



**COMMERCIAL COMBINED POLICY
WORDING**

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INTRODUCTION AND YOUR OBLIGATIONS

Thank *You* for choosing Contessa Limited.

Your Policy documents are enclosed.

It is important that *You* read all *Your* documents carefully and let *Your Agent* know as soon as reasonably possible, and in any case within 3 (three) working days, if the insurance does not meet *Your* requirements or if any information is inaccurate or incomplete.

Your Obligations at Presentation of The Risk and/or Renewal

You have an obligation at both presentation and renewal to disclose to *Us* all material facts and circumstances, including those material facts and circumstances which would have been revealed to *You* by conducting a reasonable search. Failure to do so may entitle *Us* to:

- a) avoid the *Policy* from inception and/or renewal with the result that the cover is deemed never to have come into force; or
- b) if *We* would have imposed additional or different terms and conditions to the *Policy* if *You* had disclosed all material facts and circumstances, treat the *Policy* as if it had contained those terms and conditions from inception; and/or
- c) if *We* would have charged a higher *Premium* but for *Your* failure to disclose all material facts or circumstances, make a proportionate reduction to the value of *Your* claim in accordance with the formula set out in Schedule 1, paragraph 6 of the Insurance Act 2015 or (if the failure to disclose a material circumstance relates to a variation to an existing policy) the formula set out in Schedule 1, paragraph 11 of the Insurance Act 2015.

For the avoidance of doubt, the consequence referred to at c) may apply in addition to b).

However, if *You* or *Your Agent* have acted deliberately or recklessly in failing to disclose all material facts and circumstances then *We* may be entitled to avoid the *Policy* from inception and/or renewal and retain any *Premiums* paid.

Material facts and circumstances are those which the Underwriter/*We* may wish to know in deciding whether to underwrite the risk and/or the terms upon which to underwrite the risk. They may be relevant either to the physical risk or to the personal background and characteristics (including financial) of *You* and/or any director, partner, officer and/or principal of *Your Business*. It is important that *Your Business* should have a system in place to ensure that all material facts and circumstances are disclosed.

Should *You* be in any doubt as to whether information is accurate or material, *You* should discuss it with *Your Agent*. If in doubt, *You* should disclose it. *We* are keen to work in partnership with *You* to avoid any misunderstandings.

Setting Your Sums Insured

This *Policy* requires *You* to specify a *Total Sum Insured* for each category of *Property Insured* and/or a *Sum Insured* for individual items of *Property Insured*. For example, if *You* wish to insure several different buildings under Section 1, the *Total Sum Insured* for category A (*Buildings*) should represent the total

cost of rebuilding all of these, as explained further below. *You* may also wish to specify a *Sum Insured* for each individual building.

For all items other than *Buildings* the *Total Sum Insured/ Sum Insured* should represent the cost of buying a new replacement of the item(s) in question.

To ensure that *You* recover an adequate indemnity in the event of a loss it is essential that the *Sums Insured* and *Total Sums Insured* are accurate. Otherwise, the amount payable by *Us* in the event of a claim may be reduced in proportion to the amount of any underinsurance.

Accordingly, the *Sums Insured* and *Total Sums Insured* should reflect up-to-date cost of rebuilding and /or values (as appropriate) of all items which *You* want to insure. **Please note:**

- The cover provided for *Buildings* and *Contents* is on a Reinstatement basis which means that *You* should set the *Sums Insured* and *Total Sums Insured* for these items carefully by reference to the full cost of rebuilding the *Buildings* to a condition equivalent to when new, or replacing the *Contents* with equivalent new items. It is important that *You* include an allowance for the cost of *Debris Removal, Professional Fees* and any *Increased Cost of Construction* expenses that would be required in order to reinstate the property were it to be completely destroyed.
- The definition of *Gross Profit* for the purposes of an insurance *Policy* will often vary from the definition appearing in *Your* accounts.

We would strongly recommend that *You* discuss these aspects with *Your Agent*.

Payment of Premium

It is a **condition precedent** to *Our* liability that the amount of *Premium* due must be paid in full to *Your Agent* within 60 (sixty) days of inception of the *Policy*. If *You* do not make payment within 60 (sixty) days all cover under the *Policy* will be cancelled, other than for Section 7 – Employers’ Liability, and *We* will not be liable to indemnify *You* for *Your* claim. In addition if *You* do not pay the *Premium* in full within 60 (sixty) days of inception of the *Policy* *We* reserve *Our* right to issue notice of cancellation as per Cancellation Conditions of the *Policy*.

In respect of any additional *Premium* due following an amendment to *Your Policy*, this must be paid in full to *Your Agent* within 60 (sixty) days of the effective date of the amendment. Failure to do so will result in the coverage provided by this amendment being cancelled by giving no less than 14 (fourteen) days’ notice in writing to *Your Agent*.

Cancellation – Not applicable to Section 7 – Employers’ Liability

- a) *We* may cancel this insurance (or any Section or part thereof) by giving no less than 14 (fourteen) days’ notice in writing to *Your Agent*.
- b) *You* may cancel by giving 14 (fourteen) days’ notice in writing to *Us* either directly or via *Your Agent*.

Where this Condition is exercised, either by *You* or *Us*, *You* may be entitled to a pro-rata return of *Premium* in respect of all sections, other than Section 7 – Employers’ Liability and Section 8 – Public and Products Liability, after *Our* expenses and any adjustment of the *Premium* paid as provided for by any conditions of this *Policy*, provided that:

- i) no claims have been made under the *Policy* for which *We* have made a payment;

- ii) no claims have been made under the *Policy* which are still under consideration
- iii) no event has occurred which may give rise to a claim but has yet to be reported to *Us*.

Survey

At presentation and/or renewal *We* may require a survey of some or all of the *Property Insured*.

Your obligations in respect of survey requirements are set out more fully at Survey Condition (General Condition 10) on page 87 of the *Policy*.

The Contract Wording

The *Policy* is a legal contract but designed to be as easy to understand as possible. The *Proposal*, the *Policy*, the *Schedule* (including any *Schedule* issued in addition or substitution) and any *Endorsements* shall be considered as one legal document.

Wherever a word appears in *italics*, *You* will find a full definition on pages 106-116 of the *Policy* or in Section Definitions.

We strongly recommend that *You* read the *Policy* (to include the *Schedule* and any *Endorsements*) to ensure that *You* understand it and that it accords with *Your* wishes.

Your Obligations under the Policy

The *Policy* imposes certain obligations upon *You* which if not complied with may invalidate the insurance or a claim.

Some of these obligations are expressed to be **conditions precedent**. Because of the importance of these clauses, which *We* explain below, each time a clause is expressed to be a **condition precedent** *We* have used bold type to draw *Your* attention to it.

Conditions Precedent

Conditions precedent are extremely important. If *You* are in breach of any of these obligations at the time of a loss, *We* will have no obligation to indemnify *You* in relation to any claim for that loss. However if a **condition precedent** is intended to reduce the risk of loss of a particular kind, at a particular location or at a particular time, *We* will not rely on the breach of that **condition precedent** to exclude, limit or discharge *Our* liability if the breach could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Subject to any other rights which *We* may have under and/or with respect to the validity of the *Policy*, the *Policy* will remain in existence.

Steps to be taken if You cannot comply

If *You* are unable to comply with any **condition precedent** *You* should contact *Us* as soon as reasonably possible, and in any case within 3 (three) working days, through *Your Agent*. *We* will decide whether *We* might be prepared to agree a variation of the *Policy*. **All conditions precedent remain effective unless *You* receive written confirmation of a variation from *Us* through *Your Agent*.**

Claims Procedure

If any incident occurs which might result in a claim *You* should report this to *Us* through *Your Agent* (whose details will appear on the *Schedule*.)

You should refer to the Claims Procedure on pages 83-84 of the *Policy* for full details of the claims procedure since failure to comply may invalidate *Your* claim.

Please also note *Our* position as regards fraud on page 84 of the *Policy*.

THE CONTRACT OF INSURANCE & GENERAL INSURING CLAUSE

This insurance is underwritten by Contessa Limited on behalf of various insurers (*We/Us/Our*) as fully described in the *Schedule*.

This *Policy*, the *Schedule* and any *Endorsements* are evidence of the legally binding contract of Insurance between *Us* and *You*.

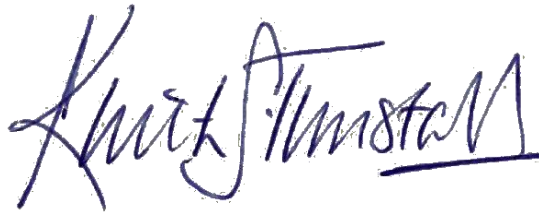
We will, subject to the terms and conditions of the *Policy*, the *Schedule* and any *Endorsements*, indemnify *You* against loss or *Damage* sustained or legal liability incurred during the *Period of Insurance* stated in the *Schedule* for which a *Premium* has been accepted.

You have applied to *Us* for insurance by providing a *Proposal* and/or other information, and have agreed to pay *Premium* to *Us* in accordance with the Payment of *Premium* Condition Precedent on Page 98 of the *Policy*.

In return, *We* have agreed to provide the insurance described in the *Policy* for the *Period of Insurance* specified in the *Schedule*.

The Proposal, the *Policy* Wording, the *Schedule* (including any *Schedule* issued in addition or substitution) and any *Endorsements* shall be considered one document and together constitute the contract between *You* and *Us*.

Any expression to which a specific meaning has been attached shall bear that meaning wherever it appears, whether or not it appears with capital letters and regardless of the typeface used.

A handwritten signature in blue ink that reads "Kurt Stinson". The signature is written in a cursive style with a horizontal line underneath the name.

Signed by Contessa Limited

LIST OF INSURED PERILS - APPLICABLE TO SECTIONS 1 AND 2 OF THE *POLICY*

This *Policy* insures only those *Insured Perils* which are specified in the *Schedule*. The *Insured Perils* may vary from section to section. Accordingly it is necessary to look at the *Schedule* to ascertain exactly what cover is available under each section.

1 FIRE but excluding:-

- a) *Damage* caused by explosion resulting from fire;
- b) *Damage* to *Property Insured* caused by:
 - i) its own spontaneous combustion, fermentation or heating;
 - ii) its undergoing any heating process or any process involving the application of heat; or
 - iii) its own over-running, short-circuiting or leakage of electricity.

However, the exclusion under peril 1, Fire, b) shall not apply to any resulting *Damage* caused by an *Insured Peril* to other *Property Insured* and not otherwise excluded elsewhere under the *Policy*.

2 LIGHTNING

3 EXPLOSION

- a) of boilers used for domestic purposes only
- b) of gas used for domestic purposes only

but excluding *Damage* caused by earthquake or subterranean fire.

EXPLOSION excluding:

Damage:

- i) caused by or consisting of the bursting by steam pressure of a boiler (not being a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus belonging to *You* or under *Your* control, in which internal pressure is due to steam only
- ii) in respect of and originating in any vessel, machinery or apparatus or its contents, belonging to *You* or under *Your* control, which requires to be examined to comply with any statutory regulations, unless there is in force a *Policy* of insurance or other contract providing the required inspection service.
- iii) by pressure waves caused by aircraft or other aerial devices traveling at sonic or supersonic speeds.

4 **AIRCRAFT** or other aerial devices or articles dropped therefrom, excluding *Damage* by pressure waves caused by aircraft or other aerial devices traveling at sonic or supersonic speeds.

5 **RIOT, CIVIL COMMOTION, STRIKERS, LOCKED-OUT WORKERS, PERSONS TAKING PART IN LABOUR DISPUTES OR MALICIOUS PERSONS** excluding *Damage*:-

- a) arising from cessation of work;
- b) to any *Building* or its *Contents* whilst *Unoccupied*, caused (other than by **1 Fire** or **3 Explosion**) by malicious persons;
- c) consisting of or arising from Theft or Attempted Theft by malicious persons.

6 **EARTHQUAKE**

7 **STORM** excluding *Damage*:

- a) caused by the escape of water from the natural confines of any natural or artificial water course, lake, reservoir, canal or dam;
- b) caused by inundation from the sea
- c) to movable *Property Insured* in the open, fences and gates
- d) caused to open-sided, open-fronted or not water/weather tight *Buildings* or their *Contents*
- e) caused by weight of snow;
- f) attributable solely to change in the water table level;
- g) caused by frost, subsidence, ground heave or landslip;
- h) caused by escape of water from a water tank, apparatus or pipe
- i) to any *Building* or its *Contents* whilst *Unoccupied*

8 **FLOOD** excluding *Damage*:

- a) to movable *Property Insured* in the open, fences and gates;
- b) caused to open-sided, open-fronted or not water/weather tight *Buildings* or their *Contents*

- c) attributable solely to change in the water table level;
- d) caused by frost, subsidence, ground heave or landslip;
- e) caused by escape of water from a water tank, apparatus or pipe
- f) to any *Building* or its *Contents* whilst *Unoccupied*

9 ESCAPE OF WATER FROM ANY WATER TANK, APPARATUS OR PIPE
excluding *Damage*:

- a) caused by water discharged or leaking from any automatic sprinkler installation;
- b) to any *Building* or its *Contents* whilst *Unoccupied*

10 IMPACT

Impact by any road vehicle or animal not belonging to *You* or under *Your* control or the control of:

- a) any other occupier of the *Premises*
- b) *Your Employees* or the employees of any other occupier of the *Premises* whilst acting in the course of their employment;

Excluding *Damage*:

- a) to any *Property Insured* in transit;
- b) arising from theft or attempted theft
- c) to any *Building* or its *Contents* whilst *Unoccupied*

11 THEFT OR ATTEMPTED THEFT involving entry to or exit from the *Premises* by forcible and violent means.

Where *Buildings* are insured under this *Policy*, this shall include *Damage* to *Buildings* for which *You* are responsible arising from theft or attempted theft, excluding:

- a) *Damage* occasioned by fire or explosion;
- b) Any claim caused by or in collusion with *You* or any of *Your* partners, directors or *Employees* or any member of *Your* family or any other person lawfully on the *Premises*;
- c) Any claim in respect of *Property Insured* in the open or in open-sided or open-fronted *Buildings* or in *Buildings* without permanent foundations, unless expressly stated to be covered in the *Schedule*, or in vehicles;
- d) Theft of *Money*;

- e) *Damage* to any cash register or till when the *Premises* are closed for *Business* unless such cash register or till has been left open;
- f) *Theft* occurring when the *Buildings* are *Unoccupied*.
- g) *Theft* by any person lawfully on the *Premises*.

12 **SUBSIDENCE OR GROUND HEAVE** of any part of the site at *the Premises* or **LANDSLIP** excluding *Damage*:-

- a) to land, yards, car-parks, roads, pavements, forecourts, walls, gates and fences at the *Premises* unless also affecting an insured structure;
- b) caused by or consisting of:
 - i) the normal settlement or bedding down of new structures.
 - ii) the settlement or movement of made-up ground.
 - iii) coastal or river erosion.
 - iv) defective design or workmanship or the use of defective materials.
 - v) fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe.
- c) which originated prior to the inception of this cover;
- d) resulting from demolition construction structural alteration or repair of any property or groundworks or excavation at the same *Premises*.
- e) to any *Building* or its *Contents* whilst *Unoccupied*

LIST OF OPTIONAL INSURED PERILS - APPLICABLE TO SECTION 1 AND 2 OF THE *POLICY*

This *Policy* insures only those Optional *Insured Perils* which are specified in the *Schedule*.

