 5 theft from an unattended vehicle unless
 - a the property insured has been concealed from sight in a locked boot locked glove compartment or locked cargo area
 - and
 - b all doors windows and any other openings of the vehicle have been secured and locked
 - and
 - c any other locking devices alarm or immobiliser systems fitted to the vehicle are brought into operation
 - and
 - d the ignition key is removed from the vehicle
 - and
 - e the vehicle is kept in a locked garage overnight
- 6 Damage by any cause to Electronic Business Machines mobile telephones or radio pagers away from the Premises whilst left unattended unless in a locked hotel room or in a vehicle secured as stipulated in 5. above.

Section 2: Business Interruption

The Company agrees that if Damage as insured by Section 1 and by Explosion (as defined below) occurs at the Premises to property used by the Insured for the purposes of the Business and causes interference with or interruption to the Business at the Premises or if the Insured is unable to trace or establish Outstanding Debit Balances in whole or in part due to them as a result of the Insured's books of account or other business books or records at the Premises being Damaged

then the Company will pay to the Insured (subject to the provisions of the insurance) the amount of loss resulting from such interruption interference or Damage in accordance with the basis of cover shown in the Schedule and described below

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

And that the liability of the Company shall in no case exceed

- a** 133.33% of the Estimated Gross Profit or Estimated Gross Revenue shown in the Schedule and
- b** 100% of the Sum Insured shown in the Schedule for Increase in Cost of Working Outstanding Debit Balances or any other Item insured hereunder

Estimated Gross Profit (Declaration Linked Basis)

The insurance in respect of Estimated Gross Profit is limited to the loss of Gross Profit due to (a) reduction in turnover and (b) increase in costs of working and the amount payable as indemnity thereunder shall be

- a** in respect of Reduction in Turnover: the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the Damage fall short of the Standard Turnover
- b** in respect of Increase in Cost of Working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place during the indemnity period in consequence of the Damage but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage

Cost of Document Replacement

The insurance under this item is limited to legal clerical and other charges necessarily incurred in consequence of the Damage in the replacement or restoration of deeds and other documents (including stamps thereon) manuscripts plans specifications and writings of every description and books (written and printed) books of account card indexes and other business records including such property if and in so far as it is not otherwise insured whilst temporarily at premises not in the occupation of the Insured or whilst in transit all in Great Britain or Northern Ireland

Increase in Cost of Working

The insurance in respect of Increase in Cost of Working (where insured as a separate item) is limited to the additional expenditure reasonably incurred in order to minimise any interruption or interference with the Business during the Indemnity Period

Estimated Gross Revenue (Declaration Linked Basis)

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

- a** in respect of reduction in Gross Revenue: the amount by which the Gross Revenue during the Indemnity Period shall in consequence of the Damage fall short of the Standard Gross Revenue
- 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 of the charges and expenses of the Business payable out of Gross Revenue as may cease or be reduced in consequence of the Damage

Outstanding Debit Balances

The insurance in respect of Outstanding Debit Balances is limited to

- A** loss sustained by the Insured directly due to the Damage and the amount payable in respect of any one incident shall not exceed
 - a** the difference between
 - i** The Outstanding Debit Balances and
 - ii** The total of the amounts received or traced in respect thereof
 - b** the additional expenditure incurred with the previous consent of the Company in tracing and establishing customers' debit balances after the Damage
- B** additional expenditure incurred with the consent of the Company in the collection of debts after the occurrence but the amount payable shall not exceed the additional amount which would have been payable in respect of loss of debit balances had no such additional expenditure been incurred

Provided that if the Sum Insured be less than the Outstanding Debit Balances the amount payable shall be proportionally reduced

Professional Accountants Charges

The insurance in respect of Gross Profits or Gross Revenue shall also include the reasonable charges payable by the Insured to their Professional Accountants for producing any information as may be required by the Company and reporting that such information is in accordance with the Insured's accounts

Provided that the Company's liability shall not exceed the limit stated herein

Note

To the extent that the insured is accountable to the Tax Authorities for Value Added Tax all terms of the Section shall be exclusive of such Tax

Definitions

Gross Profit - The amount by which

- a** the sum of the Turnover and the amounts of the Closing Stock and work in progress shall exceed
- b** the sum of the amounts of the Opening Stock and work in progress and the amounts of the Uninsured Working Expenses

NB. For the purposes of this Definition the amounts of the Opening and Closing Stocks shall be arrived at in accordance with the Insured's usual accounting methods due provisions being made for depreciation and writing down of Stocks

Uninsured Working Expenses

- 1** Purchases (net of discounts)
- 2** Bad Debts
- 3** Packaging Carriage and Freight
- 4** Discounts Allowed

Estimated Gross Profit - The amount declared by the Insured to the Company as representing not less than the Gross Profit which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the period of insurance. This shall be proportionately increased to correspond with the Maximum Indemnity Period where this exceeds twelve months

Turnover - The money (less discounts allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business at the Premises

Gross Revenue - The money paid or payable to the Insured as fees for the services rendered in the course of the Business from the Premises

Estimated Gross Revenue - The amount declared by the Insured to the Company as representing not less than the Gross Revenue which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the period of insurance. This shall be proportionately increased to correspond with the Maximum Indemnity Period where this exceeds twelve months

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

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

Standard Turnover - The Turnover during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period

Annual Gross Revenue - The Gross Revenue during the twelve months immediately before the date of the Damage

Standard Gross Revenue - The Gross Revenue during the period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period

Note: To the **Rate of Gross Profit, Standard Turnover, Annual Gross Revenue and Standard Gross Revenue** to which such adjustment shall be made as may be necessary to provide for the trend of the Business and for variations in or special circumstances affecting the Business either before or after the Damage which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the maximum Indemnity Period after the Damage.

Outstanding Debit Balances - The total declared in the statement last given under the provisions of the Adjustment of Premium Clause adjusted for:

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

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

NB. Customers Accounts shall mean the Insured's accounts of all customers who are trading with the Insured on a credit or hire purchase basis

Clauses

1 Departmental

If the Business is conducted in departments the independent trading results of which are ascertainable the provisions of the basis of cover in respect of any item on Estimated Gross Profit or Estimated Gross Revenue will apply separately to each department affected by the Damage

2 Payments on Account

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

3 Accumulated Stocks

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

4 Alternative Trading

If during the Indemnity Period goods are sold or services rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by others on the Insured's behalf the money paid or payable in respect of such sales or services shall be taken into account in arriving at the Turnover during the Indemnity Period

5 Premium Adjustment Clause (applicable to Estimated Gross Profit or Estimated Gross Revenue)

The premium paid at the commencement of each period of insurance is provisional and the Insured shall declare to the Company within six months of the expiry of each period of insurance the actual Gross Profit or Gross Revenue earned during the financial year most nearly concurrent with the Period of Insurance as confirmed by the Insured's auditors.

If any Damage shall have occurred giving rise to a claim the declaration shall be increased by the Company for the purpose of premium adjustment by the amount by which the Gross Profit or Gross Revenue was reduced during the financial year solely as a consequence of the Damage

The premium will be calculated on the appropriate rate on the declaration (adjusted as provided above and proportionately increased where the Maximum Indemnity Period exceeds twelve months) and the premium paid will be adjusted as stated below

If the premium

a is less than the premium paid: then the Company will repay the difference to the Insured subject to the Company retaining 50% of the premium payable on the Estimated Gross Profit or Estimated Gross Revenue

b is greater than the premium paid: then the Insured shall pay the difference

In the event that no declaration is received the Company will be entitled to charge an additional premium

6 Declaration (applicable to Outstanding Debit Balances)

The Insured shall within thirty days of the end of each month deposit with the Company a signed statement showing the total amount outstanding in customers accounts as set out in the Insured's accounts as at the end of that month

On the expiry of each period of insurance the actual annual premium shall be calculated at the appropriate rate on the average amount insured (the total of the sums declared divided by the number of declarations) If the actual premium is less than the premium charged at the commencement of the period of insurance the difference shall be repaid to the Insured but subject to the Company retaining 50% of the premium charged on the Sum Insured

If no declaration is received or if a declaration exceeds the Sum Insured then the Insured shall be deemed to have declared the Sum Insured

7 Renewal Clause

The Insured shall prior to each renewal furnish the Company with the Estimated Gross Profit or Estimated Gross Revenue for the financial year most nearly concurrent with the ensuing period of insurance

8 Standing Charges

If any standing charges of the Business be not insured by this Section (having been deducted in arriving at the Estimated Gross Profit or Estimated Gross Revenue as defined herein) then in computing the amount recoverable hereunder as Increase in Cost of Working that proportion only of any additional expenditure shall be brought into account which the Gross Profit bears to the sum on the Gross Profit and the uninsured standing charges

9 Automatic Reinstatement of Sum Insured

Unless written notice to the contrary be given by either the Company or the Insured the insurance by this Section shall not be reduced by the amount of any loss and the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the period of insurance.

10 Explosion

For the purposes of this Section The Peril Explosion shall be restated as follows:

1 Explosion excluding

- a** Damage caused by the bursting of any vessel machine or apparatus belonging to or under the control of the Insured in which the internal pressure is due to steam only
- b** Loss resulting from the Insured being deprived of the use of any vessel machinery or apparatus or its contents as a result of the explosion thereof

but this shall not exclude explosion of

- i** any boiler used for domestic purposes only or of any other boiler or economiser at the Premises
- ii** gas used for domestic purposes only

11 Waiver of Subrogation Rights

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

- a any company standing in the relation of parent to subsidiary (or subsidiary to parent) to the Insured
- b Any company which is a subsidiary of a parent company of which the Insured is a subsidiary

In each case as defined by current legislation

- c any tenant of the Buildings unless the Damage:
 - i has been occasioned or contributed to the fraudulent or criminal or malicious act of such tenant
 - ii has been caused by impact by any road vehicle belonging to or under the control of the tenant or his employees
 - iii has occurred to parts of the Premises not leased or rented by such tenant (other than common parts which may be used by all tenants).

Extensions

Any loss in respect of Gross Profit or Gross Revenue as insured by this Section resulting from interruption to or interference with the Business in consequence of the following Extensions:

Provided that the limit of the Company's liability under Extensions 2 3 4 5 6 7 and 8 shall be unless stated otherwise in the Schedule the lesser of either 133.3% of 10% of the Estimated Gross Profit or Estimated Gross Revenue or £250,000

1 Denial of Access

Damage to Property within the vicinity of the Premises preventing or hindering access to or use of the Premises whether the property of the Insured therein shall be damaged or not but excluding the premises of any supply undertaking from which the Insured obtains electricity gas water sewerage or telecommunications services

2 Unspecified Suppliers

Damage to premises situate in Great Britain or Northern Ireland of any of the Insured's suppliers but excluding the premises of any supply undertaking from which the Insured obtains electricity gas water or telecommunications services

3 Unspecified Customers

Damage to premises situate in Great Britain or Northern Ireland of any of the Insured's customers provided that for the purposes of this extension the term 'customers' means those companies organisations or individuals with whom at the time of the Damage the Insured has contracts or trading relationships to supply goods or services

4 Storage Sites

Damage at any premises in Great Britain or Northern Ireland not in the occupation of the Insured where the property of the Insured is stored

5 Property In Transit and Temporary Removal

Damage to the Property of the Insured whilst such property is temporarily removed from the Premises or in Transit by rail, road or inland waterway in Great Britain or Northern Ireland

6 Contract Sites

Damage at any situation in Great Britain or Northern Ireland not in the occupation of the Insured where the Insured is carrying out a contract

7 Accidental Failure of Public Supply

The accidental failure of the public supply of electricity gas water or fixed effluent system.