13 SPONTANEOUS COMBUSTION - *Damage* to the *Property Insured* caused by its own spontaneous combustion, fermentation or heating.

14 BREAKAGE or COLLAPSE of television and radio aerials, satellite dishes, aerial fittings and masts excluding *Damage* to these items.

15 LEAKAGE OF FUEL from any fixed oil heating installation.

16 ACCIDENTAL ESCAPE OF WATER FROM ANY AUTOMATIC SPRINKLER INSTALLATION(S) excluding:

- a) *Damage* by freezing whilst the *Premises* in *Your* ownership and/or tenancy are empty or disused;
- b) *Damage* caused by explosion (including blowing up of buildings or blasting) or earthquake or subterranean fire or heat caused by fire.
- c) *Damage* to the automatic sprinkler installation(s) other than that caused by water accidentally discharged or leaking from the installation(s).

17 ACCIDENTAL PHYSICAL DAMAGE excluding:

- a) *Damage* caused by:-
 - i) or consisting of scratching or denting or other cosmetic deterioration
 - ii) breakage of articles of a brittle nature (to include *Glass* but not jewellery)
 - iii) change in temperature, colour, flavour, texture or finish or taint
 - iv) electrical or magnetic disturbance or erasure of electronic recordings
 - v) acts of fraud or dishonesty (not including theft)
 - vi) unexplained disappearance, unexplained shortage, inventory shortage, misfiling or misplacing of information or clerical error
 - vii) climatic or atmospheric conditions or extremes of temperature
 - viii) theft or attempted theft
 - ix) *You* voluntarily parting with title or possession of any property or rights to property

- x) cessation of work
 - xi) the solidification of molten material (unless such *Damage* is directly caused herein by any other *Insured Peril* and/or any cause(s) specifically excluded from such *Insured Peril*)
 - xii) felling or lopping trees
 - xiii) any other *Insured Peril* and/or any cause(s) specifically excluded from such *Insured Peril*
- b) *Damage* to:-
- i) *Buildings* or structures caused by their own collapse or cracking unless resulting from any other *Insured Peril* and/or any cause(s) specifically excluded from such *Insured Peril*
 - ii) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
 - iii) *Buildings* that are *Unoccupied*
 - iv) property in the open or in transit
 - v) vehicles licensed or intended to be licensed (excluding fork lift trucks) for road use (including accessories thereon), caravans, trailers, watercraft or aircraft, railway locomotion or rolling stock
 - vi) livestock, growing crops or trees
 - vii) jewellery, precious stones, precious metals, bullion, furs, curiosities, rare books or works of art, china, earthenware, marble or other fragile objects
 - viii) *Glass and Sanitary Fittings*.
- c) *Damage* to *Property Insured* resulting from its undergoing
- i) any process of production
 - ii) any process of dyeing, packaging, treatment, testing, commissioning, cleaning, servicing, repair or any other similar process
- d) *Damage* consisting of, caused by, or arising from:

- i) corrosion, rust, wet or dry rot, inherent vice, latent defect, gradual deterioration, frost, any gradually operating cause, or wear and tear
- ii) faulty or defective design, workmanship or the use of defective materials in the construction or manufacture of any *Property Insured*
- iii) shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects, mould or fungus
- iv) (including due to power surge unless caused by an *Insured Peril*) mechanical or electrical breakdown, derangement, short-circuiting or overloading in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates
- v) settling, shrinkage or expansion of foundations, walls, floors, ceilings or roof settlement or bedding down of new structures or extensions, subsidence, groundheave, landslip or coastal erosion
- vi) faulty manipulation
- vii) nipple or 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
- viii) *Damage* caused by operational error or omission by *You* and/or any of *Your Employees*
- ix) *Damage* caused by pressure waves (including but not limited to sonic booms) from aircraft or aerial devices

save that *We* will provide an indemnity if *Damage*, that is not otherwise excluded by this *Policy*, is thereby caused to other items of *Property Insured*.

SECTION 1 - PROPERTY DAMAGE

1.1 COVER AND BASIS OF INDEMNITY

If, during the *Period of Insurance*, an item of *Property Insured* at the *Premises* sustains *Damage* by an *Insured Peril*, *We* will, at *Our* own option either:-

a) Pay *You*;

For category A *Buildings*

- (i) the *Cost of Reinstatement*, where reinstatement or replacement takes place in accordance with the terms of Section 1.6 Reinstatement Condition; or
- (ii) where reinstatement or replacement does not take place in accordance with the terms of Section 1.6 Reinstatement Condition, the *Amount of Damage*.

For category B *Contents*, C *Stock* and category D any *Miscellaneous Items* listed in the *Schedule*

- (iii) the *Amount of Damage*.

OR

b) Reinstatement, repair or replace the item of *Property Insured* or any part of it which is damaged.

If *We* decide upon reinstatement, replacement or repair *We* shall do so in a reasonable manner, to a condition equal to but not better or more extensive than its condition immediately prior to the *Damage*, but not necessarily to its exact previous condition or appearance.

Provided that, in respect of *Buildings*; *Our* liability shall be limited to the *Amount of Damage* or *Debris Removal Costs*, whichever is lower, if, at the time of *Damage*:-

- the *Buildings* are the subject of an existing contract or order for demolition; or
- *You* intended to redevelop the *Buildings* in a manner which would have entailed their demolition (or demolition of a substantial portion of them).

The indemnity provided by this Section (including its Extensions) is subject to the Limits, Terms, Conditions and Exclusions of this Section and of the *Policy* more generally. In the event of any inconsistency, the terms of this Section shall prevail.

1.2 PROPERTY INSURED

The following categories of property are insured to the extent that they appear in the *Schedule* and they are either owned by *You*, held in trust by *You*, or *You* are legally responsible for them:

- A *Building(s)*;
- B *Contents*;
- C *Stock*;
- D Any Miscellaneous Items listed in the *Schedule*;

1.3 LIMIT OF INDEMNITY

Our liability in respect of each and every incident of *Damage* to an item of *Property Insured* shall be limited as follows:

- a) If an individual *Sum Insured* is specified on the *Schedule* for that item, *Our* liability shall be limited to that *Sum Insured*,
- b) in any event, *Our* liability shall in no circumstances exceed the *Total Sum Insured* for the category of *Property Insured* on the *Schedule* under which that item falls.

1.4 EXCESS

We will not indemnify *You* for the amount of the *Excess* specified in the *Schedule*. The *Excess* shall not be reduced in the event that the Underinsurance Clause applies to *Your* claim.

If *We* decide to reinstate, repair or replace the item in accordance with *Our* right under Section 1.1 Cover and Basis of Indemnity, b), *You* will be responsible for paying the *Excess* directly to the supplier or contractor instructed by *Us* to carry out the work, unless the cost of the work is less than the *Excess*, in which case *You* will pay such lesser amount.

1.5 UNDERINSURANCE - AVERAGE

For Category A - *Buildings*

Each item of *Property Insured* shall be separately subject to Average. Therefore, where an individual *Sum Insured* is listed on the *Schedule* for an item of *Property Insured* which has suffered *Damage*, the following condition of Average will apply:

If, at the time of *Damage*, the *Sum Insured* for such item of *Property Insured* is less than the *Full Cost of Reinstatement*, *Our* liability shall be that proportion of the *Cost of Reinstatement* or the *Amount of Damage* which the *Sum Insured* bears to the *Full Cost of Reinstatement*.

Where an individual *Sum Insured* is not listed in the *Schedule* for an item of *Property Insured* which has suffered *Damage*, the following condition of Average will apply:

If, at the time of *Damage*, the *Total Sum Insured* is less than the *Full Cost of Reinstatement* for all items insured under that category in the *Schedule*, *Our* liability shall be that proportion of the *Amount of Damage* which the *Total Sum Insured* bears to the total *Full Cost of Reinstatement* for all items insured under that category.

For Categories B – *Contents*, C – *Stock*, and D – *Miscellaneous Items*:

Each item of *Property Insured* shall be separately subject to Average. Therefore, where an individual *Sum Insured* is listed on the *Schedule* for an item of *Property Insured* which has suffered *Damage*, the following condition of Average will apply:

If, at the time of *Damage*, the *Sum Insured* for such item of *Property Insured* is less than the *Replacement Cost* of that item, *Our* liability shall not exceed that proportion of the *Amount of Damage* which the *Sum Insured* bears to the *Replacement Cost* of that item.

Where an individual *Sum Insured* is not listed in the *Schedule* for an item of *Property Insured* which has suffered *Damage*, the following condition of Average will apply:

If, at the time of *Damage*, the *Total Sum Insured* is less than the total *Replacement Cost* of all items insured under that category in the *Schedule*, *Our* liability shall not exceed that proportion of the *Amount of Damage* which the *Total Sum Insured* bears to the total *Replacement Cost* of those items.

1.6 REINSTATEMENT CONDITION

a) Completion of the Work

The work of reinstatement or purchase of replacement items must be carried out as quickly as reasonably practicable and in any case within 12 (twelve) months of the *Damage*, unless otherwise agreed by *Us*. If *You* do not comply with this condition, *Our* liability will be limited to the amount payable under Section 1.1 Cover and Basis of Indemnity, a), (ii).

In any event, until the work of reinstatement has been completed, or the item has been replaced, in accordance with clause above, and satisfactory invoices in support of the total claim have been produced, *We* will only pay *You* the amount that would be payable under Section 1.1 Cover and Basis of Indemnity, a), (ii).

For *Buildings*, no payment in relation to *Debris Removal Costs* or *Professional Fees* will be made by *Us* unless *You* have first informed *Us* of the nature and extent of the costs to be incurred and have received *Our* written consent that these are reasonable and necessary.

b) Partial Damage

Where *Damage* occurs to only part of an item of *Property Insured*, *Our* liability will not exceed the amount which *We* would have been liable to pay (subject to the application of Average) had the item been wholly destroyed.

c) Reinstatement on Another Site

The work of reinstatement may be carried out wholly or partially upon another site and in any manner suitable to *Your* requirements provided that it does not increase *Our* liability. For the avoidance of doubt, *We* will not pay for the cost of purchasing the new site.

1.7 STANDARD CLAUSES

(These clauses are always applicable)

Automatic Reinstatement of *Sum Insured* following Loss

Unless, within 60 (sixty) days of *Your* notifying a claim to *Us* in accordance with the Claims Procedure on pages 83-84 of the *Policy*, *We* give notice to *You* through *Your Agent* to the contrary, *We* will reinstate the *Total Sum Insured*, and, where applicable, the individual *Sum Insured*, as from the date of notification of a claim provided that:-

- a) *You* pay any additional *Premium* that *We* may require from the date of *Damage* to the end of the *Period of Insurance*; and
- b) *You* take immediate steps to carry out any measures that *We* may require to prevent further *Damage* and/or enhance the security of the *Premises*.

Contract Sale Price

If goods sold to a customer but not yet delivered, and in respect of which *You* remain responsible, suffer *Damage* by an *Insured Peril* as a result of which the contract for the sale of those goods is lawfully cancelled by the customer in accordance with its terms and conditions, for the purpose of calculating the indemnity payable under Section 1.1 Cover and Basis of Indemnity, a), (iii), to the extent that such cover is operative, the *Replacement Cost* of those goods shall be taken to be the sale price that would have been payable under the contract.

For the purpose of calculating the total *Replacement Cost* under Section 1.5 (Underinsurance - Average), the value of all goods to which, in the event of *Damage*, this clause would be applicable, shall be ascertained on the same basis, namely the price under the relevant contract of sale.

Designation of Property

For the purposes of determining the item under which property is insured, *We* agree to accept the designation of such property in *Your Business* records and/or accounts unless it is specified otherwise on the *Schedule*.

Hire Agreements

If any item of *Property Insured* is the subject of a hire agreement, *Our* liability in respect of that item shall be limited to the amount of *Your* liability to the owner under the hire agreement, not to exceed the *Full Cost of Reinstatement* of the item. *You* must declare the name of the owner and details of the hire agreement in the event of *Damage*.

For the avoidance of doubt, nothing in the above shall prejudice *Our* right to avoid or repudiate this *Policy* and the owner of the item shall have no rights under this *Policy*.

1.8 OPTIONAL CLAUSES

(These clauses shall apply only if specified in the *Schedule*)

Day One Basis (Non Adjustable) Clause

This clause applies to *Property Insured* of category A *Buildings* and category B *Contents* cover only. It does not apply to Section 1.9 – Automatic, Capital Additions clause.

At the inception of each *Period of Insurance*, *You* shall notify *Us* in writing of the *Declared Value* of each item or category of *Property Insured* to which this clause applies. In the absence of such declaration the last amount declared by *You* shall be taken to continue as the *Declared Value*. Unless stated in the *Schedule* to the contrary, the *Sum Insured* for each item which is the subject of this clause shall be 115% of the *Declared Value*.

For any items stated on the *Schedule* to be insured on a Day One Basis, Section 1.5 Underinsurance - Average shall be replaced by the following:

“Each item of *Property Insured* shall be separately subject to Average. Therefore, where a *Declared Value* has been notified to *Us* in relation to an individual item of *Property Insured* which has suffered *Damage*, the following condition of Average will apply:

If, at the time of *Damage*, the *Declared Value* for such item of *Property Insured* is less than the *Full Cost of Reinstatement* for that item, assessed at the time of inception of the *Period of Insurance*, *Our* liability shall not exceed that proportion of the actual *Cost of Reinstatement* which the *Declared Value* bears to the *Full Cost of Reinstatement* for that item.

Where a *Declared Value* has been notified to *Us* in relation to a category of *Property Insured* listed on the *Schedule* but no *Declared Value* has been notified for the individual items within that category, the following condition of Average will apply:

If, at the time of *Damage*, the *Declared Value* for that category of *Property Insured* is less than the *Full Cost of Reinstatement* for all items insured under the same category in the *Schedule*, assessed at the time of inception of the *Period of Insurance*, *Our* liability shall not exceed that proportion of the actual *Cost of Reinstatement* for the damaged item which the *Declared Value* bears to the total *Full Cost of Reinstatement* for all items insured under that category.”

Landlords' Non-Invalidation

If the *Premises* are not occupied by *You* and are let to a third party, then the following clauses will apply:

The Insurance provided by this Section shall not be invalidated or prejudiced by any conduct, act or omission of any tenant, licensee, lawful occupant or visitor to the *Premises*, unless giving rise to a change in the nature of the risk (Conditions Precedent 1. Change in the Nature of the Risk and New Activities and Processes, Page 89), that occurs without *Your* knowledge and by a cause beyond *Your* control always provided that *You* give *Us* immediate notice upon discovery of the change, and in any case no later than within 3 (three) working days.

This clause does not apply to the following obligations which remain your responsibility regardless of the terms of any lease or *Licence* under which the *Premises* are let;

- a) Electrical Certificates, (Conditions Precedent 4. – Pages 91-92)
- b) Sprinkler Maintenance, (Conditions Precedent 13. – Page 96)
- c) Flat Roofs, (Conditions Precedent 24. – Page 101)
- d) Gutters, (Conditions Precedent 27. – Page 102)
- e) Pipe and Tank Lagging (Conditions Precedent 7. – Page 93)
- f) *Premises* Maintenance (Conditions Precedent 9. – Page 93)

Following the receipt of notice from *You* in accordance with the above, *We* shall be entitled, solely at *Our* own option, to do any of the following;

- a) require payment of an additional *Premium* by *You*, and/or
- b) impose such further terms or conditions as *We* see fit as a condition of remaining on cover, or
- c) give immediate notice of cancellation.

1.9 AUTOMATIC EXTENSIONS TO COVER

(The following Extensions apply unless shown as otherwise on the *Schedule*.)

Capital additions

The *Buildings* insurance provided by this Section extends to the following capital additions:

- a) any newly acquired *Buildings* within the *Territorial Limits* which are not otherwise insured; and
- b) any alterations, additions and improvements to *Buildings*

acquired or made during the *Period of Insurance* at any of the insured *Premises*, provided that:

- a) the cover granted by this Extension shall last for a maximum period of 90 (ninety) days after the capital addition is acquired or made; and
- b) this Extension does not include cover for appreciation in value.

Our liability under this Extension is limited to £500,000 or 10% of the *Total Sum Insured* in respect of *Buildings*, whichever is the lower.

To obtain cover for a capital addition beyond the 90 (ninety) day period provided by this Extension *You* should provide *Us* with full details including the value of the capital addition and the date on which it was made. Upon receiving any additional *Premium* that *We* may require, *We* will then provide cover for the capital addition on the ordinary terms of this *Policy*.

If the capital addition includes works which go beyond what is permitted in the Workmen General Condition (12, Page 88), *You* must give *Us* notice in accordance with the Workmen General Condition (12, Page 88) and the provisions of that clause shall apply.

Customers' Goods

If cover is provided on the *Schedule* for *Stock*, then the insurance provided by this Section extends to any property which *You* hold on behalf of *Your* customers and for which *You* are responsible.

This Extension shall not apply until all other valid and collectible insurance in respect of such property has been exhausted.

Our liability under this Extension is limited to £10,000 in the aggregate during the *Period of Insurance* unless specified otherwise on the *Schedule*.

Deterioration of Food

The insurance of *Stock* is extended to include *Damage* to foodstuffs contained in refrigeration cabinets or compartments at the *Premises* by deterioration or putrefaction during the *Period of Insurance* caused by:-

- a) a rise or fall in the temperature within the refrigeration cabinets or compartments as a result of:-
- (i) breakdown, stoppage or failure from any inherent cause of the refrigeration appliance;
 - (ii) action of refrigeration fumes escaping from the refrigeration appliance;
 - (iii) loss of refrigerant from the refrigeration appliance;
 - (iv) failure of the public supply of electricity and/or gas other than as excluded as below.
- b) Accidental leakage of refrigerant or refrigerant fumes from the refrigeration appliance.

The indemnity provided by this Section is subject to all the other terms of this Section and to the Limits, Terms, Conditions and Exclusions of the *Policy* more generally.

Our liability for all claims under this Extension during the *Period of Insurance* shall be limited to £2,500 in respect of any one claim during the *Period of Insurance* unless specified otherwise on the *Schedule*.

It is a **condition precedent** to *Our* liability under this Extension that;

- a) any refrigeration appliance which at the commencement of the *Period of Insurance* is more than 5 (five) years old is the subject of an annual maintenance agreement with a suitably qualified engineer, and
- b) any such appliance has been inspected and serviced by such an engineer within the 12 (twelve) month period prior to the incidence of any *Damage* covered by this Extension, and
- c) written records have been and will continue to be kept to prove that such inspection and servicing has been carried out and will be available for inspection on demand, and
- d) *Damage* to the foodstuffs has been certified by the issue of a Condemnation Certificate by the relevant public authority under current legislation.

We will not indemnify *You* for loss or *Damage* resulting from:-

- a) failure of the public electricity and/or gas supply services for a period of 30 (thirty) consecutive minutes or less.
- b) failure of the public electricity and/or gas supply services due to any deliberate act of a public supply undertaking not performed for the sole purpose of safeguarding life or protecting any part of the public supply undertakings systems or any scheme of rationing not necessitated solely by accidental *Damage* to the public supply undertaking's generating or supply equipment.

Drains

The insurance provided by this Section extends to any reasonable costs and expenses of cleaning drains, sewers or gutters for which *You* are legally responsible and which *You* incur as a direct result of *Damage* to insured *Buildings* caused by an *Insured Peril*.

Our liability under this Extension is limited to £5,000 in respect of any one item and £10,000 in the aggregate during the *Period of Insurance* unless specified otherwise on the *Schedule*.

Fire Extinguishment Expenses

The insurance provided by this Section extends to any reasonable costs and expenses of:

- a) refilling fire extinguishing appliances;
- b) recharging halon gas and CO2 flooding systems;
- c) replacing used sprinkler heads;
- d) refilling sprinkler tanks where water costs are metered; and/or
- e) re-setting fire and intruder alarms

which *You* incur as a direct result of *Damage* to *Property Insured* caused by an *Insured Peril* and with *Our* consent.

Our liability under this Extension is limited to £5,000 in respect of any one claim during the *Period of Insurance* unless specified otherwise on the *Schedule*.

Glass

The insurance provided by this Section extends to include breakage of *Glass* at the *Premises* as specified in the *Schedule* including;

- a) The reasonable cost of boarding up rendered necessary by such breakage
- b) The reasonable cost of repairing or replacing window frames and framework consequent upon the breakage of *Glass*
- c) The reasonable cost of refitting alarm foil consequent upon the breakage of *Glass*.

Our liability under this Extension does not cover;

- a) The amount of the *Excess* specified in the *Schedule*
- b) Consequential loss of any kind or description except as stated herein to the contrary
- c) Any breakage arising directly or indirectly from: -
 - i) alterations or repairs to the *Premises* or occurring whilst the *Premises* are empty or not in use
 - ii) defects in frames, framework or other fittings.
- d) Glass (other than fixed *Glass* as defined), china, earthenware, marble or other fragile or brittle objects.

Provided that *Our* liability under this Extension is limited to £5,000 in respect of any one claim during the *Period of Insurance* unless specified otherwise on the *Schedule*.

Landscaped Areas

If, following *Damage* caused by an *Insured Peril* to the *Property Insured*, the emergency services attending the *Premises* cause *Damage* to landscaped areas and/or ornamental features at the *Premises* for which *You* are legally responsible, *We* will cover any reasonable costs and expenses of replacing or reinstating those features which *You* incur with *Our* consent.

Our liability under this Extension is limited to £25,000 in respect of any one loss during the *Period of Insurance* unless specified otherwise on the *Schedule*.

Locks

If keys to any *Premises* insured by this Section are lost or stolen from the *Premises* or from the home of an authorised *Keyholder* (provided that where the keys relate to a safe or strong room they were not left on the *Premises* outside *Your* normal *Business Hours*), *We* will cover any reasonable costs and expenses of replacing the corresponding locks to the external doors or safe or strong-room of those *Premises* which *You* incur with *Our* consent.

Our liability under this Extension is limited to £5,000 for any one loss during the *Period of Insurance* unless specified otherwise on the *Schedule*. No *Excess* shall apply.

Loss of Metered Water

The insurance provided by this Section extends to the cost of any metered water which is accidentally lost as a direct result of *Damage* to *Property Insured* caused by an *Insured Peril* provided that:

- a) such loss is determined by measurement from the Water Authority's meter;
or
- b) the Water Authority demands excess water charges.

Our liability under this Extension is limited to £5,000 in the aggregate during the *Period of Insurance* unless specified otherwise on the *Schedule*.

Rent Payable

The insurance under this Section is extended to cover *Rent Payable*, provided that *We* will not pay for any amount which *You* would not have been obliged to pay had *You* exercised any rent cessor clause, or similar provisions discharging *You* from liability to pay rent, contained in *Your* lease at the earliest opportunity.

The amount payable under this Extension shall not exceed:

- a) the proportion of the *Sum Insured* for Rent that the period necessary for reinstatement bears to the term of rent covered as listed on the *Schedule*, and in any event;
- b) £10,000 for *Rent Payable* unless specified otherwise on the *Schedule*.

Sanitary Fittings

The insurance provided by this Section extends to include breakage of *Sanitary Fittings* at the *Premises* as specified in the *Schedule* including;

- a) The reasonable cost of boarding up rendered necessary by such breakage
- b) The reasonable cost of repairing or replacing frames and framework consequent upon the breakage of *Sanitary Fittings*

Our liability under this Extension does not cover;

- a) The amount of the *Excess* specified in the *Schedule*
- b) Consequential loss of any kind or description except as stated herein to the contrary
- c) Any breakage arising directly or indirectly from: -
 - iii) alterations or repairs to the *Premises* or occurring whilst the *Premises* are empty or not in use
 - iv) defects in frames, framework or other fittings.

provided that *Our* liability under this Extension is limited to £5,000 in respect of any one claim during the *Period of Insurance* unless specified otherwise on the *Schedule*.

Stock Debris Removal Costs

If *Stock* is shown as insured on the *Schedule*, *We* will indemnify *You* for the reasonable and necessary costs and expenses which *You* incur with *Our* consent in removing debris of *Stock* which has sustained *Damage* by an *Insured Peril*.

We will not pay for costs or expenses:-

- a) Incurred in removing debris except from the site of *Damage* and the surface of the area immediately adjacent to such site;
- b) arising from pollution or contamination of property not insured by this Section.
- c) which are increased as a result of pollution or contamination of the *Stock* debris.

Our liability under this Extension shall not exceed £100,000 or 10% of the *Total Sum Insured* in respect of *Stock*, whichever is lower, in the aggregate during the *Period of Insurance* unless specified otherwise on the *Schedule*.

Temporary Removal

The insurance provided by this Section in respect of all categories of *Property Insured* except for category C *Stock* extends to any item of *Property Insured* which is removed from the *Premises* for cleaning, renovation, repair or similar purposes within the *Territorial Limits* (including while in *Transit*) provided that:

- a) the cover granted by this Extension shall last only for a period of 28 (twenty-eight) days, unless otherwise agreed by *Us*, following the removal of the item from the *Premises*;

- b) this Extension shall not apply until all other valid and collectible insurance applying to the item of *Property Insured* has been exhausted.

Our liability under this Extension is limited to £50,000 or 10% of the *Total Sum Insured* in respect of the category on the *Schedule* within which the item falls, whichever is lower, in the aggregate during the *Period of Insurance* unless specified otherwise on the *Schedule*.

Damage to Buildings Caused by Theft or Attempted Theft

Where *Buildings* at the *Premises* are not insured, cover under this Section is extended to include *Damage* caused by Theft or Attempted Theft (but excluding *Damage* caused by fire or explosion in furtherance of Theft or Attempted Theft) to windows, doors, locks, gates, intruder alarms and other protections provided for the security of the *Premises*.

Our liability under this Extension is limited to £10,000 in the aggregate during the *Period of Insurance* unless specified otherwise on the *Schedule*.

Trace and Access

In the event of insured *Damage* during the *Period of Insurance* resulting from escape of water or fuel oil from any tank, apparatus or pipe, *We* shall pay costs necessarily and reasonably incurred by *You* in locating the source of the *Damage*, and in the subsequent repair of the *Damage* caused as a consequence of locating the source of the *Damage*.

Our liability under this Extension is limited to £15,000 in the aggregate during the *Period of Insurance* unless specified otherwise on the *Schedule*.

SECTION 2 - BUSINESS INTERRUPTION

SECTION DEFINITIONS

The following Section Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section they should also be read in conjunction with the General Definitions on Pages 106-116. In the event of any inconsistency, the Section Definitions shall prevail.

Accountant's Fees -

Necessary and reasonable fees payable to *Your* professional accountants (being Professional Accountants acting as such for *You* at the time the *Property Insured* suffered *Damage*) for producing such particulars or details contained in *Your* books of account or other *Business* documents or such other proofs, information or evidence as maybe required by *Us* .

Annual Rent Receivable

The Rent Receivable for the *Premises* or the relevant portion of the *Premises* during the 12 (twelve) months immediately preceding the *Damage*.

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 amount of the opening stock, work in progress and the *Specified Working Expenses*.

The amounts of the opening and closing stock and work in progress shall be arrived at in accordance with *Your* normal accountancy methods, due provision being made for depreciation. For the purposes of this Section only, the definition of *Stock* in the General Definitions shall not apply.

Estimated Gross Profit/Estimated Gross Revenue

Your assessment of the Gross Profit/Gross Revenue which *The Business* will earn during the *Period of Insurance*.

Gross Revenue

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

Indemnity Period

The period beginning with the *Occurrence* of *Damage* and ending when the results of *The Business* cease to be affected in consequence of the *Damage* but not exceeding the maximum *Indemnity Period* specified in the *Schedule*

Loss of Rent Indemnity Period

The period during which *You* are unable to recover full rent from *Your* tenant(s) due to the *Premises* being unfit for occupation, in whole or in part, as a direct result of *Damage* to *Property Insured* at the *Premises* occurring during the *Period of Insurance*, but not exceeding the maximum *Indemnity Period* specified in the *Schedule*.

Rent Receivable

The money paid or payable to *You* by way of rent for accommodation provided in the course of *The Business* at the *Premises*.

Specified Working Expenses

- a) purchases (less discounts received)
- b) discounts allowed
- c) carriage, packing and freight
- d) bad debts; and
- e) any other expenses specified in the *Schedule* which have been agreed by *Us* in writing.

Standard Rent Receivable

The amount of rent actually received by *You* for the period, immediately prior to the *Damage*, of equivalent duration to the *Loss of Rent Indemnity Period*, once the latter has been ascertained.

Turnover

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

Annual Turnover

The *Turnover* during the 12 (twelve) months immediately before the date of the *Damage*

Annual Gross Revenue

The *Turnover* or *Gross Revenue* (whichever applies) during the 12 (twelve) months immediately before the date 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 12 (twelve) months immediately before the date of the *Damage* which corresponds with the *Indemnity Period*

Standard Gross Revenue

The *Turnover* or *Gross Revenue* (whichever applies) in the 12 (twelve) months immediately before the date of the *Damage* appropriately adjusted where the *Indemnity Period* exceeds 12 (twelve) months



to which such adjustments shall be made as may be necessary to provide for the trend of *The Business* and for variations in or other circumstances affecting *The Business* either before or after the *Damage* or which would have affected *The Business* had the *Damage* not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the *Damage*, would have been obtained.

COVER

In the event that *Your Business* is interrupted during the *Period of Insurance* as a direct consequence of:

Damage:

- caused during the *Period of Insurance*
- by any of the *Insured Perils* as stated in the *Schedule*
- to *Property Insured* by this *Policy*
 - which is used by *You* at the *Premises*
 - for the purposes of *The Business*.

We will pay *You* an indemnity in accordance with whichever one or more of sections 2A (Loss of Gross Profit), 2B (Loss of Gross Revenue), 2C (Increase in Cost of Working), 2D (Additional Increase in Cost of Working) and/or 2E (Loss of Rent Receivable) is expressed in the *Schedule* to apply.