Definitions

- a** Failure of electricity means the accidental total or partial failure of the public supply of electricity at the terminal point of the supply undertaking's service feed to the Premises in Great Britain or Northern Ireland
 - b** Failure of gas means the accidental total or partial failure of the public supply of gas at the supply undertaking's meters at the Premises in Great Britain or Northern Ireland.
 - c** Failure of water means the accidental total or partial failure of the public supply of water at the supply undertaking's main stop cock serving the Premises (other than by drought) in Great Britain or Northern Ireland
 - d** Failure of the fixed effluent system means the accidental total or partial failure (being outside the control and responsibility of the Insured) of the public fixed effluent system from the Premises in Great Britain or Northern Ireland
 - e** failure of the telecommunications services at the incoming line terminals or receivers at the Premises
- but all of these excluding any failure
- i** which does not involve a cessation of supply for at least 30 consecutive minutes in respect of a b c d above and 8 consecutive hours in respect of e above
 - ii** caused by the deliberate act of any supply undertaking or by the exercise of any such undertaking of its power to withhold or restrict supply or services not performed for the sole purpose of safeguarding life or protecting the supply undertaking's system

8 National Lottery

An Employee or Employees terminating their employment with the Insured as a direct result of a confirmed win on the National Lottery in the United Kingdom.

Provided that after the application of all the terms conditions and provisions of the Policy the Indemnity Period under this Extension shall not exceed three months from the date of the confirmed win on the National Lottery.

For the purpose of this Extension Employee shall mean:

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

Exclusion

The Company shall not be liable under this Section for loss arising directly or indirectly from:

- a** erasure loss distortion or corruption of information on computer systems or other records programmes or software caused deliberately by rioters strikers locked-out workers persons taking part in labour disturbances or civil commotion or malicious persons
- b** other erasure loss distortion or corruption of information on computer systems or other records programmes or software unless resulting from any of The Perils 1 to 12 of Section 1 of this Policy in so far as it is not otherwise excluded.

Section 3: Goods in Transit

In the event of Damage to Property in Transit by the Method of Conveyance shown in the Schedule within the Territorial Limits during the period of insurance the Company will pay the amount of the Damage or at its option replace or repair such Damage

Provided that the liability of the Company shall in no case exceed the Sums Insured stated in the Schedule

Definitions

Wherever the following terms appear in this Section or in the Schedule they shall be deemed to mean as stated below

Property

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

Territorial Limits

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

Method of Conveyance

- A** Property carried on vehicles owned or operated by the Insured
- B** Property transported by a carrier other than the Insured by road rail or inland air freight

Transit

shall mean

- a** in respect of Method of Conveyance A
whilst the Property is being loaded upon carried by temporarily housed upon or being unloaded from the vehicle and concluding when the Property has either been placed at the Premises or receipt acknowledged by the consignee. This shall include a period of temporary garaging not exceeding 30 days during the journey.
- b** in respect of Method of Conveyance B
whilst the Property is in the custody or control of the carrier until delivered to the consignee's premises and receipt acknowledged or in the case of return transit placed at the Insured's Premises. This shall include a period of temporary garaging not exceeding 30 days during the journey.

Any One Event

The maximum liability of the Company in respect of Damage to any one load or combination of loads arising out of one single event at any one location

Excess

The Company shall not be liable for the first amount of each and every claim as stated in the Schedule

Average

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

Specific Conditions

- 1** All vehicles must be kept in a good state of repair and in efficient roadworthy condition
- 2** In respect of Method of Conveyance B
 - a** a receipt must be obtained from the carrier for all the Property sent and if requested by the Company this must be produced in the event of a claim
 - b** a declaration must be submitted by the Insured at each renewal of the actual total value of Property dispatched during the previous period of insurance. Upon receipt of the declaration the premium for this Section may be adjusted in accordance with General Condition 5

Extensions

In the event of accidental Damage to Property in Transit under Method of Conveyance A for which the Company has admitted liability under this Section the Company will also pay for

- a** Damage to packing materials protective sheeting ropes chains toggles and dunnage belonging to the Insured while being carried on the vehicle but not as a result of disappearance or shortage if such loss is only revealed when an inventory is made unless such loss is the result of an incident recorded by the Insured
- b** the additional costs necessarily incurred in transferring Property to another vehicle and carrying to original destination consequent upon fire or overturning or collision of the conveying vehicle subject to a limit of £2,500 any one loss
- c** the additional costs necessarily incurred in reloading any Property in Transit which has fallen from the conveying vehicle subject to a limit of £2,500 any one loss.
- d** the additional costs necessarily incurred in removing debris consequent upon Damage to the Property in Transit subject to a limit of £2,500 any one loss.
- e** Damage to personal effects (but not cameras audio or video equipment) belonging to the driver and/or attendant whilst carried in any vehicle which is conveying Property in Transit up to an amount not exceeding £500 per person.
- f** Damage to Property in Transit arising out of the use of any vehicle substituted by the Insured whilst their own vehicle is undergoing service or repair up to an amount not exceeding the Sum Insured applicable to the vehicle undergoing service or repair.

Exclusions

The Company shall not be liable under this Section for Damage arising out of or attributable to

- 1** defective or inadequate packing or insufficient addressing
- 2** wear tear deterioration mildew damp rust corrosion moth insect vermin
- 3** inherent vice latent defect action of light atmospheric or climatic conditions
- 4** spillage leakage evaporation loss of weight shrinkage
- 5** fermentation taint contamination
- 6** mechanical and/or electrical derangement or breakdown
- 7** electrical or magnetic injury disturbance or erasure of electronic records

unless in respect of **5, 6 & 7** above caused by or directly traceable to Fire Lightning overturning or collision happening to the conveying vehicle

- 8** breakdown of refrigeration and/or insufficient insulation
- 9** delay confiscation requisition embargo nationalisation by order of any government public authority customs or other officials or authorities
- 10** depreciation loss of market or any other consequential loss

The Company shall also not be liable hereunder for

- 11** explosives or other dangerous goods. The term dangerous goods means goods specified in the Special Classification of Dangerous Goods issued by the railway authorities or otherwise not accepted by rail transporters on the grounds of their dangerous or hazardous nature
- 12** livestock
- 13** money of every description or other negotiable currency securities deeds bonds bills of exchange promissory notes jewellery precious stones or metal bullion gold and silver articles furs
- 14** goods carried by the Insured for hire or reward

Section 4: Money

The Company will indemnify the Insured up to the Limit of Liability for any loss of or damage by any cause not excluded to the Money and property described below occurring at any of the Situations during the period of insurance provided that the liability of the Company shall in no case exceed the Maximum Amounts stated in the Schedule

Definitions

Whenever the following terms appear in this Section or in the Schedule they shall be deemed to mean as stated below

Money

Cash bank and treasury uncrossed notes cheques and girocheques (other than blank or partly completed cheques and girocheques) travellers cheques bills of exchange bankers drafts giro drafts postal orders money orders premium bonds current postage and revenue stamps trading stamps national insurance stamps (whether affixed to cards or otherwise) national savings and holiday with pay stamps gift tokens luncheon vouchers phone cards consumer redemption vouchers and travel tickets all belonging to the Insured or for which responsibility has been accepted by the Insured

Non-Negotiable Currency

Money consisting of crossed cheques crossed girocheques crossed bankers drafts crossed giro drafts crossed postal and crossed money orders national savings certificates premium bonds unexpired units in franking machines stamped national insurance cards credit card sales vouchers debit card sales vouchers VAT purchase invoices all belonging to the Insured or for which responsibility has been accepted by the Insured

Situations

Money whilst

- a** in transit in the custody of the Insured or any authorised person acting on behalf of the Insured or by registered post or at any of the Insured's contract sites during Business Hours but not overnight
- b** deposited in a bank night safe
- c** in the Premises during Business Hours
- d** deposited in a locked safe (details of which are lodged with the Company) in an enclosed building of the Premises outside Business Hours
- e** not in a locked safe or locked till in an enclosed building of the Premises outside Business Hours
- f** in the custody of travellers or collectors up to a maximum period of twenty-four hours and not in a private dwelling house as stated below
- g** in the private dwelling house of the Insured or any authorised Employee of the Insured
- h** Non-Negotiable Currency in any of the above situations

Extensions

The insurance by this Section is extended to include the following

A Damage to Safes

The Company will pay for Damage to any safe till cash register cash carrying case or security waistcoat in which Money is contained as a direct result of robbery or attempt thereat for the cost of repair or replacement

B Damage to Clothing

The Company will pay for Damage to the clothing and personal effects of the Insured or any authorised person carrying Money arising as a direct result of robbery or attempt thereat up to an amount not exceeding £500 per person

C Credit Cards

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

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

Specific Conditions

The following Conditions apply to this Section.

- 1 Endorsement A Intruder Alarm Condition if operative under Section 1 of this Policy is operative in like manner under this Section.
- 2 The Insured shall take all reasonable care in the selection and supervision of Employees

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

- 3 a complete record of all Money and Non-negotiable Currency on the Premises be kept updated and deposited in a fire resisting cabinet (not being the cabinet or other receptacle containing the Money). Similarly a record of all Money comprising each transit be kept and placed in the same fire resisting cabinet
- 4 the safe keys and any duplicates thereof be removed from the Premises outside Business Hours and shall be kept away from the portion of the Premises in which the safe is situate and out of sight of the public during Business Hours
- 5 details of the safes used for containing Money be lodged with the Company
- 6 Money (other than Non-Negotiable Currency) in transit must be accompanied by the following numbers of persons between the ages of 18 and 65:

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

Exclusions

The Company shall not be liable under this Section for loss arising from or attributable to any of the following

- 1 fraud or dishonesty of any person acting on behalf of the Insured and not discovered within fourteen days of the occurrence
- 2 attributable to or accelerated by the influence of liquor drugs insanity (whether temporary or otherwise) or any pre-existing medical defect
- 3 occurring outside the United Kingdom or the Republic of Ireland
- 4 errors omissions depreciation in value loss of market
- 5 loss due to the use of any form of payment which proves to be counterfeit false fraudulent invalid uncollectable or irrecoverable for any reason
- 6 from any unattended motor vehicle

Section 5: Personal Accident (Assault)

In the event of Injury to any Insured Person whilst engaged on their occupation in the Business which within twenty-four months is the sole cause of Injury or death the Company will pay the Benefits as stated in the Schedule to the Insured Person or their legal representative

Definitions

Insured Person

The Insured or any director or Employee of the Insured aged not less than 16 years nor more than 75 years

The Results

- 1 Death which shall not be presumed by the disappearance of the Insured Person caused solely and directly by Injury
- 2 Loss of Limbs and/or Loss of Sight caused solely and directly by Injury
- 3 Permanent Total Disablement
- 4 Temporary Total Disablement
- 5 Temporary Partial Disablement
- 6 Incurred Medical Expenses

Notes

- a Benefit for Result 3 is not payable before 104 weeks from the date of Injury or following a payment of Benefit under Result 2
- b Benefits under Results 4 and 5 are payable for a maximum of 104 weeks for any single disablement
- c Benefit under Result 5 is payable at a rate of 25% of the amount payable as Benefit under Result 4
- d Benefit under Result 6 shall be reimbursement up to a sum of £500

Injury

Accidental bodily injury caused solely and directly as a result of robbery or any attempt thereat

Loss of Limbs

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

Loss of Sight

Total and irrecoverable loss of sight in one or both eyes

Permanent Total Disablement

Necessary and continuous disablement caused solely and directly by Injury rendering the Person Insured unable to attend to business or occupation of any and every kind not being disablement following Loss of Limbs or Loss of Sight

Temporary Total Disablement

Necessary disablement caused solely and directly by Injury rendering the Person Insured unable to attend to their usual occupation not being disablement following Loss of Limbs or Loss of Sight for a period of up to 104 consecutive weeks for any single disablement.

Temporary Partial Disablement

Necessary disablement caused solely and directly by Injury rendering the Person Insured unable to attend to a substantial and essential part of their usual occupation not being disablement following Loss of Limbs or Loss of Sight for a period of up to 104 consecutive weeks for any single disablement.

Medical Expenses

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

Extension

The insurance by this Section is extended to include

Medical Expenses

The Company will pay in addition to any compensation on any admitted claim in respect of Temporary Total Disablement Medical Expenses necessarily incurred by the Person Insured up to an amount not exceeding £500

Exclusions

The Company shall not be liable under this Section for Death or disablement

- 1 arising from or attributable to self-injury provoked assault willful exposure to needless peril except in an attempt to save human life
- 2 attributable to or accelerated by the influence of liquor drugs insanity (whether temporary or otherwise) pregnancy or any pre-existing medical defect
- 3 any illness or disease not resulting from Injury
- 4 any Injury due to any gradually operating cause

Specific Conditions

- 1 In the event of Death the Company shall be entitled to make any post-mortem examination at its own expense if it deems necessary
- 2 In the event of disablement the Person Insured must immediately place himself under the care of a qualified medical practitioner and as often as may be required submit to medical examination at the Company's expense
- 3 Any payment made under Temporary Total Disablement shall be deducted from any lump sum thereafter becoming payable under one of the other benefits described herein arising out of the same accident or injury.
- 4 No further Benefit shall be payable to the same Person Insured after any payment for Loss of Limbs or Loss of Sight or Permanent Total Disablement as defined above
- 5 Benefit under Results 4 and 5 shall be payable when the total amount has been agreed or at the request of the Insured at intervals of not less than four weeks (but not in advance) commencing four weeks after receipt of written notice of any Injury by the Company
- 6 All certificates and information and evidence required by the Company shall be furnished at the expense of the claimant under this Section and shall be in such form and of such nature as the Company shall prescribe.
- 7 When a payment is made under Benefits 1 2 or 3 then the Company shall be entitled to recover the amount of any payment previously made to the same Person Insured under Benefit 4 or 5.

Sections 6, 7 & 8: Employers' Liability - Public Liability - Products Liability

The Company will indemnify the Insured against all sums that the Insured becomes legally liable to pay as compensation for the incidents described in each of the Sections occurring in connection with the Business during the period of insurance

The Company will subject to the Indemnity Limits stated in Sections 6, 7 and 8 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 expensesin respect of the Occurrences stated in Sections 6, 7 and 8
- 2** all costs and expenses incurred by the Insured with the Company's written consent in defending any claim
- 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 these Sections or at any coroner's inquest or fatal accident inquiry.

Damage to Property

Loss of or damage to material property

Injury

(Section 6) Bodily injury to or death disease illness or nervous shock of any person
(Sections 7 and 8) Bodily injury to or death disease illness nervous shock wrongful arrest invasion of the right of privacy detention wrongful imprisonment or wrongful eviction of any person

Territorial Limits

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

Products

Goods (including containers packaging labels or instructions for use) manufactured sold supplied repaired altered installed erected processed tested cleaned or treated by the Insured

Interpretations

For the purposes of this Section the following terms are deemed to be interpreted in the manner stated

The Insured shall include

- a** the personal representatives of the Insured in respect of legal liability incurred by the Insured
and if the Insured so requests
- b** any director partner or Employee of the Insured whilst acting in connection with the Business provided that the Insured would have been entitled to indemnity if the claim had been made against the Insured
- c** any officer or member of the Insured's canteen sports social or welfare organisations and fire first aid medical and ambulance services each of whom shall as though the Insured be subject to the terms of this policy

Provided that such persons shall observe fulfil and be subject to the terms conditions Exclusions and limits of each Section and the Policy in so far as they can apply

The Business is conducted at or from premises in Great Britain Northern Ireland the Channel Islands or the Isle of Man and shall include

- a** the ownership repair maintenance and decoration of the Premises
- b** private work undertaken by any Employee for any director or partner of the Insured or Employee with the prior consent of the Insured
- c** the provision and management of canteen sports social and welfare organisations and fire first aid medical and ambulance services
- d** participation in trade shows or exhibitions
- e** repair or maintenance of vehicles or plant owned or used by the Insured

Specific Conditions

1 Declarations

At each renewal the Insured is to submit declarations of the total of all wages and salaries expended during the previous period of insurance the actual total Turnover of all goods the subject of indemnity under Section 8 and any other information used as a basis of premium for Sections 6 7 and 8. Upon receipt of this the premium may be adjusted in accordance with General Condition 5

2 Costs Inclusive USA or Canada

Where cover for Public Liability and/or Products Liability is provided by the Policy for liability occurring in the United States of America and/or Canada the Limit of Indemnity as shown in the Schedule shall be deemed to comprise the maximum liability of the Company in all and in the aggregate inclusive of all costs and expenses

Section 6: Employers' Liability

Occurrence

Bodily Injury caused to any Employee of the Insured occurring anywhere in 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 payable) under this Section in respect of any one Occurrence or series of Occurrences arising out of any one original cause shall not exceed the Indemnity Limit stated in the Schedule.

Special Conditions

- 1 The indemnity provided by this Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to Employees in Great Britain Northern Ireland the Channel Islands and the Isle of Man but the Insured shall repay to the Company all sums paid by the Company which the Company would not have been liable to pay but for the provisions of such law.
- 2 If this Policy or Section is cancelled any certificate of Employers' Liability insurance is similarly cancelled from the same date.

Exclusions

The Company will not indemnify the Insured for

- 1 Any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 as amended by the Motor Vehicles (Compulsory Insurance) Regulations 1992 and the Road Traffic Act (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or any subsequent Road Traffic Act legislation
- 2 arising in connection with any visits to or work on any offshore rig or platform. A visit to or work on any offshore rig or platform shall be deemed to commence at the time of embarkation onto a conveyance at the point of final departure to such rig or platform and continue until the time of disembarkation from a conveyance onto land on return from an offshore rig or platform.

Extension

Unsatisfied Court Judgements

In the event of a judgement for damages being obtained

- a by any Employee or the personal representatives of any Employee in respect of Injury of the Employee caused during any period of insurance and arising out of and in the course of employment by the Insured in the Business
 - b against any company or individual operating from premises in Great Britain Northern Ireland the Channel Islands or the Isle of Man
- in any court situate in the territories specified in (b) above and
- c remaining unsatisfied in whole or in part six months after the date of such judgement the Company will pay to the Employee or the personal representatives of the Employee at the request of the Insured the amount of any such damages and any awarded costs to the extent that they remain unsatisfied provided that
 - 1 there is no appeal outstanding
 - 2 if any payment is made under the terms of this Extension the Employee or the personal representatives of the Employee shall assign the judgement to the Company

Work Overseas

The indemnity provided shall extend to apply in respect of liability for Bodily Injury caused to an Employee whilst temporarily engaged in work outside the Territorial Limits. Provided that such Employee is ordinarily resident within the Territorial Limits.

Section 7: Public Liability

Occurrences

The Company will provide indemnity against the legal liability of the Insured for damages and claimants costs and expenses arising out of accidental

- A** Injury
- B** Damage to Property
- C** nuisance trespass or interference with any easement right of air light water or way
- D** wrongful arrest detention imprisonment or eviction of any person malicious prosecution or invasion of the right of privacy

occurring in the Territorial Limits during any period of insurance in connection with the Business

Indemnity Limit

The Company's liability under this Section for all damages (including interest thereon) payable in respect of any one Occurrence or series of Occurrences arising out of any one event shall not exceed the Indemnity Limit stated in the Schedule

The Excess

The Company shall not be liable for the first amount of each and every claim under this Section as stated in the Schedule in respect of occurrences happening elsewhere than at premises occupied by the Insured for the purposes of the Business

Excess A Damage to third party property

Excess B Damage to third party property arising out of the application of heat or the heating of bitumen or similar compounds

Excess C Damage to underground pipes or cables

Extensions

Leased or Rented Premises

Notwithstanding anything contained herein to the contrary the Company will indemnify the Insured for the loss or damage to any building including fixtures and fittings leased let rented hired or lent to the Insured

Provided that the Company will not indemnify the Insured for

- a** the first £100 of each and every claim caused other than by fire or explosion
- b** liability arising solely because of a contract

Defective Premises Act 1972

Following disposal of premises owned or occupied by the Insured for the Business cover will extend to include the Insured's legal liability solely by virtue of and within the limitations of such Act except as regards the cost of rectifying defects or alleged defects

Motor Contingent Liability

Notwithstanding anything contained in Specific Exclusion 2 the Company will indemnify the Insured against legal liability arising out of the use in the course of the Business of any motor vehicle not the property of nor provided by the Insured. Provided that the Company shall not be liable for

- a** Damage to such vehicle or the 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 an appropriate licence
- d** legal liability for which the Insured is entitled to indemnity under another insurance
- e** legal liability arising outside the United Kingdom

Overseas Personal Liability

The Company will provide indemnity to the Insured and at the Insured's request to any director partner or Employee against liability at law incurred in a personal capacity whilst temporarily outside Great Britain Northern Ireland the Channel Islands or the Isle of Man in connection with the Business. Provided that indemnity shall not apply

- a** to legal liability arising out of the ownership or occupation of land or buildings
- b** where indemnity is provided by any other insurance

Work Overseas

The indemnity provided shall extend to apply

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

Member to Member Liability

The Company will provide indemnity to the Insured in respect of liability as within defined sustained by any member of the Insured including such liability of the individual members in respect of Injury or Damage sustained by fellow members of the Insured

Specific Exclusions

The Company will not indemnify the Insured under this Section for

- 1** Injury or Damage to Property caused by Products (except whilst in the custody or control of the Insured) other than
 - a** food or beverages sold or supplied by the Insured to Employees or visitors for consumption on the Insured's premises
 - b** plant machinery vehicles fixtures and fittings which have been disposed of by the Insured and not remaining in the ownership or under the custody or control of the Insured and which prior to such disposal were used by the Insured for the purpose of conducting or administering the Business
- 2** Injury or Damage to Property caused by or in connection with the ownership possession or use by or on behalf of the Insured of any
 - a** railway watercraft (other than any hand propelled boat) aircraft or hovercraft
 - b** mechanically propelled vehicle (including attached trailers) provided that if there is no indemnity afforded by any other insurance then in so far as such liability is not the subject of compulsory insurance or security requirements under any Road Traffic Act this exclusion will not apply to
 - i** any vehicle not licenced for road use
 - ii** any vehicle licenced for road use where liability arises solely from the use of such vehicle as a tool of trade
 - iii** the loading or unloading of any vehicle

Specific Conditions

The following Conditions apply to this Section.