We will never pay more than the *Sum Insured* or *Limit of Indemnity* applicable to the Section under which the claim is made. However, in some cases further restrictions will apply which are set out within the Section.

The indemnity provided by Sections 2A, 2B, 2C, 2D and/or 2E (including their Extensions) is subject to the Limits, Terms, Conditions and Exclusions of this Section and of the *Policy* more generally. In the event of any inconsistency, the terms of this Section shall prevail.

SECTION 2A - LOSS OF GROSS PROFIT

(Only applicable if specified in the *Schedule*)

BASIS OF INDEMNITY

The amount payable under this Section shall be the sum of:

a) **Reduction in Turnover:** The sum produced by applying the *Rate of Gross Profit* to the amount by which the *Turnover* during the *Indemnity Period* falls short of the *Standard Turnover* as a result of the *Damage*;

AND

b) **Increase in Cost of Working:**

The additional expenditure necessarily and reasonably incurred during the *Indemnity Period* for the sole purpose of avoiding or diminishing the Reduction in Turnover which would otherwise have taken place during the *Indemnity Period* as a result of the *Damage*, but not exceeding the amount of *Gross Profit* saved thereby.

AND

c) **Accountants' Fees:**

LESS

Any sum saved during the *Indemnity Period* in respect of any charges and expenses of *The Business* payable out of *Gross Profit* which cease or diminish in consequence of the *Damage*.

LIMIT OF INDEMNITY

Our total liability for all claims under Section 2A shall be limited to the *Sum Insured* for loss of *Gross Profit* stated in the *Schedule*.

UNDERINSURANCE

If the *Sum Insured* for loss of *Gross Profit* stated in the *Schedule* is less than the sum produced by applying the *Rate of Gross Profit* to the *Annual Turnover* (or to a proportionately increased multiple thereof where the maximum *Indemnity Period* exceeds 12 (twelve) months) *Our* liability shall be that proportion of the amount payable under the Basis of Indemnity which the *Sum Insured* bears to the sum produced by applying the *Rate of Gross Profit* to the *Annual Turnover* (or to a proportionately increased multiple thereof where the maximum *Indemnity Period* exceeds 12 (twelve) months).

DISALLOWED ITEMS

If, when calculating the *Sum Insured* under this Section, *You* have deducted from *Turnover* any item or items which do not fall within the scope of the *Specified Working Expenses* then *We* will only indemnify *You* for that portion of the Increase in Cost of Working which the *Gross Profit* less such item or items bears to the *Gross Profit*.

Opening and Closing Stock

The amounts of the opening and closing stock and work in progress shall be arrived at in accordance with *Your* normal accountancy methods, due provision being made for depreciation.

SECTION 2B - LOSS OF GROSS REVENUE

(Only applicable if specified in the *Schedule*)

BASIS OF INDEMNITY

The amount payable under this Section shall be the sum of:

- a) **Reduction in Gross Revenue** : the amount by which the *Gross Revenue* during the *Indemnity Period* falls short of the *Standard Gross Revenue* as a result of the *Damage*;

AND

- b) **Increase in Cost of Working** : the additional expenditure necessarily and reasonably incurred during the *Indemnity Period* for the sole purpose of avoiding or diminishing the loss of *Gross Revenue* which would otherwise have taken place during the *Indemnity Period* as a result of the *Damage* , but not exceeding the amount of *Gross Revenue* saved thereby;

AND

- c) **Accountants' Fees**

LESS

Any sum saved during the *Indemnity Period* in respect of any charges and expenses of *The Business* payable out of *Gross Revenue* which cease or diminish in consequence of the *Damage*.

LIMIT OF INDEMNITY

Our total liability for all claims under Section 2B shall be limited to the *Sum Insured* for loss of *Gross Revenue* stated in the *Schedule*.

UNDERINSURANCE

If the *Sum Insured* for loss of *Gross Revenue* stated in the *Schedule* is less than the *Annual Gross Revenue* (or to a proportionately increased multiple thereof where the maximum *Indemnity Period* exceeds 12 (twelve) months) the amount payable shall be reduced proportionately.

SECTION 2C - INCREASE IN COST OF WORKING – STAND-ALONE PROTECTION

(Only applicable if specified in the *Schedule*)

BASIS OF INDEMNITY

We will pay *You* the additional expenditure necessarily and reasonably incurred during the *Indemnity Period* for the sole purpose of avoiding or diminishing the *Loss of Gross Revenue* which would otherwise have taken place during the *Indemnity Period* as a result of the *Damage*, provided that the amount payable shall not exceed the amount of *Gross Revenue* thereby saved.

In addition, *We* will indemnify *You* in respect of *Accountant's Fees*.

LIMIT OF INDEMNITY

Our total liability for all claims under Section 2C shall be limited to the *Sum Insured* as specified in the *Schedule* and in any event shall not exceed:

- a) for the first 3 (three) months following the date of *Damage*, 50% of the *Sum Insured* under this Section; and
- b) for each month thereafter until the end of the maximum *Indemnity Period*, 10% of the *Sum Insured* under this Section.

SECTION 2D - ADDITIONAL INCREASE IN COST OF WORKING

(Only applicable if specified in the *Schedule*)

INDEMNITY

The amount payable under this Section shall be the additional expenditure necessarily and reasonably incurred during the *Indemnity Period* in order to continue *The Business* as if the *Damage* had not occurred.

In the event that *You* have also purchased cover under Section 2A or 2B, the indemnity payable under this section shall not include any expenditure recoverable under Section 2A, Basis of Indemnity clause b) or 2B, Basis of Indemnity clause b).

LIMIT OF INDEMNITY

Our total liability for all claims under Section 2D shall be limited to the *Sum Insured* as specified in the *Schedule* and in any event shall not exceed:

- a) for the first 3 (three) months following the date of *Damage*, 50% of the *Sum Insured* under this Section; and
- b) for each month thereafter until the end of the maximum *Indemnity Period*, 10% of the *Sum Insured* under this Section.

SECTION 2E - LOSS OF RENT RECEIVABLE

(Only applicable if specified in the *Schedule*)

BASIS OF INDEMNITY

The amount payable under this Section shall be:

- a) **Reduction in Rent Receivable:** the amount by which the *Rent Receivable* by *You* during the *Loss of Rent Indemnity Period* falls short of *Standard Rent Receivable* as a result of the *Damage*;

AND

- b) **Increase in Cost of Working:** the additional expenditure necessarily and reasonably incurred during the *Loss of Rent Indemnity Period* for the sole purpose of avoiding or diminishing the Reduction in *Rent Receivable* which would otherwise have taken place during the *Loss of Rent Indemnity Period* as a result of the *Damage* , but not exceeding the amount of *Rent Receivable* saved thereby;

AND

- c) **Accountant's Fees:**

LESS

Any sum saved during the *Loss of Rent Indemnity Period* in respect of any charges and expenses of *The Business* payable out of the *Rent Receivable* which cease or diminish in consequence of the *Damage*.

LIMIT OF INDEMNITY

Our total liability for all claims under Section 2E shall be limited to the *Sum Insured* for Reduction in *Rent Receivable* stated in the *Schedule*.

UNDERINSURANCE

If the *Sum Insured* for Reduction in *Rent Receivable*, as stated in the *Schedule*, is less than the total *Annual Rent Receivable* (or a proportionately increased multiple thereof where the maximum *Indemnity Period* exceeds 12 (twelve) months), the amount payable shall be reduced proportionately.

STANDARD CLAUSES

1) Clauses which are always applicable to Sections 2A and 2B

a) Accumulated Stocks

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in *Turnover* due to *Damage* is postponed by reason of the *Turnover* being temporarily maintained from accumulated stocks of finished goods on *Your Premises*.

b) Alternative Trading

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

c) Departmental Clause

If *The Business* is conducted in departments, the independent results of which are ascertainable, the *Rate of Gross Profit* shall apply separately to each department affected by the *Damage*.

d) Salvage Sale

If, following *Damage* giving rise to a claim under this Section, *You* shall hold a salvage sale during the *Indemnity Period* in respect of the *Property Insured* which was subject to the *Damage*, Section 2A, Basis of Indemnity clause a) (Reduction in *Turnover*) shall, for the purposes of such claim, read as follows:-

"Reduction in Turnover: The sum produced by applying the *Rate of Gross Profit* to the amount by which the *Turnover* during the *Indemnity Period* (less the *Turnover* attributable to the salvage sale) shall, in consequence of the *Damage*, fall short of the *Standard Turnover*, from which sum shall be deducted the *Gross Profit* actually attributable to the salvage sale."

e) Undefined Terms

Any undefined words or expressions used in this Section shall have the meaning usually attached to them in *Your* books and accounts.

f) VAT

To the extent that *You* or *Your Business* are accountable to the tax authorities for Value Added Tax, the indemnity provided under this *Policy* shall be exclusive of such tax.

2) Clauses which are always applicable to sections 2A, 2B and 2E

Reinstatement of *Sums Insured*

Unless *We* have notified *You* that *We* will not be reinstating the *Sums Insured* under Section 1 of this *Policy*, upon notification of a claim under sections 2A, 2B or 2E, *We* will immediately

reinstate the *Sum Insured* under that section, provided that *You* pay any additional *Premium* required by *Us* (both under Section 1 and under this Section) and that *You* comply with any measures required by *Us* in accordance with Section 1.7 Standard Clauses.

3) Clauses which are always applicable to sections 2A, 2B, 2C, 2D and 2E

a) Fines, Damages and Liability

No fines, penalties or liabilities incurred by *You* or *Damages* payable by *You* shall be recoverable under this Section or included in any calculation for the purposes of assessing the indemnity payable under this Section.

b) Payment on Account

Claim payments on account, on any basis *We* deem appropriate, will be made to *You* during the Indemnity Period, if requested. Such payments shall be repaid by *You* if subsequently they are found not to have been payable.

c) First Twelve Month Trading

In the event of a claim under Section 2 caused by *Damage* occurring before the completion of the first 12 (twelve) months trading of *Your Business* at the *Premises*, any terms in this *Policy's* Financial Definitions section referring to income and outgoings during a prior period of 12 (twelve) months, or prior financial year, shall be adjusted so as to apply to the income and outgoings during the period from commencement of *Your Business* to the date of such *Damage*.

OPTIONAL CLAUSE APPLICABLE TO SECTIONS 2A AND 2B

(Operative only if stated in the *Schedule*)

1. Declaration-linked cover

At the inception of each *Period of Insurance* You shall provide Us with the *Estimated Gross Profit* or *Estimated Gross Revenue* (as applicable) instead of a *Sum Insured*. In the absence of such declaration, the last amount declared by You shall be taken to continue.

Notwithstanding any other provision of this *Policy*, Section 2A, *Limit of Indemnity* or Section 2B, *Limit of Indemnity* (as applicable) shall be replaced with the following:

“Our total liability for all claims under this Section shall be limited to 133⅓% of the *Estimated Gross Profit* or 133⅓% of the *Estimated Gross Revenue* (as applicable) stated in the *Schedule*.”

Notwithstanding any other provision of this *Policy*, Section 2A, Underinsurance, or Section 2B, Underinsurance (as applicable) shall be deleted and replaced with the following:

Section 2A

“If the sum produced by applying the *Rate of Gross Profit* to the *Annual Turnover* (or to a proportionately increased multiple thereof where the maximum *Indemnity Period* exceeds 12 (twelve) months) is greater than 200% of the *Estimated Gross Profit* the amount payable shall be reduced proportionately. However, nothing in this clause shall prevent Us from avoiding this *Policy* if the *Estimated Gross Profit* has not been calculated in good faith.”

Section 2B

“If the *Annual Gross Revenue* (or a proportionately increased multiple thereof where the maximum *Indemnity Period* exceeds 12 (twelve) months) is greater than 200% of the *Estimated Gross Profit* the amount payable shall be reduced proportionately. However, nothing in this clause shall prevent Us from avoiding this *Policy* if the *Estimated Gross Revenue* has not been calculated in good faith.”

Not later than 6 (six) months after the expiry of each *Period of Insurance*, You shall provide to Us a declaration confirmed by Your auditors or professional accountants of the *Gross Profit* or *Gross Revenue* (as applicable) earned during the financial year most nearly concurrent with the *Period of Insurance*. In the absence of such a declaration, the most recent *Estimated Gross Profit* or *Estimated Gross Revenue* provided by You shall be deemed to be the declared *Gross Profit* or declared *Gross Revenue*. Where You have declared a *Gross Profit* or *Gross Revenue*, the following calculation will be used to calculate the additional or return *Premium*:

- a) If the declared *Gross Profit/Gross Revenue* is less than the *Estimated Gross Profit/Estimated Gross Revenue* for the *Period of Insurance*, We shall make a pro-rata return of *Premium* up to 25% of the total *Premium* charged on the *Estimated Gross Profit*.

- b) If the declared *Gross Profit/Gross Revenue* is greater than the *Estimated Gross Profit/Estimated Gross Revenue* for the *Period of Insurance*, *You* shall pay a pro-rata addition to the *Premium* charged on the *Estimated Gross Profit*.

If any claim has been made under this Section during the *Period of Insurance*, *We* shall increase the declared *Gross Profit/Gross Revenue* to reflect any indemnity which *You* have claimed or received under Sections 2A or 2B.

Please note: the figure that must be declared will not necessarily be the same as the figure in *Your* accounts for gross profit or gross revenue. The figure declared must be calculated by reference to the definitions of *Gross Profit* or *Gross Revenue* appearing in this *Policy*.

AUTOMATIC EXTENSIONS APPLICABLE TO SECTIONS 2A , 2B AND 2C

Our liability under any extension or combination of extensions shall not exceed, in respect of any one event during the *Period of Insurance*, 10% of the *Sum Insured* under Section 2 or £100,000, whichever is the lower amount, unless otherwise stated on the *Schedule*. For the avoidance of doubt if the Declaration-linked cover clause is operative only the monetary limits shall apply.

1. Damage to property not insured under Section 1

Any *Damage* caused by an *Insured Peril* occurring during the *Period of Insurance* which is specified below in an applicable extension shall be deemed to be *Damage to Property Insured* by this *Policy* used by *You* at the *Premises* for the purpose of *The Business* and as a consequence be covered under Section 2 .

a) Failure of Public Supply

Damage to Property Insured at any land-based site or facility within the *Territorial Limits* from which *You* obtain electricity, gas, water or telecommunications services within the United Kingdom, the Channel Islands or the Isle of Man which causes the immediate failure of these incoming services at *Your Premises* unless caused by:

- i) the deliberate act of any supply authority or by the exercise by any such authority of its power to withhold or restrict supply;
- ii) any industrial action; or
- iii) drought or any scheme of rationing unless necessitated solely by physical damage to a part of the authority's property.

This Extension does not cover loss arising from any cause unless the duration of the failure exceeds 4 (four) hours.

b) Prevention of Access

Damage to any property in the immediate vicinity of the *Premises* within a 1 (one) mile radius which prevents or hinders *Your* use of the *Premises*, whether the *Premises* shall be damaged or not.

2. Denial of access

The Insurance under Section 2 is extended to include loss which results directly from the interruption of or interference with *Your Business* at the *Premises* in consequence of the closing of or denial of access to the whole or part of the *Premises* by the order of a competent Public Authority.