It is a condition precedent to the liability of the Company that on each and every occasion whenever any of the undermentioned items of equipment are in use by the Insured elsewhere than at the Insured's premises the following precautions shall be complied with:

1 Blow Lamps or Blow Torches

- a** the area in which they are to be used is cleared of loose combustible materials
- b** lighted blow lamps or blow torches are continuously attended
- c** blow lamps are only filled in the open
- d** a suitable multi-purpose fire extinguisher be kept available for immediate use
- e** a thorough examination is made in and about the area in which the work has been undertaken immediately after each period of work and again between thirty and sixty minutes after termination of such work for the day

2 Welding or Flame Cutting Equipment

- a** the area in which the equipment is to be used is cleared of loose combustible materials
- b** other combustible material including floors in the area in which the equipment is to be used is to be covered with overlapping sheets of incombustible material
- c** before applying heat to metalwork built into or projecting through walls partitions ceilings or floors examination is made to ensure that there is no material adjacent to any part of such metalwork that may be ignited by direct or conducted heat the occupier shall be informed of the proposed safety precautions and asked for specific authority to proceed
- d** a suitable multi-purpose fire extinguisher be kept available for immediate use
- e** a responsible Employee of the Insured or occupier be made aware of the location of any fire-fighting equipment and be appointed to act solely as fire watcher whilst welding or flame cutting is carried out
- f** a thorough examination is made in and about the area in which the work has been undertaken including behind walls partitions ceilings or floors immediately after each period of work and again between thirty and sixty minutes after termination of such work for the day

3 Vessels for heating of Bitumen or Bituminous Compounds

- a** such vessels are continuously attended whilst heating is taking place
- b** such vessels are used only in the open whilst heating is taking place

Section 8: Products Liability

Occurrences

The Company will provide indemnity against the legal liability of the Insured for damages and claimants costs and expenses arising out of accidental

A Injury

B Damage to Property

happening anywhere in the World (other than the United States of America and Canada where the goods are exported with the knowledge of the Insured) during any period of insurance in connection with Products supplied by the Insured in the course of the Business

Indemnity Limit

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

Extension

Consumer Protection Act

The Company will provide indemnity to the Insured in respect of legal costs and expenses incurred with the Company's written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of Part II of the Consumer Protection Act 1987 provided that

a the proceedings relate to an offence alleged to have been committed during the period of insurance

b the Company will not indemnify the Insured in respect of

i fines or penalties

ii where indemnity is provided by any other insurance

iii to proceedings consequent on any deliberate act or omission

Specific Exclusions

The Company will not indemnify the Insured under this Section for

1 Damage to Property or any consequential loss as a result of damage to such property

a owned by or hired to the Insured

b held in trust by or in the custody or control of the Insured other than Employee's or visitors' personal effects or motor vehicles

2 defective design formula or specification of any Product

3 damage to or costs and expenses incurred in the repair replacement removal or dismantling of any Products which are the subject of any claim hereunder or any refund of price paid on such Products

4 any Products which to the knowledge of the Insured are to be used as a critical part in connection with the flying or navigation of any aircraft spacecraft rocket missile or satellite

General Extensions Applicable to Sections 7 and 8

A Court Attendance Costs

If at the request of the Company any of the undermentioned persons attend court as a witness in connection with a claim for which the Insured is entitled to indemnity under this Section the Company will provide compensation to the Insured at the undernoted daily rates for each day on which attendance is required

a the Insured or any director of the Insured £250

b any Employee £150

B Cross Liabilities (applicable also to Section 6)

If more than one party is named on the Schedule this Section applies separately to each provided that the total liability of the Company will not exceed the Limit of Indemnity as stated on the Schedule

C Health and Safety at Work (applicable also to Section 6)

The Company will provide indemnity to the Insured and if the Insured so requests any director or partner of the Insured or Employee in respect of

- a** legal costs and expenses incurred with the Company's written consent
 - b** costs including prosecution costs awarded against the Insured or any director partner or Employee of the Insured in connection with the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of the Health and Safety at Work Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 provided that the proceedings relate to an offence alleged to have been committed during the period of insurance and in the course of the Insured's Business
- The Company will not indemnify the Insured in respect of
- i** fines or penalties
 - ii** where indemnity is provided by any other insurance
 - iii** to proceedings consequent on any deliberate act or omission

D Indemnity to Principals

At the Insured's request the Company will provide indemnity to any principal to the extent that the contract between the Insured and such principal so requires for liability arising from the performance of work on behalf of such principal provided that

- a** The Company shall retain sole conduct and control of any claim
- b** The principal as though he were the Insured shall be subject to the terms and conditions of the policy

E Data Protection Act 1998

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

- a** a registered user in accordance with the terms of the Act
- b** not in business as a computer bureau.

The total amount payable including all costs and expenses under this Extension in respect of all claims occurring during any one Period of Insurance is limited to £250,000.

The indemnity provided by this Extension shall not apply to:

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

Extension applicable to Section 8 only

F Consumer Protection and Food Safety Acts

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

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

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

Provided that this indemnity shall not apply to

- i** the payment of fines or penalties
- ii** proceedings or appeals in respect of any deliberate act or omission by the Insured
- iii** costs or expenses insured by any other policy.

Condition

Discharge of Liability

The Company may at any time pay to the Insured the applicable limit of indemnity (after deduction of any sums already paid) or any lesser amount for which any claim or claims may be settled and the Company will be under no further liability except for costs incurred prior to the date of payment

General Exclusions applicable to Sections 7 and 8

The Company will not indemnify the Insured for

- 1** Injury to any Employee
- 2** any fine penalty or liquidated damages
- 3** any sum awarded by way of punitive or exemplary damages
- 4** any liability arising from or caused by advice design or specification provided by or on behalf of the Insured for a fee or in circumstances where a fee would normally be charged.
- 5** legal liability arising where such liability has been accepted by agreement unless such liability would attached in the absence of such agreement
- 6** all liability in respect of Pollution or Contamination other than caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during any period of insurance

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

All compensation payable in respect of Pollution or Contamination will not exceed the Limit of Indemnity as stated in the Schedule in any one period of insurance

Pollution or Contamination will mean

- a** all pollution or contamination of buildings or other structures or of water or land or the atmosphere
- b** all loss or damage or injury directly or indirectly caused by such pollution or contamination

NB: This Exclusion does not apply to Injury or Damage to Property in the United States of America and/or Canada.

- 7** All liability in respect of pollution or contamination occurring in the United States of America and/or Canada.
- 8** any liability
 - a** directly or indirectly arising out of exposure to inhalation of or fears of the consequences of exposure to or inhalation of Asbestos
 - b** for the cost of cleaning up removal of or damage to Property arising out of Asbestos provided that this shall only apply to the extent that such liability arises from
 - i** a requirement to clean up or remove Asbestos or
 - ii** damage caused due to concerns for the possibility of or actual harm to the health or wellbeing of any person due to the presence of Asbestos

Section 9: Engineering Material Damage

The Company agrees that in the event of any of the Machinery and Plant suffering Damage at the Premises by any cause not otherwise excluded it will subject to the provisions of the insurance pay to the Insured the value of the Machinery and Plant at the time of the Damage or at its own option repair or replace such Machinery and Plant

Provided that the liability of the Company in any one period of insurance shall in no case exceed in the whole the total sum insured or in respect of any item its sum insured or any other stated limit of liability

Definitions

Wherever the following terms appear in this Section or in the Schedule they shall be deemed to mean as stated below:

Machinery and Plant - mechanical and electrical machinery and plant boilers pressure vessels storage tanks electronic equipment used solely or in part for the control or monitoring of any manufacturing repair handling alteration and/or treatment process.

but excluding:

- a** chimneys masonry brickwork foundations supporting structures racking or shelving
- b** any item or any part of equipment sold supplied processed serviced manufactured or stored in the course of the Insured's trade or business
- c** computer or data processing equipment (unless linked and wholly dedicated to the control of any machine or production process) communications or alarm systems vending machines games machines and office equipment including but not limited to typewriters adding machines calculators facsimile machines and equipment for the printing or reproduction of documents or other records
- d** vehicles other than purpose-built lifting and handling machinery
- e** exchangeable or detachable tools equipment and appliances or parts requiring renewal in the normal course of operation
- f** machinery and plant of a prototypical or experimental or novel nature in use or application

Explosion - sudden and violent rending of the Machinery and Plant (other than boilers used only for domestic purposes) by force of internal steam pressure or other fluid pressure (other than pressure of chemical action or ignition of flue gasses) causing bodily displacement of any part of the Machinery and Plant together with the forcible ejection of the contents

Collapse - sudden and dangerous distortion (whether or not attended by rupture) of any part of the Machinery and Plant caused by crushing stress by force of steam or other fluid pressure (other than pressure or ignition of flue gasses)

Breakdown - the actual failure breaking distortion or burning out of any mechanical or electrical machinery whilst in use arising out of:

- 1**
 - a** mechanical or electrical defects in the item
 - b** failure or fluctuation in the electricity supply
 - c** damage caused by the error or omission of the operator(s) of the Machinery and Plant other than in respect of any failure to maintain
- 2** fracturing of any part of Machinery and Plant by frost when such fracture renders the item inoperative

Boilers and Pressure Vessels - Boilers Machinery and Plant subject to internal steam pressure Machinery and Plant used for storage of fluids under pressure vacuum vessels piping and protective devices associated with any of the aforementioned

Inspecting Authority - Any Qualified Inspection Service as authorised by NIG on behalf of the Company

Cover

The Company will indemnify the Insured against:

Cover A - Fragmentation

Damage by impact to surrounding property belonging to the Insured or for which the Insured is responsible resulting from fragmentation of any part of the Machinery and Plant provided that the Company's liability in respect of this cover shall not exceed the Limit of Liability stated in the Schedule

Cover B - Explosion Collapse and Breakdown

- a** Damage to any boiler or other plant belonging to the Insured directly consequent upon or solely due to Explosion occasioned by the bursting of such plant
- b** Damage to any boilers and pressure plant and connected pipes and radiators due to
 - i** collapse or overheating of such plant
 - ii** cracking fracture or failure of seams giving rise to leakage of the contents or leakage from the joints of sectional boilers
- c** damage to mechanical and electrical Machinery and Plant due to Breakdown including any resultant loss of cooling lubricating or insulating oil refrigerant or brine

Provided that the Company's liability in respect of (a) (b) and (c) shall only apply if a Limit of Liability is stated in the Schedule

Cover C - Explosion Damage to Own Property

In the event of Damage to any Boiler or Pressure Vessel (as defined in the Policy) for which a limit of liability against Cover B is stated in the Schedule caused by Explosion (as defined) for which indemnity is provided by this insurance the Company will also indemnify the Insured against Damage to the surrounding property belonging to the Insured or for which the Insured is responsible caused by the Explosion provided that the Company's liability for this Cover shall only apply if a Limit of Liability is stated in the Schedule

Cover does not include

- a** damage resulting from lack of heat light power steam refrigeration or air conditioning
- b** damage arising from fire howsoever the fire may have been caused

Extensions

A Capital Additions

Any item of Machinery and Plant of a similar class or type to the Machinery and Plant described in the Schedule which is purchased by or leased to the Insured shall be deemed to be included in this insurance for a period not exceeding 12 months from the time installation is completed and the item is ready to commence normal working provided that

- a** such item is as far as the Insured is aware suitable for service free from material defects and in sound working condition
- b** such item shall not be worked until any relevant statutory provisions for inspection and certification have been fulfilled
- c** such item shall be insured to the same extent as similar items of Machinery and Plant described in the Schedule
- d** if any such item proves to be unacceptable to the Company the insurance on the item shall terminate from the date of notification to the Insured

B Cost of Debris Removal

Subject to the Limit of Liability the Company will pay for costs incurred with the Company's consent in the removal of Machinery and Plant or other insured property consequent upon Damage for which indemnity is provided by this insurance but excluding any costs or expenses arising from pollution or contamination of property not covered by this insurance

C Temporary Repairs

In respect of each claim for Damage for which indemnity is provided by this insurance the Company will subject to the Limit of Liability pay the reasonable cost (if previously approved by the Company) of effecting temporary repair and of expediting permanent repair of such Damage provided that the Company's liability under this extension shall not exceed £10,000

D Temporary Removal

The insurance under this Section also applies whilst the Machinery and Plant is temporarily located away from the Premises at any other premises or working sites in the European Community or European Free Trade Area for the purpose of repair maintenance overhaul or inspection of the Machinery and Plant including transit between the Premises and temporary locations provided that the Company's liability under this extension shall not exceed £25,000 during transit by sea or air in respect of any one incident of Damage or series of incidents of Damage from a common cause

E Loss Minimisation

Subject to the Limit of Liability the Company will pay reasonable costs incurred by the Insured in taking exceptional measures to avoid or mitigate impending Damage for which indemnity is provided by this insurance PROVIDED THAT

- a** The impending Damage does not stem from any defect within any item of Machinery and Plant
- b** Damage would be reasonably expected in the absence of such measures
- c** The Company is satisfied that Damage has been avoided or reduced in consequence of the measures taken
- d** The terms and conditions of this insurance shall apply as if Damage had occurred

Clauses

1 Reinstatement

In the event of:

- a** Damage to Boiler and Pressure Vessels
- b** Damage to Machinery and Plant other than that described in (a) above which at the time of Damage is less than 2 years old
- c** Damage by Explosion of Machinery and Plant to any other property (excluding stock in trade or goods in process of manufacture) belonging to the Insured or for which the Insured is responsible

The amount payable shall be the reinstatement of the Machinery and Plant

For this purpose 'reinstatement' means

- a** Where the Machinery and Plant or property is lost or destroyed or suffers Damage to the extent that it cannot be economically repaired the cost of replacement by similar Machinery and Plant or property or if a building the cost of rebuilding
- b** Where the Machinery and Plant or property suffers Damage the cost of repairing or restoring the portion of Machinery and Plant suffering Damage

To a condition substantially the same as but not better or more extensive than its condition when new

Such additional cost of reinstatement as may be incurred in complying with Building Regulations or local authority or statutory requirements

2 Indemnity

In the event of Damage other than as described in (a) (b) and (c) of Clause 1 above the Company will pay the amount of loss meaning:

- a** Where the Machinery and Plant or property is lost or destroyed the value of the Machinery and Plant or property prior to its loss or destruction
- b** Where the Machinery and Plant or property suffers Damage the cost of repairing or restoring the portion of Machinery and Plant suffering Damage to a condition substantially the same as but not better or more extensive than its condition prior to the occurrence of the Damage

3 Special Provisions

The following Special Provisions apply

- a Where Damage occurs to only part of the Machinery and Plant or property the liability of the Company shall not exceed the amount which the Company would have been liable to pay had the Machinery and Plant or property been wholly destroyed
- b The Company shall not be liable for
 - i The cost of complying with Building Regulations or local authority or statutory requirements relating to property or portions of property which has not suffered Damage and/or under which notice has been served prior to the Damage
 - ii Any rate tax duty development or other charge or assessment arising out of capital appreciation as a result of complying with any of the said regulations or requirements
- c The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the Damage or within such further time as the Company may allow during the said twelve months and may be carried out wholly or partially upon another site and in any manner suitable to the requirements of the Insured provided that it does not increase the liability of the Company
- d The Company's liability for the cost of reinstatement shall be limited to the value of the Machinery and Plant or property prior to the occurrence of the Damage until the costs of reinstatement shall have actually been incurred

4 a Inspection

The Inspecting Authority shall have the right to inspect the insured Machinery and Plant at all reasonable times during the period of insurance

The Inspecting Authority will make periodical inspections of Machinery and Plant described in the Schedule and the Insured agrees to properly repair and make available the Machinery and Plant at no expense to the Company to enable the Inspecting Authority to carry out such inspections and report thereon

b Year 2000 Exclusion Clause (Inspection)

- i The scope of the inspection service provided by the Company shall not extend to the testing of any item of Plant described in the Schedule to ensure that it or any part of it meets the definition of Year 2000 compliance (as set out in BSI document DISC PD 2000-1 "Year 2000 Conformity Requirements") or that the Plant (or any part of it) described in the Schedule will not be affected in any way by reason of dates falling on before or after 1st January 2000. Accordingly the Insured agrees that subject to clause (ii) the Company shall in no event be liable whether in contract tort (including negligence) or otherwise howsoever for any loss damage costs claims or expenses whether arising directly or indirectly due to the fact that the Plant described in the Schedule is affected in any way by reason of dates falling on or before or after 1st January 2000 or due to any failure of the Plant described in the Schedule to meet the definition of Year 2000 compliance (as set out in BSI document DISC PD 2000-1 "Year 2000 Conformity Requirements") and the Insured agrees to indemnify and keep indemnified the Company against all such claims costs losses damages and expenses howsoever arising.
- ii Nothing in this Agreement shall exclude or limit the Company's liability for death or personal injury caused by its negligence to the extent that the same is prohibited by United Kingdom statute.

Special Conditions

The following Conditions apply to this Section.

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

- a** Machinery and Plant shall be maintained in good working order and that government or other regulations relating to the condition operation or inspection of such Machinery and Plant shall be observed
- b** Machinery and Plant shall be operated and maintained in accordance with the manufacturers recommendations. The Insured shall notify the Company of any proposed alteration or additions or modifications to an insured item and any proposed departure from ordinary working conditions

Excess

The Company shall not be liable for the first amount of each and every claim under this Section as stated at (a) in the Schedule

Exclusions

The Company shall not be liable under this Section for:

- 1** In respect of Cover A Damage caused by Explosion
In respect of covers B and C Damage caused by Explosion (other than Explosion as defined under this Cover).

In respect of Covers A B and C

- 2** Damage caused by fire howsoever the fire may have been caused
- 3** Damage caused by lightning aircraft or other aerial device or article dropped therefrom earthquake storm flood water discharged or leaking from an installation or automatic sprinkler or theft
- 4** Damage caused by and occurring during testing or intentional overloading of the Machinery and Plant except for Damage caused by and occurring during the checking of the correct working of the Machinery and Plant or of safety installations in connection therewith
- 5** Damage caused by or arising from hydraulic testing
- 6** Damage caused by burning or distortion by heat of mechanical parts or furnaces kilns stoking or firing units
- 7** The cost of remedying:
 - a** wear and tear or gradual deterioration whether by wasting grooving rust corrosion erosion or otherwise
 - b** gradually developing defects flaws distortion cracks or partial fractures
 - c** loose parts or defective joints or seams (other than joints between the sections of sectional heating or hot water supply boilers)but insured Damage resulting from the forgoing is not excluded
- 8**
 - a** scratching of painted or polished surfaces
 - b** Damage to ropes unless resulting in complete severance
 - c** Damage to non-metallic protective linings batteries flexible pipes or hoses and driving or conveyor beltsUnless forming part of other Damage for which indemnity is provided by this insurance
- 9** Damage to rubber tyres unless such damage arises out of an accident for which insurance is provided by this section of the policy to other parts of the Machinery and Plant or unless such Damage arises out of a malicious act which necessitates replacement of such tyres repair thereof being impracticable
- 10** Loss of use of the Machinery and Plant or property or consequential loss of any nature whatsoever

Section 10: Engineering Business Interruption

The Company agrees that if Damage as insured by Section 9 occurs at the Premises to Machinery and Plant used by the Insured for the purposes of the Business and causes interference with or interruption to the Business at the Premises

then the Company will pay to the Insured (subject to the provisions of the insurance) the amount of loss resulting from such interruption interference or Damage in accordance with the basis of cover shown in the Schedule and following an insured event all as described below

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

And that the liability of the Company shall in no case exceed

- a** 133.33% of the Estimated Gross Profit or Estimated Gross Revenue Sum Insured shown in the Schedule
and
- b** 100% of the Sum Insured shown in the Schedule for Increase in Cost of Working or any other Item insured hereunder

Estimated Gross Profit (Declaration Linked Basis)

The insurance in respect of Estimated Gross Profit is limited to the loss of Gross Profit due to (a) reduction in turnover and (b) increase in costs of working and the amount payable as indemnity thereunder shall be

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

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

Increase in Cost of Working

The insurance in respect of Increase in Cost of Working (where insured as a separate item) is limited to the additional expenditure reasonably incurred in order to minimise any interruption or interference with the Business during the Indemnity Period

Estimated Gross Revenue (Declaration Linked Basis)

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

- a** in respect of reduction in Gross Revenue: the amount by which the Gross Revenue during the Indemnity Period shall in consequence of the Damage fall short of the Standard Gross Revenue
- 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 of the charges and expenses of the Business payable out of Gross Revenue as may cease or be reduced in consequence of the Damage

Insured Events

The following are the Insured Events for which the Company shall provide indemnity subject to the occurrence of the event during the period of insurance and as applying to this insurance as indicated in the Schedule

- 1** Breakdown of the Machinery and Plant at the Situation meaning:
 - a** The actual breaking distortion or burning out of any part of any item of the Machinery and Plant whilst in use arising from either mechanical or electrical defects in the item causing sudden stoppage of the functions of the item;
 - b** Damage to any item of Machinery and Plant caused by frost.

which is sufficient to prevent the Machinery and Plant from undertaking its normal work and necessitates its repair or replacement before working can be resumed.