Our liability under this Extension shall be limited to 3 (three) months starting with the date of the order of a competent Public Authority.

OPTIONAL EXTENSIONS APPLICABLE TO SECTIONS 2A , 2B AND 2C

(The Extensions below are applicable only if specified in the *Schedule*)

Our liability under any extension or combination of extensions shall not exceed, in respect of any one event during the *Period of Insurance*, 10% of the *Sum Insured* under Section 2 or £100,000, whichever is the lower amount, unless otherwise stated on the *Schedule*. For the avoidance of doubt if the Declaration-linked cover clause is operative only the monetary limits shall apply.

1. **Damage to property not insured under Section 1**

Any *Damage* caused by an *Insured Peril* occurring during the *Period of Insurance* which is specified below in an applicable extension shall be deemed to be *Damage to Property Insured* by this *Policy* used by *You* at the *Premises* for the purpose of *The Business* and as a consequence be covered under Section 2 .

a) **Contract Sites**

Damage to any site in the United Kingdom, the Channel Islands or the Isle of Man, not in *Your* occupation, where *You* are carrying out a contract.

b) **Damage in the Vicinity**

Damage to any property in the immediate vicinity of the *Premises* which causes loss of amenities in that vicinity and from which *You* suffer loss of custom, whether the *Premises* shall be damaged or not.

c) **Exhibition Sites**

Damage to any site in the United Kingdom, the Channel Islands or the Isle of Man which is not in *Your* occupation and where *You* are exhibiting *Your* goods for sale.

d) **Property Stored**

Damage to *Your* property whilst stored within the *Territorial Limits* and outside *Your Premises*.

e) **Specified Customers**

Damage to any site, facility or location occupied by any of *Your* customers listed in the *Schedule*, for the purposes of their *Business*.

f) **Specified Suppliers**

Damage to any site, facility or location occupied by any of *Your* suppliers listed in the *Schedule* for the purposes of their *Business*.

g) Unspecified Customers

Damage to any site, facility or location occupied by any of *Your* direct customers, for the purposes of their *Business*, within the *Territorial Limits*.

We shall not be liable under this Extension for *Damage* occurring:

- i. at the *Premises* or at any site, facility or location which is wholly or partly occupied by *You* and where *Your* property is stored; or
- ii. at any site, facility or location of any customer of *Your* direct customers.

h) Unspecified Suppliers and Storage Sites

Damage to any site, facility or location, within the *Territorial Limits*, occupied by any of *Your* direct suppliers.

For the purposes of this Extension, a direct supplier shall include a manufacturer or processor of components, goods or materials who trades directly with *You* and shall exclude any supplier with whom *You* trade via an intermediary, broker or agent.

We shall not be liable under this Extension for *Damage* occurring:

- i. at the *Premises* or at any site, facility or location which is wholly or partly occupied by *You* and where *Your* property is stored; or
- ii. at the site or facility of any supply undertaking from which *You* obtain electricity, gas or water or telecommunication service.
- iii. at any site, facility or location of any supplier of *Your* direct suppliers.

i) Transit

Damage to *Your* property within the *Territorial Limits* whilst in transit by road, rail or inland waterway.

We shall not be liable under this Extension for *Damage* arising from impact to, or collision with, the conveying road or rail vehicle or waterborne craft.

2. Infectious Diseases/ *Death*

The Insurance under Section 2 is extended to include loss which results directly from the interruption of or interference with *Your Business* at the *Premises* in consequence of:

- a) *Notifiable Human Disease* manifested by any person whilst at the *Premises*;
- b) an outbreak of a *Notifiable Human Disease* within the *Territorial Limits*;
- c) injury or illness sustained by any guest arising from, or traceable to, foreign or injurious matter in food or drink provided on the *Premises*;

- d) murder or suicide occurring at the *Premises*;
- e) closing of the whole or part of the *Premises* by the order or on the advice of a competent Public Authority as a result of:-
 - i. defects in the drains or other sanitary arrangements in the *Premises*; or
 - ii. the *Premises* becoming infested with vermin or pests.

Provided that *You* have complied fully with all statutory requirements in force at the time of the incident relating to the maintenance of the *Property* or the cleanliness or hygiene of the *Property* or any activities taking place there.

Our liability under this Extension shall be limited to 3 (three) months starting with the date of discovery of the matters at a) to d) above or, in the case of e), with the closure of the *Premises*.

SECTION 2F – BOOK DEBTS

COVER AND BASIS OF INDEMNITY

In the event that:

- a) *Your* books of account or other *Business* books or records at the *Premises* suffer *Damage* by any of the *Insured Perils* specified in the *Schedule*, AND
- b) In consequence thereof, *You* are unable to trace or establish the *Outstanding Debit Balances* in whole or in part due to *You*; then,

We will indemnify *You* for the amount of loss resulting from such *Damage* but not exceeding the total of:

- 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 *Our* consent in tracing and establishing customers' debit balances after *Damage*
- c) the reasonable charges paid by *You* to *Your* professional accountants for producing information required by *Us* in investigating or verifying a claim under this Section.

LIMIT OF INDEMNITY

Our liability in respect of this Section shall not exceed the *Sum Insured* shown in the *Schedule*.

EXCESS

We shall not indemnify *You* for the amount of the *Excess* specified in the *Schedule*. The *Excess* shall not be reduced in the event that the Underinsurance clause set out below applies to *Your* claim.

UNDERINSURANCE

If the *Sum Insured* by this Section is less than the *Outstanding Debit Balances* the amount payable shall be proportionately reduced.

CONDITIONS PRECEDENT

1. Records

It is a **condition precedent** to *Our* liability under this Section that:-

- a) *You* shall maintain an up-to-date written monthly record of the total *Outstanding Debit Balances*, which clearly shows the amounts owed by each customer, and keep a copy at a location other than the *Premises*.
- b) In the case of computerised records or books of account *You* shall back up the data

weekly to an off-site data storage facility.

2. **Fire Resisting Safes**

It is a **condition precedent** to *Our* liability under this Section that *Your* books of account or other *Business* books or records in which *Outstanding Debit Balances* are shown shall be kept in fire resisting safes or fire resisting cabinets when not in use. This **condition precedent** shall not apply to books of account or other *Business* books or records, which have been removed from the *Premises*.

EXCLUSIONS

See also General Exclusions. The Insurance by this Section does not cover loss occasioned by or happening through:-

- a) Deliberate falsification of *Business* records by any person.
- b) Mislaying or misfiling of tapes and records.
- c) The dishonesty or connivance of any of *Your Employees*.
- d) Accidental loss and/or deletion and/or corruption of computer data.

SECTION 3A - MONEY

COVER

We agree to indemnify *You* against:-

- a) Loss of *Non-Negotiable Items* from any cause not otherwise excluded up to a limit of £250,000 in the aggregate during the *Period of Insurance* whilst within the *Territorial Limits*;
- b) Loss of *Money* from any cause whilst in:-
 - i) The *Premises* during *Business Hours* whilst the *Money* is not in a locked safe or strong room or attended, up to a limit of £500;
 - ii) The *Premises* during *Business Hours* whilst in a locked safe or strong room, up to the limit in the *Schedule*;
 - iii) The *Premises* outside *Business Hours* contained in a locked drawer or cash box up to a limit of £250;
 - iv) The *Premises* outside *Business Hours* contained in unspecified locked safes, provided that the keys or any record of the safe combination have been removed from the *Premises* and are held in the personal custody of an authorised *Insured Person* up to the limit in the *Schedule*;
 - v) The *Premises* outside *Business Hours* contained in locked safes or strong rooms, the details of which have been notified to and agreed by *Us*, provided that the keys or any record of the safe combination have been removed from the *Premises* and are held in the personal custody of an authorised *Insured Person* up to the limit in the *Schedule* ;
 - vi) *Your* private dwelling and in *Your* personal custody, or the private dwelling and personal custody of an *Insured Person*, outside *Business Hours* up to a limit of £250.
 - vii) In a gaming, amusement, vending or change machine specifically listed on the *Schedule* up to the limit in the *Schedule*;
 - viii) In *Transit* within the *Territorial Limits* (subject to compliance with the **Condition Precedent**, 1 g), below) up to the limit in the *Schedule*;
 - ix) In a Bank Night-safe within the *Territorial Limits* up to the limit in the *Schedule*.
- c) The cost of repair or replacement in the event of loss or destruction of, or *Damage* to safes, strong rooms, tills, cash registers, franking machines and special money-carrying cases if loss, destruction or *Damage* results from theft or attempted theft of *Money* or *Non-Negotiable* items.

The indemnity provided by this Section is subject to all the other terms of this Section and to the Limits, Terms, Conditions and Exclusions of the *Policy* more generally. In the event of any inconsistency, the terms of this Section shall prevail.

EXCESS

We shall not indemnify *You* for the amount of the *Excess* specified in the *Schedule*.

CONDITIONS PRECEDENT

(These conditions precedent are always applicable to this Section)

- 1 It is a **condition precedent** to *Our* liability that:
- a) any till or cash register on the *Premises* shall be left open, empty and unlocked outside of *Business Hours*;
 - b) any till or cash register on the *Premises* shall be kept locked if left unattended during *Business Hours*;
 - c) a daily record shall be kept of all *Money* in *Transit* and on the *Premises* and that such record shall be deposited in a safe place other than in the safes or place containing the *Money*;
 - d) whenever the office, room or area in which a safe or strong room containing *Money* is situated becomes unattended, the safe(s) and/or strongroom(s) are kept locked and the keys (including any duplicates) of the safe(s) and/or strongroom(s) are removed from the *Premises* or kept on the person of an authorised *Insured Person* [but shall not apply to Cover b) i)].
 - e) *You* shall give immediate notice to the organisation which issued the card upon becoming aware of the loss of any credit card.
 - f) *You* shall give immediate notice to the Police upon discovery of any loss which gives rise to a claim under this Section and provide to *Us* the crime reference number.
 - g) Where *Negotiable Items* with a value in excess of £2,500 are in *Transit* the items will be escorted at all times as follows:

<u>Amount in Transit</u>	<u>Minimum Escort</u>
£2,500 - £5,000	Two able-bodied adults
£5,001 - £7,500	Three able-bodied adults
£7,501 - £10,000	Four able-bodied adults
£10,001 and over	Security Company approved by the Security Industry Authority (SIA) on their SIA Approved Contractor Scheme (ACS)

EXCLUSIONS

See also General Exclusions. Section 3(A) does not cover:-

- a) Shortages from accounting errors, other clerical errors or omissions or mysterious or unexplained disappearances.
- b) Loss due to the fraud or dishonesty of any *Employee* or member of their or *Your* family:-
 - i) not discovered within 14 (fourteen) working days of its *Occurrence*; or

- ii) more specifically insured by any other insurance or insurances except in respect of any loss beyond the amount payable under such other insurance or insurances.
- c) Loss of *Money* from:-
 - i) gaming, amusement, vending or change machine unless specifically listed in the *Schedule*
 - ii) unattended vehicles.
- d) Loss or *Damage* arising elsewhere than in the *Territorial Limits*.
- e) loss resulting directly or indirectly from forgery, fraudulent alteration or substitution, or fraudulent use of a computer or electronic equipment.
- f) loss resulting directly or indirectly from the use of any form of payment which proves to be counterfeit, false, invalid, uncollectible, or irrecoverable for any reason.
- g) loss of *Money* whilst in the custody of any security company employed by *You* unless specifically mentioned as included up to a limit of liability as stated in the *Schedule* and the security company is as agreed by *Us*.

SECTION 3B - ASSAULT

COVER

If, whilst engaged in *Your Business*, any *Insured Person* shall, during the *Period of Insurance*, sustain *Bodily Injury* as a direct result of malicious attack or assault or attempted attack or assault by any person stealing or attempting to steal *Money* insured by this Section then *We* will pay the *Insured Person* or *their* personal representatives as the case may require the sum or sums set out in the following Table of Benefits.

	Benefit
a) <i>Death</i>	£10,000
b) <i>Loss of Sight</i>	£10,000
c) <i>Loss of Limb</i>	£10,000 per limb
d) <i>Permanent Total Disablement</i>	£10,000
e) <i>Medical Expenses</i>	£1,000
f) <i>Damage</i> to clothing and personal effects belonging to an <i>Insured Person</i>	£500 per person
g) <i>Temporary Total Disablement</i> (up to the maximum number of weeks specified in the <i>Schedule</i>)	£100 per week

The indemnity provided by this Section is subject to all the other terms of this Section and to the Limits, Terms, Conditions and Exclusions of the *Policy* more generally. In the event of any inconsistency, the terms of this Section shall prevail.

LIMIT OF LIABILITY

Our liability under Section 3B - Assault for any one *Insured Person* shall not exceed the sums set out in the Table of Benefits.

CONDITIONS PRECEDENT

1. It is a **condition precedent** to the validity of any claim under this Section that:-
 - a) In the event of any *Bodily Injury* to an *Insured Person*, the *Insured Person* must place themselves under the care of a fully qualified medical practitioner and act upon such medical or surgical advice as is given as soon as reasonably possible, and in any case within 3 (three) working days.
 - b) *You* shall notify *Us* within 7 (seven) days of the incident giving rise to the claim providing all necessary details and obtain at his or her own expense any medical report(s) as may be required by *Us*.

- c) The *Insured Person* shall at *Our* request submit themselves to medical examination at *Our* expense as often as *We* deem necessary.
2. It is a **condition precedent** to the validity of any claim under this Section that no compensation shall be payable until the period of disablement has been determined and (where temporary) ceased.
3. It is a **condition precedent** to the validity of any claim under this Section notwithstanding anything to the contrary in **Condition Precedent 2** above, *We* may at *Our* discretion pay any Compensation due at intervals in arrears.
4. It is a **condition precedent** to the validity of any claim under this Section compensation will only be paid by *Us* on production of a medical certificate, report or other such written evidence from a qualified medical practitioner.
5. It is a **condition precedent** to the validity of any claim under this Section the *Insured Person* agrees to reimburse *Us* in the event that they subsequently elect to bring a claim against *You* which falls within the cover provided by this Section.

EXCLUSIONS

See also General Exclusions. Section 3B - Assault does not provide indemnity:-

- a) For *Death, Bodily Injury* or disablement caused or contributed to by or arising from any pre-existing defect, infirmity, illness or disease;
- b) Under more than one item of a) to d) in the Table of Benefits set out above in connection with the same incident except that if any personal injury is payable under item d) it shall be deducted from any amounts subsequently paid under items a), b) or c);
- c) If the *Insured Person* has bought or initiated a claim against *You* which would or might fall within the cover provided under Section 7.

SECTION 4 - GOODS IN TRANSIT

SECTION DEFINITIONS

The following Section Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section they should also be read in conjunction with the General Definitions on pages 106-116. In the event of any inconsistency, the Section Definitions shall prevail.

Goods

Goods belonging to *You* or for which *You* are legally responsible, which are contained in one or a number of parcels, packages or containers or in bulk sent at one time in one load from one address to another in the course of *The Business*.

Vehicle

A mechanically driven conveyance designed for use on the road, including trailers whether temporarily attached or temporarily detached from the *Vehicle* during the course of *Transit*.