In the case of a boiler or pressure vessel it shall also include damage to the item by overheating or cracking or fracturing due to internal pressure low-water hammer action or unequal expansion or contraction provided that such damage gives rise to leakage of the contents of the item.

- 2** Explosion of the Machinery and Plant at the Situation meaning:

Sudden and violent rending of the Machinery and Plant (other than boilers and economisers) by force of internal steam pressure causing bodily displacement of any part of the Machinery and Plant together with forcible ejection of the contents

- 3** The accidental failure of the public supply of electricity at the terminal ends of the supply authority's service feeders at the Situation for a period exceeding thirty minutes
- 4** The accidental failure of the public supply of gas at the supply authority's meters at the Situation for a period exceeding thirty minutes
- 5** The accidental failure of the public supply of water at the supply authority's main stop cock serving the Situation (other than by drought) for a period exceeding thirty minutes
- 6** The accidental failure (being outside the control and responsibility of the Insured) of the fixed public effluent system from the Situation

Professional Accountants Charges

The insurance in respect of Gross Profits or Gross Revenue shall also include the reasonable charges payable by the Insured to their Professional Accountants for producing any information as may be required by the Company and reporting that such information is in accordance with the Insured's accounts

Provided that the Company's liability shall not exceed the limit stated herein

Note

To the extent that the insured is accountable to the Tax Authorities for Value Added Tax all terms of the Section shall be exclusive of such Tax

Special Condition

The following Condition applies to this Section.

It is a condition precedent to the liability of the Company that the Insured's books of accounts or other business books or records in which customers accounts are shown, are kept in fire-resistant cabinets when not in use.

Definitions

Gross Profit - The amount by which

- a** the sum of the Turnover and the amounts of the Closing Stock and work in progress shall exceed
- b** the sum of the amounts of the Opening Stock and work in progress and the amounts of the Uninsured Working Expenses

NB. For the purposes of this Definition the amounts of the Opening and Closing Stocks shall be arrived at in accordance with the Insured's usual accounting methods due provisions being made for depreciation and writing down of Stocks

Uninsured Working Expenses

- 1 Purchases (net of discounts)
- 2 Bad Debts
- 3 Packaging Carriage and Freight
- 4 Discounts Allowed

Estimated Gross Profit - The amount declared by the Insured to the Company as representing not less than the Gross Profit which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the period of insurance. This shall be proportionately increased to correspond with the Maximum Indemnity Period where this exceeds twelve months

Turnover - The money (less discounts allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business at the Premises

Gross Revenue - The money paid or payable to the Insured as fees for the services rendered in the course of the Business from the Premises

Estimated Gross Revenue - The amount declared by the Insured to the Company as representing not less than the Gross Revenue which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the period of insurance. This shall be proportionately increased to correspond with the Maximum Indemnity Period where this exceeds twelve months

Indemnity Period - The period beginning with the occurrence of the Damage and ending not later than the number of months stated in the Schedule during which the results of the Business shall be affected in consequence of the Damage

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

Standard Turnover - The Turnover during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period

Annual Gross Revenue - The Gross Revenue during the twelve months immediately before the date of the Damage

Standard Gross Revenue - The Gross Revenue during the period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period

Note: To the **Rate of Gross Profit, Standard Turnover, Annual Gross Revenue and Standard Gross Revenue** to which such adjustment shall be made as may be necessary to provide for the trend of the Business and for variations in or special circumstances affecting the Business either before or after the Damage which would have affected the Business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the maximum Indemnity Period after the Damage.

Clauses

1 Departmental

If the Business is conducted in departments the independent trading results of which are ascertainable the provisions of the basis of cover in respect of any item on Estimated Gross Profit will apply separately to each department affected by the Damage

2 Payments on Account

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

3 Accumulated Stocks

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

4 Alternative Trading

If during the Indemnity Period goods are sold or services rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by others on the Insured's behalf the money paid or payable in respect of such sales or services shall be taken into account in arriving at the Turnover during the Indemnity Period

5 Premium Adjustment Clause

The premium paid at the commencement of each period of insurance is provisional and the Insured shall declare to the Company within six months of the expiry of each period of insurance the actual Gross Profit or Gross Revenue earned during the financial year most nearly concurrent with the Period of Insurance as confirmed by the Insured's auditors.

If any Damage shall have occurred giving rise to a claim the declaration shall be increased by the Company for the purpose of premium adjustment by the amount by which the Gross Profit or Gross Revenue was reduced during the financial year solely as a consequence of the Damage

The premium will be calculated on the appropriate rate on the declaration (adjusted as provided above and proportionately increased where the Maximum Indemnity Period exceeds twelve months) and the premium paid will be adjusted as stated below

If the premium

a is less than the premium paid: then the Company will repay the difference to the Insured subject to the Company retaining 50% of the premium payable on the Estimated Gross Profit or Estimated Gross Revenue

b is greater than the premium paid: then the Insured shall pay the difference
In the event that no declaration is received the Company will be entitled to charge an additional premium

6 Renewal Clause

The Insured shall prior to each renewal furnish the Company with the Estimated Gross Profit or Estimated Gross Revenue for the financial year most nearly concurrent with the ensuing period of insurance

7 Standing Charges

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

8 Automatic Reinstatement of Losses

In the absence of written notice by the Insured or the Company to the contrary the Company's liability shall not be reduced by the amount of any loss the Insured undertaking to pay the appropriate additional premium for such automatic reinstatement of cover

Exclusions

This Section does not cover loss resulting from:

- 1** Damage at the Premises by fire or explosion (howsoever caused) lightning earthquake aircraft or other aerial devices or articles dropped therefrom
- 2** Damage to the Machinery and Plant by flood inundation storm tempest bursting or overflowing of water tanks pipes or similar apparatus or the operation of or discharge or leakage from a sprinkler installation
- 3** Damage to:
 - a** computer or ancillary equipment used for the storage and communication of electronically processed data but this exclusion shall not apply to any such equipment controlling any manufacturing process
 - b** masonry brickwork chimneys foundations or other supporting structures
 - c** plant or machinery serviced processed or manufactured as a product of the Business
 - d** exchangeable or detachable tools equipment and appliances or parts requiring renewal in the normal course of operation
- 4** Failure of the public supply of electricity gas or water or failure of the public effluent disposal services due to the deliberate act of the authority responsible for such supply or services or the exercise by any authority of its power to withhold or restrict supply or services other than for the sole purposes of safeguarding life or the authority's property
- 5**
 - a** Damage caused by or consisting of wear and tear deterioration due to atmospheric or climatic conditions rust corrosion deposit of boiler scale or scratching of painted or polished surfaces
 - b** slowly developing deformation distortion cracks fractures blisters laminations flaws or grooving or the making good of defective tube joints or other defective joins or seams
- 6** Riot strike lock-out or civil commotion

Section 11: Computer Insurance

Sub-Section 1 - Hardware & Records

In the event of Damage to all categories of Property (other than Damage hereby excluded) whilst such Property is situated or in transit within the Geographical Limits specified in the Schedule the Company will pay to the Insured the value of the Property at the time of its loss or destruction or the amount of the Damage or at its option reinstate or replace such Property

Sub-Section 2 - Loss of Information

In the event of Loss of Information (other than Damage hereby excluded) to Categories (c) and (d) of the Property whilst situated or in transit within the Geographical Limits the Company will pay the costs necessarily and reasonably incurred by the Insured to reinstate such programs and/or information

Limits of Liability

General Policy Cover

The liability of the Company shall not exceed in any period of insurance the sum insured set against each Section in the Schedule

Transit or Abroad

The liability of the Company shall not exceed 10% of the sum insured under Section 1 or £100,000 (AOA) whichever is less whilst the Property is in Transit or located outside the UK or Republic of Ireland

Theft from Unattended Vehicles

The maximum Liability of the Company in respect of theft from unattended vehicles is restricted to £5,000 (AOA)

Physically Restraining Devices/Computer Furniture

The liability of the Company in respect of Physically Restraining Security Devices (which are approved by the Company) including any Computer Furniture to which they are attached is restricted to 10% of the sum insured under Section 1 or £5,000 (AOA) whichever is less

Definitions

Property shall mean

Category (a) All Computer Equipment (including Interconnecting Wiring Fixed Disks and Telecommunications Equipment) used for the storage and communication of electronically processed data

Category (b) Ancillary Equipment solely for use with the Computer Equipment comprising Air Conditioning Equipment Generating Equipment Uninterruptable Power Supply Voltage Regulating Equipment Temperature and Humidity Recording Equipment Electronic Access Equipment Heat Smoke and Water Detection Equipment Lightning and Transient Overvoltage Protection Devices Physically Restraining Security Devices which have been approved by the Insurers Computer Furniture Gas Flooding Cylinders and Pipework and Computer Room Partitioning

Category (c) Proprietary Software Programs and/or information stored upon Fixed Disks

Category (d) All current and backup Computer Records (excluding Paper Records of any description) incorporating stored programs and/or information thereon

owned by or on deferred purchase leased hired or rented to the Insured or whilst on trial with a view to purchase by the Insured

Damage

For the purposes of this Section Damage shall mean physical loss destruction or damage including loss or damage by theft or attempted theft (unless specifically excluded) but only where theft or attempted theft from premises involves forcible entry to or exit from the premises

Loss of Information

Loss of Information shall mean loss distortion corruption or erasure of programs and/or information from any cause not otherwise excluded

Premises shall mean

- a** Where the Insured is the sole occupier of a building the entire building
- b** Where the Insured is not the sole occupier of a building those parts of the building in the exclusive use and/or occupation of the Insured

Computer Room Partitioning

The words Computer Room Partitioning shall mean any false floors ceilings and walls designed built and used for the sole purpose or creating a designated computer room

Proprietary Software Programs

The words Proprietary Software Programs shall mean the package of software programs purchased by the Insured with the Property at the original date of purchase plus any subsequent upgrades but shall not include any bespoke Computer Software without the prior consent and knowledge of the Company provided that where such cover has been specifically agreed by the Company reference is noted in the Schedule by memorandum

Deferred Purchase

The term Deferred Purchase shall mean an arrangement whereby the Insured enters into an agreement which entitles the Insured to defer payment for Property for a period exceeding 90 days (or a period in excess of usual trade credit)

(AOA)

The term (AOA) within this policy shall mean any one incidence of Damage or series of incidents of Damage arising out of a single occurrence

Value Added Tax

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

Geographical Limits

- A** The Premises
- B** Anywhere in the United Kingdom Channel Islands and the Isle of Man including the Premises
- C** Europe which shall mean anywhere in the United Kingdom Channel Islands Isle of Man and the countries of the European Union
- D** Worldwide which means anywhere in the world including the United Kingdom and Europe

Extensions

A Additional Property

The insurance by Sub-Sections 1 and 2 (if applicable) extends to include additions to the Property occurring after the commencement of the period of insurance for the period up to the next renewal date at no additional charge subject to a limit of 20% of the sum insured under Sub-Section 1 or up to £50,000 in total in any one period of insurance whichever is less

B Debris Removal Costs

The Insurance by Sub-Sections 1 and 2 (if applicable) extends to include costs necessarily and reasonably incurred with the consent of the Company in the removal of Property consequent upon Damage insured by these Sub-Sections provided that the liability of the Company under this extension shall not exceed 10% of the sum insured under Sub-Section 1 or £10,000 (AOA) whichever is less

C Temporary Repairs and/or Expediting Costs

The Insurance by Sub-Sections 1 and 2 (if applicable) extends to include costs necessarily and reasonably incurred in the making of temporary repairs upon and/or the expediting of the repair reinstatement or replacement of Property consequent upon Damage insured by these Sub-Sections (such costs not being recoverable under Sub-Section 3 of this Policy or under any other Policy issued for the benefit of the Insured) provided that the liability of the Company under this Extension shall not exceed;

- a** £1,000 if the sum insured under Sub-Section 1 is less than £10,000
- b** otherwise 10% of the sum insured under Sub-Section 1 or £10,000 (AOA) whichever is less

D Consulting Engineers Fees/Repair Investigation Costs

In addition to the sums insured stated in the Schedule under Sub-Sections 1 and 2 the Company will pay for the costs (including consulting engineers' fees) incurred with the prior consent of the Company in conducting investigations and/or tests into possible repair replacement or reinstatement of Property suffering Damage regardless of whether such investigations and/or tests are successful or not

E Incompatibility of Computer Records

In addition to the sums insured stated in the Schedule under Sub-Sections 1 and 2 the Company will pay for the costs of

- a** modification of Computer Equipment
or
- b** restoration recompilation or replacement of Computer Records together with reinstatement of programs and/or information thereon

(whichever is the less) to achieve compatibility in the event that loss or destruction of Computer Equipment insured by this Policy has resulted in undamaged Computer records being incompatible with the replacement Computer Equipment provided that Sub-Section 2 is insured and provided further that the liability of the Company under this Extension shall not exceed either the sum insured under Sub-Section 2 or £10,000 (AOA) whichever is less

F Measures Taken in Avoidance of Loss

In addition to the sums insured stated in the Schedule under Sub-Sections 1 and 2 the Company will pay the costs incurred by the Insured in taking reasonable but exceptional measures to avoid or mitigate impending Damage subject to the sums insured stated on the Schedule under Sub-Sections 1 and 2 provided that

- a** the impending Damage did not stem from any reasonably foreseeable cause and that Damage would have been the natural outcome to be expected in the absence of such measures
- b** the Company is satisfied that Damage has been avoided or reduced in consequence of the measures taken and the amount payable is found by the Company to be no greater than the cost which would have been incurred if no measures had been taken and insured Damage had occurred
- c** the terms exclusions and conditions of this Policy shall apply as if loss or damage had occurred

provided that the liability of the Company in respect of this Extension shall not exceed 10% of the total sum insured under Sub-Sections 1 and 2 or £50,000 whichever is less.

G Accidental Discharge of Gas Flooding Systems

In addition to the sums insured stated in the Schedule under Sub-Sections 1 and 2 the Company will pay the cost of refilling the cylinder(s) of any gas flooding systems installed solely for the protection of the Property arising out of the accidental discharge of such system provided always that the liability of the Company hereunder shall not exceed 10% of the sum insured under Sub-Section 1 or £10,000 (AOA) whichever is less

H Computer Virus Seek and Destroy

In addition to the sums insured stated in the Schedule under Sub-Sections 1 and 2 the Company will pay the costs necessarily and reasonably incurred with the consent of the Company in locating and removing detectable computer virus contained in any insured host program or executable disc segment within the Property provided that the amount payable under this extension shall not exceed 10% of the sum insured under Sub-Section 1 or £5,000 (AOA) whichever is less

I Research and Development Costs

In addition to the sums insured stated in the Schedule under Sub-Sections 1 and 2 the Company will pay the costs of re-writing any data processing research or development project(s) to the stage they had reached immediately prior to the Damage but excluding any benefit to the Insured which would have been obtained from completion of the project(s) had the Damage not occurred provided

- a** that Sub-Section 2 is insured
- b** that the amount payable shall not exceed the sum insured under Sub-Section 2 or £5,000 (AOA) whichever is less
- c** that the Insured has fully complied with the Policy conditions detailed under “Special Precautions” regarding back-ups

Clauses

1 Basis of Claims Settlement/Reinstatement

In the event of Damage to the Property which is insured by this Policy the amount payable shall be the reinstatement of the Property

For this purpose “reinstatement” means

- a** where any item of Property suffers Damage to the extent that it cannot be economically repaired replacement by new Property of equal performance and/or capacity or if such be impossible replacement by Property having the nearest higher performance and/or capacity to the Property lost destroyed or damaged
- b** where the Property suffers Damage the repair of the Damage and the restoration of the portion of the Property suffering Damage to a working condition substantially the same as but not better or more extensive than its condition when new

Special Provisions

- i** No payment beyond the amount which would have been payable in the absence of this memorandum shall be made
 - a** unless reinstatement commences and proceeds without unreasonable delay
 - b** until reinstatement has been carried out
 - c** if the Property insured at the time of its Damage shall be insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of reinstatement
 - d** where claims are payable as if this memorandum had not been incorporated

- ii If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the Property exceeds the sum insured thereon at the commencement of any Damage the liability of the Company shall not exceed that proportion of the amount of the Damage which the sum insured shall bear to the sum representing 85% of the cost of reinstating the whole of the Property at that time

For the purpose of this provision Property shall not include additional Property for which insurance is provided under Extension A to Sub-Sections 1 and 2

- iii All terms exclusions and conditions of this Policy shall apply
 - a in respect of any claim payable under the provisions of this memorandum except in so far as they are varied hereby
 - b where claims are payable as if this memorandum had not been incorporated

Exclusions

1 Breakdown or Derangement

Sub-Section 1 of this Section does not cover Damage to any item described under Categories (a) and (b) of the Property due to its own breakdown or derangement unless such item is at the time of the Damage the subject of a maintenance rental hire or lease agreement which must provide at inclusive cost a service of at least on-call remedial and/or corrective maintenance with free repair or replacement in the event of breakdown arising out of normal use

2 Maintenance Agreement

Sub-Sections 1 and 2 of this Section do not cover Damage where the cost of repair or remedy is recoverable under any guarantee or agreement for maintenance rental hire or lease or any provision in an agreement for the supply of the Property

3 Consequential Loss

Sub-Sections 1 and 2 of this Section do not cover financial loss of profits loss due to delay and or any consequential loss of any kind whatsoever not specifically insured by this Section

4 Wear and Tear

Sub-Sections 1 and 2 of this Section do not cover Damage caused by or consisting of gradually occurring wear and tear or deterioration which is both predictable and inevitable from the normal operation or usage of the Property but this exclusion shall not apply to Damage to any other part of the Property free from any such condition

5 Lease Hire Rent Loan or Sale

Sub-Sections 1 and 2 of this Section do not cover Damage or loss resulting from Damage to any Property which is

- a offered or to be offered for lease hire rent or loan by the Insured
- b leased hired rented or lent by the Insured to others
- c offered or to be offered for sale or sold by the Insured where the sale of such Property is in the course of the Business of the Insured

6 Property of Others

Sub-Sections 1 and 2 of this Section do not cover Damage or loss resulting from Damage to any Property which is not owned leased rented hired or on loan to the Insured whilst in the custody or control of the Insured for programming repair service adjustment alteration storage or transit purposes

7 Confiscation by Customs

Sub-Sections 1 and 2 of this Section do not cover loss or Damage arising from confiscation detention requisition or destruction by Customs or other Officials or Authorities occurring outside the European Community.

Special Condition

The following Condition applies to this Section.

Unattended Vehicle Security Condition

It is a condition precedent to the liability of the Company that, whilst any item of Property is being carried in a vehicle which is left unattended:

- a** any such vehicle must be protected by an Intruder Alarm system which is in full and efficient working order and which will operate in the event of interference with the vehicle.
- b** The doors of the vehicle must be locked and all its windows and other openings fully closed and properly fastened
- c** The vehicle must be in a locked garage or locked parking area if left overnight
- d** The property must be concealed from view in a locked boot where such facilities are available or concealed from view by other Secure Means where such facilities are unavailable (Secure means shall mean Physically Restraining Security devices which have been approved by the Company)

Sub-Section 3 - Business Interruption - Increased Cost of Working

If the computer operations of the Business are interrupted or interfered with due to the occurrence during the period of insurance of an Insured Event the Company will pay as Increase in Cost of Working the additional expenditure necessarily and reasonably incurred by the Insured (including Loss of Interest) during the Indemnity Period in consequence of such interruption or interference

Limit of Liability

The liability of the Company shall not exceed in any one period of insurance

- a** the sum insured stated in the Schedule and/or
- b** in respect of any Loss of Interest 10% of the sum insured stated in the Schedule

Professional Accountants Charges

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required under Claims Condition 1 of this Policy for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Insured and their report shall be prima facie evidence of the particulars and details to which such report relates

The Company shall pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or details or any other proofs information or evidence as may be required by the Insurers under the terms of Claims Condition 1 of this Policy and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents

provided that the sum of the amount payable under this clause and the amount otherwise payable under the Sub-Section shall in no case exceed the sum of the amounts specified herein as the limits of the Company's liability

Definitions

Current Cost Accounting

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

Loss of Interest

Loss of Interest shall mean

- a** interest payable in respect of loans raised
- b** interest foregone on reduction in investment capital in lieu of loans raised as a direct result of or to minimise the effect of the interruption or interference

Indemnity Period

shall mean the period during which the additional expenditure is incurred beginning with the occurrence of an Insured Event and ending not later than the Maximum Indemnity Period thereafter

Insured Event

shall mean

- a** Damage insured under Sub-Section 1 and/or Sub-Section 2 of this Section
- b** Loss of Information insured under Sub-Section 2 of this Section
- c** Damage where the cost of repair or remedy is recoverable under any guarantee or agreement for maintenance rental hire or lease or any provision in an agreement for the supply of the Property
- d** Damage to any item of Category (a) or (b) of the Property due to its own breakdown or derangement
- e** the accidental failure or fluctuation of the supply of electricity to Categories (a) and (b) of the Property at the Premises in which the Property is situated.
- f** the accidental failure of any telecommunications system used in connection with the Property
- g** the Insured being denied access to the Property due to
 - i** Damage to Property at or in the vicinity of the Premises
 - ii** the exercise by any authority of its powers for the sole purpose of safeguarding life or property