Our liability under this Section shall not exceed the *Limit of Liability* specified in the *Schedule*.

COVER

If, during the *Period of Insurance*, *Goods* suffer loss of or *Damage* from any cause (unless excluded below) which occurs within the *Territorial Limits* during the *Period of Insurance* whilst the *Goods* are:-

- a) Being transported in or on any *Vehicle* operated by *You* for the purposes of *The Business* or by a haulier or commercial carrier or courier.
- b) Being transported by rail.
- c) Consigned to a postal service.
- d) Being loaded or unloaded for the purposes of transport as set out at (a) or (b) above.

We will, at *Our* sole option, either:

- i) pay *You* the *Amount of Damage* or the *Replacement Cost* of the *Goods* at the time of the *Damage*, whichever is the lower, or
- ii) reinstate, repair or replace the *Goods* of any part of them that has suffered *Damage*.

The indemnity provided by this Section is subject to all the other terms of this Section and to the Limits, Terms, Conditions and Exclusions of the *Policy* more generally. In the event of any inconsistency, the terms of this Section shall prevail.

We will also indemnify *You* for the following:

- a) Additional costs necessarily incurred in

- i) transferring the *Goods* to another conveyance and/or delivering/returning such property to its original destination/place of dispatch if any *Vehicle* is disabled as a result of fire, collision or overturning;
- ii) re-loading on to any *Vehicle* any of the *Goods* fallen from such *Vehicle*;
- iii) breaking up or dismantling any parcels or packages containing *Goods* or unloading any containers in which *Goods* were being transported, consequent on *Damage* to the *Goods* covered by this Section.
- iv) removing debris of *Goods* consequent upon *Damage* to the *Goods* covered by this Section;

up to a limit of £10,000 for each of (i) to (iv).

b) Loss of or *Damage* which occurs to:-

- i) sheets, tarpaulins, ropes, toggles, chocks, chains, skips and trolleys whilst carried in the course of *Transit* by any *Vehicle* up to an amount not exceeding £1,000 any one loss.
- ii) personal property belonging to the driver whilst carried in any *Vehicle* conveying *Property Insured* in the course of their employment up to an amount not exceeding £500.

EXCESS

We will not indemnify *You* for the amount of the *Excess* specified in the *Schedule*.

CONDITIONS PRECEDENT

1. It is a **condition precedent** to *Our* liability that:
 - a) *You* shall maintain *Your Vehicles* in an efficient and roadworthy condition - ensuring that they are suitable for the purpose for which they are to be used;
 - b) *You* exercise reasonable care in the selection of *Employees* (always obtaining references) and in providing instruction to and adequate supervision of *Employees*;
 - c) *You* exercise reasonable care in the packaging, labelling and addressing of the *Goods*;
 - d) *You* comply with regulations imposed by any lawful authority.
2. No claims shall be payable by *Us* for which no proof of dispatch is provided.

EXCLUSIONS

See also General Exclusions. The Insurance by this Section does not cover:-

1. Loss or destruction of or *Damage* resulting from theft or attempted theft from any unattended *Vehicle*: -
 - a) between the hours of 6.00 am and 10.00 pm unless all doors, windows and other points of access have been closed and locked and any security devices correctly set to operate and all keys to doors, ignition or other services removed.
 - b) between the hours of 10.00 pm and 6.00 am unless the *Vehicle* is housed in a securely locked building of substantial construction or a compound which has secure walls and/or fences and securely locked gates, and all doors, windows and other points of access have been closed and locked and any security devices correctly set to operate and all keys to doors, ignition or other services removed.
2. Unless specified otherwise in the *Schedule*: -
 - a) *Money*,
 - b) deeds, bonds, documents, manuscripts, *Business* books, computer system records.
 - c) patterns, models, moulds, plans or designs.
 - d) wines, spirits, tobacco, cigars, cigarettes.
 - e) radios, televisions, DVD players, videos, computers, games consoles and other electrical audio/video/entertainment equipment.
 - f) furs, jewellery, watches, precious stones, precious metals or bullion.
 - g) livestock
 - h) explosives or goods of a dangerous nature (including, but not limited to, acids, chemicals and gases) as defined in the current standard conditions of the Road Haulage Association.
 - i) property dispatched on FOB terms.
 - j) *Damage* to property conveyed in a refrigerated, frozen, chilled or insulated condition as a result of deterioration unless otherwise stated in the *Schedule* to this Section.
3. Unless specified otherwise in the *Schedule*, Loss of or *Damage* caused by:-
 - a) denting, scratching, bruising, vibration, wear and tear, gradual deterioration, contamination, depreciation, mildew, vermin, insects, inherent vice or nature of the *Goods*.

- b) normal atmospheric conditions where the *Goods* are on an open vehicle or trailer unless such property shall have been adequately and properly protected.
- c) mechanical/electrical breakdown, failure or derangement unless exterior *Damage* first occurred to the *Goods*.
- d) delay, loss of market inventory shortages, mysterious or unexplained disappearances or any consequential loss of any kind.
- e) Packing which was inadequate to withstand normal handling during *Transit*.
- f) Loss from a soft topped, open topped, open sided *Vehicle* caused by Theft or Attempted Theft (unless the vehicle is stolen at the same time) or *Damage* caused by Storm whilst the *Goods* are being transported or stored in or on such a *Vehicle*.
- g) Theft or Attempted Theft of goods from open backed, soft sided or soft topped vehicles or trailers.
- h) The dishonesty of any person to whom goods have been entrusted.

SECTION 5 - LOSS OF LICENCE

COVER

In the event that during the *Period of Insurance*:-

- a) A *Licence* granted in respect of any *Premises* specified in the *Schedule* is suspended or forfeited pursuant to the provisions of the appropriate legislation governing such *Licence*; or,
- b) Renewal of any such *Licence* is refused after due application to the appropriate authority

AND

Such suspension, forfeiture or refused renewal is occasioned by reasons beyond *Your* control then *We* will indemnify *You* in accordance with the Basis of Indemnity clause set out below.

The indemnity provided by this Section is subject to all other terms of this Section and the Limits, Terms, Conditions and Exclusions of the *Policy* more generally. In the event of any inconsistency, the terms of this Section shall prevail.

BASIS OF INDEMNITY

We will pay *You* an indemnity calculated as follows:-

- a) The depreciation in value of *Your* interest in the *Premises*, or *The Business* by reason of forfeiture of or refusal to renew the *Licence* up to an amount not exceeding the *Sum Insured* stated in the *Schedule*;
- b) The costs and expenses incurred by *You* with *Our* prior written consent in connection with any appeal against the suspension, forfeiture of or renewal or refusal to renew the *Licence*;

PROVIDED THAT

To the extent that *You* are entitled to obtain the payment of compensation under the provisions of any statute or statutory instrument or regulation in respect of the suspension of, forfeiture of or refusal to renew the *Licence*, the amount of indemnity payable by *Us* shall be reduced by the amount of compensation which *You* are entitled to receive under the provisions of any statute or statutory instrument or regulation.

EXCESS

We shall not indemnify *You* for the amount of the *Excess* specified in the *Schedule*.

CONDITIONS PRECEDENT

1. It is a **condition precedent** to the validity of any claim under this Section that:

You shall notify *Us* in writing immediately, but no later than within 3 (three) working days, and supply such additional information and give assistance as *We* may reasonably require if *You* become aware of any

 - a) complaint against *The Business* and /or *Premises*.
 - b) proceedings against or conviction of the *Licence* holder, manager or tenant or occupier of *The Business* and/or *Premises* for any breach of any relevant licencing law or regulation or any other matter whatsoever where the character or reputation of the person concerned is affected or called into question with respect to their honesty moral standing or sobriety
 - c) change in the tenancy or management of *The Business* and/or *Premises*
 - d) transfer or proposed transfer of the *Licence*
 - e) alteration in the purpose for which the *Premises* is used
 - f) objection to renewal or other circumstances which may endanger the *Licence* or its renewal.
2. It is a **condition precedent** to the validity of any claim under this Section that in the event of *Death*, bankruptcy or incapacity or desertion of the *Premises* or conviction for any offence (where such conviction affects the character or reputation of the convicted person with respect to his honesty moral standing or sobriety) of the *Licence* holder tenant manager or occupier *You* will where practicable and at *Our* request provide a suitable person to replace him and one to whom the *Licence* will be transferred or a new *Licence* will be granted by way of renewal.
3. It is a **condition precedent** to the validity of any claim under this Section that in the event of the *Licence* being forfeited or refused renewal *You* must
 - a) give notice in writing to *Us* within 48 (forty-eight) hours of receiving knowledge of such event stating the grounds upon which the *Licence* was forfeited or refused renewal;
 - b) give all assistance *as We* may require for the purpose of an appeal against such forfeiture or refusal to renew and allow *Our* solicitors and *Us* full discretion in the conduct of such proceedings;
 - c) apply if practicable and if required by *Us* for the grant of such new *Licence* for the same or alternative *Premises* as may enable *You* to continue *The Business* in a similar or alternative form;
 - d) provide a statement of *Your* loss if any together with such documents statements and accounts as may be reasonably required by *Us* to verify the same and also if required by *Us* make a statutory declaration as to the truth accuracy and comprehensiveness thereof and give *Us* free access to the *Premises* and the books

and accounts of *The Business* as may be necessary for ascertaining the value of any loss.

EXCLUSIONS

See also General Exclusions. This Section does not cover:-

- a) The refused renewal, suspension or forfeiture of the *Licence* arising directly or indirectly from any scheme of town or country planning, improvement or redevelopment, compulsory purchase or from any alteration of the law affecting the grant, surrender, refusal to renew, suspension or forfeiture of licenses.
- b) The forfeiture of or refusal to renew the *Licence* if occasioned wholly or partly by *Your* criminal act or a criminal act of the owner, manager or any of *Your Employees*.
- c) Any suspension of, forfeiture of or refusal to renew the *Licence* be occasioned wholly or partly by or through *Your* misconduct or procurement or connivance or neglect or omission or by any omission by *You* to take any step necessary for keeping the *Licence* in force.

SECTION 6 – ALL RISKS – SPECIFIED ITEMS

COVER

In the event of loss of or *Damage to Property Insured* which is specified in the *Schedule* and occurs within the *Territorial Limits* *We* will indemnify *You* against All Risks of accidental physical loss or *Damage* occurring during the *Period of Insurance* in accordance with the Basis of Indemnity Clause set out below.

BASIS OF INDEMNITY

We will, at *Our* own option **either**:

- a) Pay *You* the *Amount of Damage* or the *Replacement Cost* at the time of the *Damage*, whichever is the lower.

Or

- b) Reinstate, repair or replace the item or any part of it which is damaged.

LIMIT OF LIABILITY

Our liability in respect of any item insured shall not exceed the specified *Sum Insured* shown in the *Schedule*.

EXCESS

We shall not indemnify *You* for the amount of the *Excess* specified in the *Schedule* which *Excess* shall not be reduced pro-rata in the event that the Underinsurance Clause set out below is applicable.

UNDERINSURANCE

If at the time of *Damage* the *Sum Insured* of any particular item specified in the *Schedule* be less than the *Replacement Cost* of that item *Our* liability shall not exceed that proportion of the *Amount of Damage* which the *Sum Insured* bears to the *Replacement Cost* of that item.

EXCLUSIONS

This section does not cover:

- a) *Damage* caused by or consisting of scratching or denting or other cosmetic deterioration
- b) *Damage* caused by breakage of articles of a brittle nature (to include *Glass* but not jewellery).
- c) *Damage* caused by change in temperature, colour, flavour, texture or finish or taint
- d) *Damage* caused by electrical or magnetic disturbance or erasure of electronic recordings

- e) *Damage* caused by acts of fraud or dishonesty (not including theft)
- f) *Damage* caused by unexplained disappearance, unexplained shortage, inventory shortage, misfiling or misplacing of information or clerical error
- g) *Damage* caused by climatic or atmospheric conditions or extremes of temperature.
- h) *Damage* caused by cleaning, servicing, repair or any other similar process
- i) *Damage* caused by the over-winding or internal *Damage* of clocks and/or watches.
- j) *Damage* more specifically insured under any other insurance.

SECTION 7 – EMPLOYERS’ LIABILITY

SECTION DEFINITIONS

The following Section Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section. They should also be read in conjunction with the General Definitions on pages 106-116. In the event of any inconsistency, the Section Definitions shall prevail.

The following definitions shall mean:

- Injury:** physical or psychiatric injury or illness including *Death* or disease.
- Territorial Limits:**
- 1 United Kingdom
 - 2 Any other member country of the European Union
 - 3 Elsewhere in the world in respect of *Injury* caused by or arising from non-manual activities of any *Employee of Yours* normally resident within the United Kingdom and occurring during any *Business* journey or temporary visit.
- Offshore:** from the point of embarkation onto a conveyance at the point of final departure to an offshore rig offshore platform or offshore installation until disembarkation from a conveyance onto land following return from an offshore rig offshore platform or offshore installation.

COVER

We will indemnify *You* against *Injury* caused during the *Period of Insurance* to any *Employee* arising out of and in the course of their employment by *You* occurring within the *Territorial Limits* for

- 1 all sums which *You* shall become legally liable to pay as *Damages* and *Claimant’s Costs* and expenses in connection with *The Business* (as defined in the *Schedule* of this *Policy*)
- 2 all costs and expenses incurred with *Our* written consent in respect of a claim against *You* to which the indemnity expressed herein applies
- 3 the payment of solicitors’ fees incurred with *Our* written consent for the representation of *You* at proceedings in any court arising out of any alleged act or omission resulting in a claim which may be the subject of indemnity hereunder or at any Coroner’s Inquest or Fatal Accident Inquiry

Provided that

- 1 *Our* Limit of liability shall not exceed the sum stated in the *Schedule*
- 2 when any Acts regulations or legislation stated herein have been amended or replaced this Section of the *Policy* shall automatically refer to the amended or replaced Acts regulations or legislation

3 the indemnity granted by this Section is deemed to be in accordance with the provisions of law relating to compulsory insurance of liability to *Employees* but *You* shall repay to *Us* all sums paid by *Us* which *We* would not have been liable to pay but for the provisions of such law

subject to the terms Additional Exclusions and Conditions of this Section and the General Exclusions limitations and Conditions of the *Policy*.

ADDITIONAL EXCLUSIONS

This Section shall not apply to any liability:

Motor insurance: for which compulsory motor insurance or security is required under any road traffic legislation within the European Community.

Offshore: arising from *Injury* in connection with work or visits *Offshore*.

ADDITIONAL CONDITIONS

Asbestos: Any loss, *Damage*, cost or expense directly or indirectly arising out of, resulting as a consequence of, or related to the use of or exposure to asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss shall not exceed the inner Limit of liability as defined within the *Schedule*.

Contribution: *We* will not indemnify *You* where cover is provided by or would but for the existence of this Section of the *Policy* be insured by any other policy or section except in respect of any excess beyond the amount payable under such other policy or section or which would have been payable under such other policy or section had this Section of the *Policy* not been effected.