Extension

Additional Rentals

In addition to the limit of the Company's liability under this Sub-Section the Insurers will indemnify the Insured against the payment of additional lease or rental charges up to an amount not exceeding £15,000 arising out of the replacement of a lease/hire agreement in respect of the Property by a new contract for similar Property and consequent upon Damage insured under Sub-Section 1 of this Policy

Clause

Payments on Account

Where liability under this Sub-Section is admitted the Insured shall be entitled to receive payment(s) as agreed between the Insured and the Company in advance of final settlement

Exclusions (Applying to Sub-Section 3)

Sub-Section 3 of this Section does not cover

1 Costs of Reinstatement of Information

costs of reinstatement of programs and/or information onto Computer Records and/or Fixed Disks

2 Exclusion Periods

Increase in Cost of Working incurred during

- 1** the first 24 hours following breakdown or derangement of any item of Category (a) of the Property if a maintenance rental hire or lease agreement is not in force on such item- Insured Event (c) refers
- 2** the first 30 minutes in respect of failure of the supply of electricity- Insured Event (e) refers
- 3** the first 8 hours in respect of failure of telecommunications equipment - Insured Event (f) refers

3 Deliberate Supply/Service Withdrawal

- a** the deliberate act of the Insured or any supply authority unless for the sole purpose of safeguarding life or protecting a part of the supply
- b** the exercise by any such supply authority of its power to withhold or restrict operation of the supply or system unless necessitated solely by physical damage to a part of the supply authority's system
- c** the inability of the Insured or any such authority to maintain the supply or system due to industrial action by any of its employees

4 Acts of Telecommunications Authorities

The failure of any telecommunications system directly or indirectly due to

- a** the deliberate act of any telecommunications authority or the exercise by any authority of its powers to withhold or restrict operation of the system or the inability of the authority to maintain the system due to industrial action by its employees
- b** the use by the Insured of any equipment which is not approved by the telecommunications authority as properly installed and compatible
- c** failure of any satellite prior to its obtaining its full operating function or whilst in or beyond the final year of its design life
- d** atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite

General Memoranda (applying to all Sub-Sections of this Section)

1 Automatic Reinstatement

The amounts specified in this Section as limits of the Company's liability will be automatically reinstated from the date of an Insured Event at such additional premium as the Company may reasonably require except that no additional premium shall be required where the cost of the claim is less than £10,000

2 Indemnity to Parent/Subsidiary Companies

The Insurance by this Section is extended to indemnify any Company standing in the relation of Parent to Subsidiary (or Subsidiary to Parent) 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 as defined in current legislation provided always that they shall as if they were the Insured observe fulfil and be subject to the terms exclusions and conditions of this Policy

3 Waiver of Subrogation Rights

The Company shall waive any rights of subrogation against any user of the Property provided that

- a** such user has the authority of the Insured to use the Property and
- b** such user shall as if he were the Insured observe fulfil and be subject to the terms exclusions and conditions of this Policy

4 Misuse or Contamination of Computer Systems

Insofar as this Section covers Damage and/or Loss of Information resulting from misuse of the Property the liability of the Company in respect of such Damage and/or Loss of Information shall not exceed £100,000 (or the Sub-Section sum insured or any other Stated limit of liability if less) after the application of all the provisions of the Section including any Excess

Misuse of the Property shall mean the deliberate or accidental misuse or contamination of any computer and/or computerised system (including programs and data) from

- a** Any act executed through accessing the system
- b** Any infection of any kind within the system

5 Special Precautions

The Insured shall

- a** maintain the Property in good order and efficient operating condition
- b** observe the manufacturers and/or suppliers instructions for use operation storage transit and inspection of the Property
- c** back-up information at least once every twenty-four hours
- d** verify and store at least one back-up copy of such information together with a set of verified and up to date back-up software programs in a separate location away from the premises
- e** obtain and keep in force and effect a proper and valid licence in respect of any software in its possession

6 Special Conditions

All of the Special Conditions are conditions precedent to the liability of the Company under this Section.

General Exclusions (applying to all Sub-Sections of this Section)

This Section does not cover

- 1** The amount of the Excess as stated in the Schedule being the first part of each and every claim to be borne by the Insured as ascertained after the application of all other terms and conditions of the insurance
- 2** Damage to the Property due to Theft or attempt thereof from any premises unless entry to or exit from such premises is by forcible and violent means

Section 12: All Risks on Machinery and/or Apparatus

The Company agrees (subject to the Terms Exclusions and other Limitations contained herein or endorsed hereon) that in the event of Damage by any cause (not hereinafter excluded) happening within the Geographical Limits shown in the Schedule to any Machinery and/or Apparatus described in the All Risks Section of the Schedule the Company will pay to the Insured the value of such Machinery or Apparatus or the amount of the Damage at the time of such Damage or at its own option reinstate or replace such property, but in no case exceeding the Sum Insured stated against each Item in the Schedule or such other sum or sums which may hereafter be substituted by endorsement issued by the Company.

Extension

In the case of a vending machine being insured under any Item aforesaid the insurance provided by this Section extends to include the contents of such machine PROVIDED THAT

- a** Damage thereto occurs at one and the same time as Damage to the machine itself;
- b** the maximum amount hereunder in respect of such contents shall not exceed £100 in respect of any one incident;
- c** loss of cash is excluded therefrom.

Geographical Limits

- A** The Premises
- B** Anywhere in the United Kingdom Channel Islands and the Isle of Man including the Premises
- C** Europe which shall mean anywhere in the United Kingdom Channel Islands Isle of Man and the countries of the European Union
- D** Worldwide which means anywhere in the world including the United Kingdom and Europe

Excess

The Company shall not be liable for the first amount of each and every claim as stated in the All Risks on Machinery/Apparatus Section of the Schedule.

Average

Each Item of this Section is similarly but separately Subject to Average as defined in the General Definitions.

Clauses and Extensions

Also applicable to this Section are Clauses 2 and 4 and Extensions B G H J and K as set out in Section 1.

Exclusions

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

- 1** Damage to property insured caused by or consisting of
 - a** inherent vice latent defect gradual deterioration wear and tear frost change in water table level seepage below ground level its own faulty or defective design or materials
 - b** faulty or defective workmanship operational error or omission on the part of the Insured or any of his Employees
 - c** the bursting of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insuredbut this shall not exclude subsequent Damage which results from a cause not otherwise excluded

- 2** Damage caused by or consisting of
 - a** corrosion rust wet or dry rot shrinkage evaporation leakage loss of weight dampness contamination fermentation dryness marring scratching vermin or insects
 - b** change in temperature colour flavour texture or finish, action of light
 - c** theft or attempted theft
 - i** from an unattended vehicle between the hours of 6am and 9pm unless:
 - a** all doors windows and other openings are left closed securely locked and properly fastened and
 - b** entry or access to the vehicle has been effected by forcible and violent means
 - ii** from the Insured's premises whenever such premises are closed for business or left unattended unless all locks bolts and other security devices including any intruder alarm system be put into full and effective operation
 - iii** other than from the Insured's premises between the hours of 9pm and 6am unless the property insured is in the personal custody of the Insured or any partner director or Employee of the Insured or in a securely locked or occupied building

Damage consisting of

- d** joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith
 - e** mechanical or electrical breakdown or derangement in respect of the particular equipment machines apparatus or equipment in which such breakdown or derangement originates
but this shall not exclude
 - i** such Damage not otherwise excluded which itself results from any of The Perils Numbers 1-12 within Section 1 of this Policy or from any other Damage
 - ii** subsequent Damage which itself results from a cause not otherwise excluded
 - f** electrical or magnetic injury disturbance or erasure of electronic records other than by lightning
 - g** Damage as the result of any adjustment or interference with any component part of any property insured;
- 3** Damage caused by or consisting of
 - a** subsidence ground heave or landslip
 - b** normal settlement or bedding down of new structures
 - c** acts of fraud or dishonesty
 - d** disappearance unexplained or inventory shortage misfiling or misplacing of information

- 4** Destruction of or damage to a building or structure caused by its own collapse or cracking unless resulting from any of The Perils 1-12 within Section 1 of this Policy in so far as it is not otherwise excluded
- 5** Damage in respect of movable property in the open or in open-sided buildings fences and gates caused by wind rain hail sleet snow flood and dust
- 6** Damage to any property insured
 - a** Caused by fire resulting from its undergoing any heating process or any process involving the application of heat
 - b** (other than by fire or explosion) resulting from its undergoing any process of production packing treatment testing commissioning servicing or repair
- 7** Damage
 - a** caused by freezing
 - b** caused by escape of water from any tank apparatus or pipe
 - c** caused (other than by fire or explosion) by malicious persons not acting on behalf of or in connection with any political organisation
 - d** caused by theft or attempted theft
in respect of any building which is silent empty or not in use
- 8** Damage occasioned by delay embargo nationalisation confiscation requisition seizure or destruction by the government or any public authority
- 9** loss of market loss of use monetary devaluation or any other consequential loss;
- 10** Damage to any part of any electrical plant or apparatus directly caused by breakdown leakage of electricity or excessive pressure therein or by its own short circuiting or overrunning but damage to any other part of such plant or apparatus or to other property insured by the spread of fire therefrom is not excluded;

Important Information

The Insured's right to cancel

If this cover does not meet your requirements, please return all your documents and any certificate to the broker, intermediary or agent, who arranged the Policy within 14 days of receipt. The Company will return any premium paid in accordance with General Condition 6 Cancellation.

Cancellation

If you wish to cancel the contract at any other time, please contact the broker, intermediary or agent, who arranged the Policy. Any return of premium will be made in accordance with the General Condition 6 Cancellation.

How to make a claim

Please contact, in the first instance, the Broker, Intermediary or Agent who arranged the Policy. Please quote your policy number.

How to complain

If you have an enquiry or complaint arising from your Policy, please contact the broker, intermediary or agent who arranged the Policy for you. If the broker is unable to resolve your complaint or it is regarding the terms and conditions of the policy they will refer it to NIG.

If your complaint is still outstanding you can write to NIG direct at the following address, quoting your policy number.

The Chief Executive,
NIG
Churchill Court,
Westmoreland Road,
Bromley BR1 1DP.

Once you receive a written response and if you remain dissatisfied, you may refer your complaint to the Financial Ombudsman Service (FOS). Their address is:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR
Telephone: 0800 023 4567 or 0300 123 9123.

Details about our Regulator

NIG policies are underwritten by U K Insurance Limited who is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, registration number 202810. The Financial Conduct Authority website, which includes a register of all regulated firms can be visited at www.fca.org.uk, or the Financial Conduct Authority can be contacted on 0800 111 6768. The Prudential Regulation Authority website can be visited at www.bankofengland.co.uk/pru, or the Prudential Regulation Authority can be contacted on 020 7601 4878.

Financial Services Compensation Scheme

Under the Financial Services and Markets Act 2000, should we be unable to meet our liabilities to policyholders, compensation may be available. Insurance advising and arranging is covered for 90% of the claim, without any upper limit. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit. Information can be obtained on request, or by visiting the Financial Services Compensation Scheme website at www.fscs.org.uk

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