Costs inclusive: *Our* liability in respect of all *Damages* payable together with

- 1 costs and expenses recoverable by any claimant from *You*
- 2 costs and expenses incurred by *Us* or by *You* with the written consent of *Us*
- 3 the solicitors' fees incurred by *Us* for the representation at any Coroner's Inquest or Fatal Accident Inquiry or for defending any proceedings in any court of summary jurisdiction

shall not exceed the Limit of liability stated in the *Schedule*.

Discharge of liability: *We* may pay to *You* the maximum sum payable under this Section in respect of any one *Occurrence* or lesser sum for which the claim or claims arising from such *Occurrence* can be settled and *We* shall not

be under any further liability in respect of that *Occurrence* except for payment of costs and expenses of litigation incurred prior to such payment.

Limit of liability:

Our liability for all *Damages* payable for any one claimant or number of claimants in respect of or arising out of any one *Occurrence* or all *Occurrences* of a series consequent on one original cause shall not exceed the sum stated in the *Schedule* as the Limit of liability or any inner limit.

ADDITIONAL COVERAGES

The following Additional Coverages shall be subject otherwise to the terms Additional Exclusions and Conditions of this Section and the General Exclusions limitations and Conditions of the *Policy*.

The Additional Coverages stated below shall not increase *Our* Limit of liability stated within the *Schedule* for this Section.

The insurance by this Section extends to cover:

- Additional insured parties:**
- 1 any director partner or *Employee*
 - 2 any officer member voluntary helper or *Employee* of *Your* canteen social sports and welfare organisation or first aid security fire or ambulance services
 - 3 any director or senior official of *You* in their private capacity arising out of work undertaken for them by *Employees* at *Your* request

Compensation for court attendance:

any director partner or *Employee* attending court as a witness at *Our* request in connection with a claim in respect of which *You* are entitled to indemnity under this Section *We* will provide compensation to *You* up to the following rates per day on which attendance is required

- | | | |
|---|---------------------------------------|------|
| 1 | any director or partner of <i>You</i> | £250 |
| 2 | any <i>Employee</i> | £100 |

Data Protection Act:

Your liability to pay compensation in respect of damage or distress under Section 13 of the Data Protection Act 1998 including *Defence Costs* and expenses

Provided that

- 1 an offence is first committed by *You* during the *Period of Insurance*

- 2 this Additional Coverage shall not apply in respect of
 - (a) the cost of replacing reinstating rectifying or erasing any personal data
 - (b) claims which arise out of circumstances notified to previous insurers or known to *You* at inception of this insurance
 - (c) liability for which indemnity is provided under any other insurance
- 3 *You* are registered under the Data Protection Act 1998 or have applied for such registration which has not been refused or withdrawn
- 4 *You* have taken all reasonable care to comply with the provisions of the Data Protection Act 1998
- 5 *Our* Limit of liability for such Additional Coverage shall be limited to £250,000 any one offence.

Death:

in the event of *Your Death* *Your* personal representatives in respect of legal liability incurred by *You* provided that such representative shall act as though they were *You*.

Health and Safety at Work Act 1974:

- at the request of *You* any director or *Employee* against
- 1 the legal fees or expenses incurred by a solicitor with *Our* written consent in defending any such person
 - 2 prosecution costs which a director or *Employee* may be ordered to pay by a Court

in respect of a prosecution brought under the Health and Safety at Work Act 1974 for an offence first committed during the *Period of Insurance* arising to any person other than a person employed by *You* irrespective of whether *Injury* or *Damage* to material property has been caused and/or no other valid and collectible insurance policy exists which covers the same risk or part thereof.

Provided that

- a) in the event of any dispute arising between a director or *Employee* and *Us* as to whether a prosecution should be defended or an appeal made such dispute shall be referred to a Queen's Counsel as arbitrator to be mutually agreed between the director or *Employee* and *Us* (or failing agreement to be nominated by the President of the Law Society) whose decision shall be final

- b) *Our* Limit of liability for such Additional Coverage shall be limited to £250,000 any one offence
- c) no other valid and collectable insurance policy exists which covers the same risk or part thereof.

Indemnity to principals:

any principal as though they were also *You* in respect of liability arising out of *Injury* resulting from the performance of work by *You* but solely insofar as is necessary to meet the requirements of any contract or agreement entered into for the performance of such work.

Provided that the principal shall observe fulfil and be subject to the terms Exclusions and Conditions of this Section and General Conditions of the *Policy*.

Motor vehicle contingent liability:

You in respect of *Injury* to an *Employee* if at the relevant time the *Employee* is

- 1 travelling as a passenger in or on any motor vehicle
- 2 entering any motor vehicle
- 3 alighting from any motor vehicle

which is neither the property of or provided by *You* but which is being used in connection with *The Business*

Provided that this Additional Coverage shall not apply in respect of any liability

- a) for *Injury*
 - i) to an *Employee* who is driving such a vehicle
 - ii) whilst such vehicle is being driven by *You*
 - iii) to an *Employee* in circumstances where such vehicle is being driven by any person who to *Your* knowledge does not hold a licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence.
- b) any liability arising from a vehicle being used outside of any member states of the European Union

- c) any liability in respect of which *You* are entitled to indemnity under any motor policy or other more specific insurance.

Terrorism:

Terrorism as stated in the *General Definitions* provided that *Our* Limit of liability for such Additional Coverage shall not exceed the inner limit stated in the *Schedule*.

Unsatisfied court judgements:

judgements for *Damages* being obtained by an *Employee* in respect of *Injury* caused during the *Period of Insurance* and arising out of and in the course of their employment in *The Business* against any company or individual in any court and remaining unsatisfied in whole or in part 6 (six) months after the date of such judgement *We* will pay to the *Employee* or the personal representatives of the *Employee* at *Your* request 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 Additional Coverage the *Employee* or the personal representatives of the *Employee* shall assign the judgement to *Us*.

SECTION 8 – PUBLIC AND PRODUCTS LIABILITY

SECTION DEFINITIONS

The following Section Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section they should also be read in conjunction with the General Definitions on pages 106-116. In the event of any inconsistency, the Section Definitions shall prevail.

The following definitions shall mean:

- Injury:** physical or psychiatric injury or illness including *Death* or disease.
- Territorial Limits:** anywhere in the world.
- Product:** any commodity article goods or item manufactured sold supplied installed erected repaired altered or treated by *You* and no longer in the custody or under the control of *You* or any *Employee* but excluding food and/or drink supplied for consumption whilst on *Your Premises*.

COVER

We will indemnify *You* in respect of all sums that *You* shall become legally liable to pay as *Damages* and *Claimant's Costs* and expenses arising out of accidental

- 1 *Injury* to any person except to any *Employee* where such injury arises out of and in the course of their employment
- 2 *Damage* to material property not belonging to or in the custody or under the control of *You* or any *Employee*
- 3 obstruction trespass nuisance or interference with any easement right of air light water or way

occurring during the *Period of Insurance* in connection with *The Business* within the *Territorial Limits*

Provided that *Our* Limit of liability shall not exceed the sums stated in the *Schedule*.

In addition *We* shall also indemnify *You* for

- (a) all costs and expenses incurred with the written consent of *Us* in respect of a claim against *You* to which the indemnity expressed herein applies
- (b) the payment of solicitors' fees incurred with *Our* written consent for representation of *You* at proceedings in any court arising out of any alleged act or omission resulting in a claim which may be the subject of indemnity hereunder or at any Coroner's Inquest or Fatal Accident Inquiry

subject to the terms Additional Exclusions and Conditions of this Section and the General Exclusions limitations and Conditions of the *Policy*.

ADDITIONAL EXCLUSIONS

This section shall not apply to liability or indemnity:

Advice and professional negligence:

arising out of the provision of or failure to provide instruction advice information or professional service whether or not a fee is involved. This exclusion shall not apply in respect of instruction advice or information which is provided or which should be provided in connection with a *Product*.

Aircraft/watercraft Products:

arising from any *Product* which is incorporated in or could affect the operation or safety of

- 1 any aircraft or aero-spatial or aerial device or other craft intended to travel through air or space
- 2 watercraft.

Asbestos:

directly or indirectly arising out of, resulting as a consequence of, or related to the use of or exposure to asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss

Contractual liability:

that has been assumed under a contract or agreement and would not have attached in the absence of such contract or agreement.

Damage to Owned and Tenanted Premises:

in respect of *Damage* to *Premises* owned or tenanted by *You*, leased to hired by on loan to held in trust by or otherwise in *Your* care custody or control caused by fire, the spread of fire and/or explosion.

Damage to Products supplied:

in respect of

- 1 loss or *Damage* to any *Product*
- 2 the costs of recalling withdrawing removing replacing repairing or inspecting any *Product*.

Defective workmanship:

arising from the cost of rectifying defective work carried out by or on *Your* behalf

Fines penalties and other Damages:

In respect of

- 1 the payment of any fines penalties or liquidated *Damages*
- 2 punitive or exemplary *Damages*.

Lead:

to actual or alleged *Bodily Injury, Property Damage*, or Advertising Liability arising out of the manufacture, distribution, sale, installation, removal, utilization, ingestion or inhalation of, or exposure to or existence of, as the case may be, lead in any form or *Products* containing lead.

Offshore work:

in respect of a visit to or work at or on any *Offshore* rig *Offshore* platform or *Offshore* installation or arising from transit by sea or by air to or from including embarkation and disembarkation.

Pollution:

arising out of pollution unless such pollution is caused by a sudden identifiable unintended and unexpected incident which occurs in its entirety at a specific time and place during the *Period of Insurance*

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

Our Limit of liability shall be as stated in the *Schedule* for any one *Occurrence* and in the aggregate in any one *Period of Insurance*.

Silica:

It is hereby understood and agreed that this *Policy* does not apply to actual or alleged Liability arising out of Silica, Silica fibre(s) or Silica Dust or any product(s) containing Silica, Silica fibre(s) or Silica Dust.

“Silica” means:

- i) The substance commonly known as Silica; and
- ii) Any substance or product which has the same or substantially similar chemical formulation, structure or function as Silica, by whatever name manufactured, formulated, structured, sold or distributed.

“Silica Dust” means:

- i) Dust comprising of Silica only; and
- ii) Dust comprising of Silica mixed with other dust of fibre(s) including, but not limited to, asbestos fibres.

It is hereby understood that to the extent any coverage may otherwise be provided under this *Policy* or any other of its *Endorsements*, the provisions of this exclusion will supersede.

Toxic mould:

in respect of *Injury* or *Damage* to material property arising from any mould or fungi or its spores bacteria yeasts mildew algae mycotoxins or any other metabolic products enzymes or protein secreted whether toxic or otherwise.

- Vehicles vessels or craft:** in respect of *Injury* or *Damage* to material property arising from the ownership possession or use by or on *Your* behalf of
- 1 any mechanically propelled vehicle used in circumstances where insurance or security is required by law or where indemnity is provided under any motor policy or other more specific insurance provided that this Exclusion shall not apply to
 - (a) the loading or unloading of any vehicle or trailer or delivery or collection of goods in connection with any vehicle or trailer
 - (b) such vehicle whilst the same is being used as a tool of trade
 - 2 any vessel or craft or oil rig made or intended to float on or in or travel through water or air or space or the loading or unloading of such vessel or craft other than
 - (a) any watercraft owned by others and used by *You* for *Business* entertainment
 - (b) non powered watercraft
 - (c) barges not exceeding 75 (seventy-five) tons capacity
 - (c) motor launches not exceeding twenty feet in length
 whilst on inland waterways.

ADDITIONAL CONDITIONS

Contribution: *We* will not indemnify *You* where cover is provided by or would but for the existence of this Section of the *Policy* be insured by any other policy or section except in respect of any excess beyond the amount payable under such other policy or section or which would have been payable under such other policy or section had this Section of the *Policy* not been effected.

Property Damage deductible: The amount payable under this Section in respect of each and every claim arising from *Damage* to material property shall be reduced by the amount shown in the *Schedule* as the *Excess*.

Bodily Injury deductible: The amount payable under this Section in respect of each and every claim arising from *Bodily Injury* shall be reduced by the amount shown in the *Schedule* as the *Excess*.

Worldwide jurisdiction:
(excluding USA/Canada)
The indemnity provided by this Section of the *Policy* shall apply to judgements of first instance against *You* in any Court in the World excluding judgements obtained in the Courts of the United States of America its territories or possessions or Canada or orders obtained in the said Courts for the endorsement of foreign judgements whether by way of reciprocal agreements or otherwise

The premium for this insurance has been calculated accordingly and no consideration has been paid in respect of liabilities arising under any other law or the jurisdiction of any other courts.

ADDITIONAL COVERAGES

(The following Additional Coverages shall be subject otherwise to the terms Additional Exclusions and Conditions of this Section and the General Exclusions limitations and Conditions of the Policy)

The Additional Coverages stated below shall not increase *Our* Limit of liability stated within the *Schedule* for this Section.

The insurance by this Section extends to indemnify:

Additional insured parties: at *Your* request

- 1 any director partner or *Employee*
- 3 any officer member voluntary helper or *Employee* of *Your* canteen social sports or welfare organisation or first aid security fire or ambulance service

whilst acting in their respective *capacities*

- 3 any director or senior official of *Yours* in their private capacity arising out of work undertaken for them by *Employees*.

Compensation for court attendance:

any director partner or *Employee* attending court as a witness at *Our* request in connection with a claim in respect of which *You* is entitled to indemnity under this Section *We* will provide compensation to *You* up to following rates per day on which attendance is required

- | | | |
|---|---|------|
| 1 | any director or partner of <i>Yours</i> | £250 |
| 2 | any <i>Employee</i> | £100 |

Consumer Protection Act 1987:

at *Your* request any director or *Employee* against

- 1 the legal fees or expenses incurred by a solicitor with *Our* written consent in defending any such person
- 2 prosecution costs which a director or *Employee* may be ordered to pay by a Court

in respect of a prosecution brought under Part II of the Consumer Protection Act 1987 for an offence committed during the *Period of Insurance* irrespective of whether *Injury* or *Damage* to material property has been caused.

Provided that

- (a) in the event of any dispute arising between a director or *Employee* and *Us* as to whether a prosecution should be defended or an appeal made such dispute shall be referred to a Queen's Counsel as arbitrator to be mutually agreed between the director or Employee of *You* and *Us* (or failing agreement to be nominated by the President of the Law Society) whose decision shall be final
- (b) *Our* Limit of liability for such Additional Coverage shall be £250,000 any one offence and shall operate over and above any more specific insurance held by *You*.

Cross liabilities:

where more than one party is named as *You* each party as though they were individually insured

Provided that

- 1 this Additional Coverage shall not apply to liability for which an indemnity is or would be granted but for the existence of this insurance under any Employers' Liability insurance
- 2 this Additional Coverage shall not apply to liability arising directly or indirectly in connection with *Damage to Premises* (including *Contents*) the occupancy of which is shared between two or more parties named as insured.

Custody or control:

Your liability for *Damage* to material property in the custody of or under *Your* control but solely in respect of

- 1 directors' *Employees'* or visitors' personal effects (including motor vehicles)
- 2 property at premises not owned leased hired or rented by *You* but in their temporary occupation or possession for the purpose of work therein or thereon except for the specific part of the premises or for material property which is being worked on
- 3 premises leased or rented to *You* provided that liability for such *Damage* is not assumed by *You* under agreement which would not have attached in the absence of such agreement.

Data Protection Act:

Your liability to pay compensation in respect of *Damage* or distress under Section 13 of the Data Protection Act 1998 including *Defence Costs* and expenses

Provided that

- 1 an offence is first committed by *You* during the *Period of Insurance*
- 2 this Additional Coverage shall not apply in respect of

- (a) the cost of replacing reinstating rectifying or erasing any personal data
 - (b) claims which arise out of circumstances notified to previous insurers or known to *You* at inception of this insurance
 - (c) liability for which indemnity is provided under any other insurance
- 3 *You* are registered under the Data Protection Act 1998 or have applied for such registration which has not been refused or withdrawn
- 4 *You* have taken all reasonable care to comply with the provisions of the Data Protection Act 1998
- 5 *Our* Limit of liability for such Additional Coverage shall be limited to £250,000 any one offence.

Death: in the event of *Your Death* *Your* personal representatives in respect of legal liability incurred by *You* provided that such representative shall act as though they were *You*.

Defective Premises Act 1972: *Your* against liability incurred by *You* by virtue of Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises Measure (Northern Ireland) Order 1975 in connection with premises disposed of by *You* excluding

- 1 any liability where *You* are entitled to indemnity under any other insurance
- 2 any claim for the cost of remedying any defect or alleged defect which if not remedied may result in liability to which the indemnity expressed in this Section applies
- 3 *Our* Limit of liability for such Additional Coverage shall be limited to £250,000.

Disability Discrimination Act 1996:

- at *Your* request any director or *Employee* against
- 1 the legal fees or expenses incurred by a solicitor with *Our* written consent in defending any such person
 - 2 prosecution costs which a director or *Employee* may be ordered to pay by a court

in respect of a prosecution brought under the Disability Discrimination Act 1996 for an offence committed during the *Period of Insurance* irrespective of whether *Injury* or *Damage* to material property has been caused

Provided that

- (a) in the event of any dispute arising between a director or *Employee* and *Us* as to whether a prosecution should be defended or an appeal made such dispute shall be referred to a Queen's Counsel as arbitrator to be mutually agreed between the director or *Employee* and

Us (or failing agreement to be nominated by the President of the Law Society) whose decision shall be final

- (b) *Our* Limit of liability for such Additional Coverage shall be limited to £250,000 any one offence
- (c) no other valid and collectable insurance policy exists which covers the same risk or part thereof.

Food Safety Act legal costs: *You* or at *Your* request any *Employee* director or partner of *Yours* against legal costs and expenses incurred with the *Our* prior approval in the defence of any criminal proceedings for breach of the Food Safety Act 1990 first brought during the *Period of Insurance* in the course of *The Business*

Provided that

- 1 this Additional Coverage shall not apply to proceedings consequent upon any deliberate act or omission
- 2 this Additional Coverage shall not apply to costs in respect of which *You* or *Your Employees* directors or partners are covered by any other policy of insurance
- 3 *Our* liability for such Additional Coverage shall be limited to £250,000 any one proceeding.

Health and safety at work Act 1974:

at *Your* request any director or *Employee* against

- 1 the legal fees or expenses incurred by a solicitor with *Our* written consent in defending any such person
- 2 prosecution costs which a director or *Employee* may be ordered to pay by a Court

in respect of a prosecution brought under the Health and Safety at Work Act 1974 for an offence first committed during the *Period of Insurance* arising to any person other than a person employed by *You* irrespective of whether *Injury* or *Damage* to material property has been caused and/or no other valid and collectible insurance policy exists which covers the same risk or part thereof.

Provided that

- (a) in the event of any dispute arising between a director or *Employee* and *Us* as to whether a prosecution should be defended or an appeal made such dispute shall be referred to a Queen's Counsel as arbitrator to be mutually agreed between the director or *Employee* and *Us* (or failing agreement to be nominated by the President of the Law Society) whose decision shall be final
- (b) *Our* Limit of liability for such Additional Coverage shall be limited to £250,000 any one offence

- (c) no other valid and collectable insurance policy exists which covers the same risk or part thereof.

Indemnity to principals:

any principal as though they were also *You* in respect of liability arising out of *Injury* or *Damage* to material property resulting from the performance of work by *You* but solely insofar as is necessary to meet the requirements of any contract or agreement entered into for the performance of such work

Provided that the principal shall observe fulfil and be subject to the terms exclusions and conditions of this Section and the General Conditions of the *Policy*.

Motor vehicle contingent liability:

You for *Injury* or *Damage* to material property arising from the ownership possession or use of mechanically propelled vehicles used in connection with the *Your Business* and that are neither the property of or provided by *You* nor being driven by *You* but only to the extent where there is no entitlement to indemnity under any motor policy or other more specific insurance

Provided that

- 1 *We* shall not be liable in respect of *Damage* to such vehicle or to goods conveyed therein or thereon and shall indemnify *You* and no other person hereunder
- 2 *We* shall not be liable whilst such vehicle is being driven by any person who to the knowledge of *You* does not hold a licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence.

Overseas personal liability:

the personal liability of any director or *Employee* or any member of the family of such director or *Employee* during temporary visits anywhere in the world in connection with *Your Business*

Provided that

- 1 this Additional Coverage shall not apply
 - (a) to legal liability arising directly from
 - (i) any agreement or contract unless liability would have existed otherwise
 - (ii) the ownership or occupation of land or buildings
 - (iii) the carrying on of any trade or profession
 - (iv) the ownership possession or use of fire arms (other than sporting guns) mechanically propelled vehicles craft designed to travel through air or space hovercraft watercraft or animals of dangerous species

- (v) *Damage* to material property owned or held in trust by any director or *Employee* or any member of the family of such director or *Employee*
 - (b) in respect of liability more specifically insured under any other insurance
 - (c) to legal liability for *Injury* to any member of the family of any director or *Employee* or to any *Employee* of any director or *Employee* or any member of the family of such *Employee*
- 2 any person indemnified under this Additional Coverage shall act as though they were *You* and observe fulfil and be subject to the terms provisions and conditions of this Section
- 3 *We* shall not be liable for such Additional Coverage unless *We* have the sole conduct and control of all claims.

ENDORSEMENTS

(The following shall be applicable if stated in the Specification as operative and shall be subject otherwise to the terms Additional Exclusions and Conditions of this Section and the General Exclusions limitations and Conditions of the Policy)

Inclusion of United States of America/Canada:

The insurance by this Section extends to indemnify occurrences happening in or claims or legal proceedings brought or originating in the United States of America/Canada or in any territory within their jurisdiction provided that

- 1 *Our* Liability in respect of all *Damages* payable together with
- (a) costs and expenses recoverable by any claimant from *You*
 - (b) costs and expenses incurred by *Us* or by *You* with the *Our* written consent
 - (c) the Solicitors' fees incurred with the *Our* written consent for representation at any Coroner's inquest or fatal accident inquiry or for defending any proceeding in any court of summary jurisdiction
- 2 shall not exceed the Limit of liability shown in the *Schedule* the amount payable under this *Endorsement* in respect of each and every claim shall be reduced by the amount shown in the *Schedule* as the *Excess*
- 3 *We* shall not be liable for any punitive or exemplary *Damages*
- 4 *We* shall not be liable for
- (a) any liability arising out of the discharge dispersal release or escape of smoke vapours soot fumes acids alkalis toxic chemicals liquids or gases waste materials or other irritants contaminants or

- pollutants into or upon land atmosphere or any water course or body of water
- (b) any cost or expense arising out of any governmental demand or request that *You* test for assess monitor clean up remove contain treat detoxify or neutralise any irritants contaminants or pollutants
- and *We* shall not have the duty to defend any claim or suit seeking to impose such costs expense liability for such *Damages* or any other relief.

We and *You* also agree that the premium for this inclusion will be calculated accordingly.

Property owners' liability restriction:

The insurance by this Section shall only indemnify *You* against all sums which *You* shall be legally liable to pay as *Damages* in respect of *Injury* or *Damage* to material property happening during the *Period of Insurance* and caused by any defect in the *Premises* or arising from the maintenance repair or decoration of the *Premises*

Provided that

- 1 *You* shall at all times ensure that all *Premises* to which this insurance applies are kept in good repair and if any defects be discovered by complaints from tenants or otherwise *You* shall forthwith cause such defects to be made good and in the meantime cause such temporary precautions to be taken as the circumstances may require
- 2 so far as is reasonably practicable no alteration or repair shall be made to *Premises* without *Our* consent after any accident has occurred in connection therewith until *We* have had an opportunity of inspecting such *Premises*.

Products Liability exclusion: This Section shall not apply to liability caused by or arising from *Products* other than food or drink sold or supplied for consumption on *Your Premises*

GENERAL EXCLUSIONS

These exclusions apply to all sections of the *Policy* unless stated otherwise below or in the *Schedule*. Other exclusions are contained within the Sections of the *Policy* where they apply.

1. Nuclear Energy Risks Exclusion

This *Policy* excludes Nuclear Energy Risks whether such risks are written directly and/or via Pools and/or Associations.

For the purposes of this *Policy*, Nuclear Energy Risks shall be defined as all first party and/or third party insurances in respect of:

- a) nuclear reactors and nuclear power stations or plant.
- b) any other premises or facilities whatsoever related to or concerned with:
 - (i) the production of nuclear energy or
 - (ii) the production or storage or handling of nuclear fuel or nuclear waste
- c) any other premises or facilities eligible for insurance by any local Nuclear Pool and/or Association.

2. Micro-Organism Exclusion

This *Policy* does not cover any loss, *Damage*, claim, cost, expenses or other sum directly or indirectly arising out of or relating to:

mould, mildew, fungus, spores or other micro-organism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless whether there is

- a) any physical loss or *Damage* to insured property;
 - i) any *Insured Peril* or cause, whether or not contributing concurrently or in any sequence;
 - ii) any one loss, occupancy or functionality; or
 - iii) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation or steps taken to address medical or legal concerns.

This exclusion replaces and supersedes any provision in this *Policy* that provides insurance, in whole or in part, for these matters.

GENERAL EXCLUSIONS

3. War and Civil War Exclusion

Notwithstanding anything to the contrary contained herein this *Policy* does not cover loss or *Damage* directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or *Damage* to property by or under the order of any government or public or local authority.

4. Contamination and Pollution Exclusion

- a) This *Policy* shall not cover any loss or *Damage* due to contamination, sooting, deposition, impairment with dust, chemical precipitation, poisoning, epidemic and disease including but not limited to foot and mouth disease, pollution, adulteration or impurification or due to any limitation or prevention of the use of objects because of hazards to health
- b) This Exclusion does not apply if such loss or *Damage* arises out of one or more of the following perils
 - Fire, Lightning, Explosion, Impact or Aircraft
 - Vehicle Impact, Sonic Boom
 - Accidental Escape of Water from any Tank Apparatus or Pipe
 - Riot, Civil Commotion, Malicious *Damage*
 - Storm, Hail
 - Flood, Inundation
 - Earthquake
 - Landslide, Subsidence
 - Pressure of Snow, Avalanche
 - Volcanic Eruption
- c) All other terms and conditions of the *Policy* shall be unaltered and especially the exclusions shall not be superseded by this clause.

5. Radioactive Contamination and Explosive Nuclear Assemblies Exclusion

This *Policy* does not cover:

- a) Loss or destruction of or *Damage* to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- b) Any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
 - i. Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - ii. The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof or any weapon or device employing atomic or nuclear fission and or fusion or other like reaction or radioactive force or matter.

GENERAL EXCLUSIONS

6. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the *Policy* or any *Endorsement* thereto and save to the extent provided below, it is understood and agreed as follows:

- a) Save only to the extent provided in paragraph (c) below, this *Policy* does not insure loss or *Damage* caused by or consisting of Electronic Data Loss

Electronic Data Loss means loss (including but not limited to physical loss), *Damage*, destruction, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to *Computer Virus* and/or the physical loss of the hardware and/or data-storage media and/or data-processing media on which the Electronic Data is stored) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

- b) However, in the event that an *Insured Peril* listed below results from Electronic Data Loss, this *Policy*, subject to all its terms, conditions and exclusions, will cover *Damage* occurring during the *Period of Insurance* to *Property Insured* by this *Policy* directly caused by such listed peril.

Listed Perils

Fire
Explosion

- c) In the event that Electronic Data storage medium insured by this *Policy* suffers *Damage* as a result of an *Insured Peril* specified in the *Schedule*, then the basis of valuation shall be the cost to repair, replace or restore such medium to the condition that existed immediately prior to the *Damage*, including the cost of reproducing any Electronic Data contained thereon, providing such medium is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed £50,000 any one *Occurrence*, incurred by *You* in recreating, gathering and assembling such Electronic Data. If the medium is not repaired, replaced or restored the basis of valuation shall be the cost of the blank medium. For the avoidance of doubt, the cover provided by this paragraph (c) does not insure any amount pertaining to the value of such Electronic Data to *You* or any other party, or any Consequential Loss arising directly or indirectly from Electronic Data Loss, even if the Electronic Data cannot be recreated, gathered or assembled.

7. Terrorism Exclusion

Notwithstanding any provision to the contrary within this insurance or any *Endorsement* thereto it is agreed that this insurance excludes loss, *Damage*, cost or expense of whatsoever nature directly or indirectly caused by, or resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and /or the threat thereof, of any person or groups(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or

GENERAL EXCLUSIONS

government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear.

This exclusion also excludes loss, *Damage*, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing or suppressing or in any way relating to any act of terrorism.

If *We* allege that by reason of this exclusion, any loss, *Damage*, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon *You*.

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

8. Asbestos Exclusion – (Applicable to Section 8 – Public and Products Liability only)

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

9. This *Policy* excludes loss or *Damage* consisting of, caused by, or arising from:

- a) corrosion, rust, wet or dry rot, inherent vice, latent defect, gradual deterioration, frost, any gradually operating cause, or wear and tear
- b) faulty or defective design, workmanship or the use of defective materials in the construction or manufacture of any *Property Insured*,
- c) shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects, mould or fungus
- d) (including due to power surge unless caused by an *Insured Peril*) mechanical or electrical breakdown, derangement, short-circuiting or overloading in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates
- e) settling, shrinkage or expansion of foundations, walls, floors, ceilings or roof settlement or bedding down of new structures or extensions, subsidence, groundheave, landslip or coastal erosion
- f) faulty manipulation
- g) nipple or 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
- h) *Damage* caused by operational error or omission by *You* and/or any of *Your Employees*
- i) *Damage* caused by pressure waves (including but not limited to sonic booms) from aircraft or aerial devices

save that *We* will provide an indemnity if *Damage*, that is not otherwise excluded by this *Policy*, is thereby caused to other items of *Property Insured*.

GENERAL EXCLUSIONS

10. This *Policy* excludes loss or *Damage* to property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection, whether or not the loss or *Damage* is caused by the work taking place.

11. **Consequential loss – (Not applicable to Section 7 – Employers’ Liability and Section 8 – Public and Products Liability)**

This *Policy* excludes consequential loss of any kind or description except as may be insured by the Extensions to Section 1 or by Section 2 (Business Interruption) of this *Policy*.

12. **Fines and Penalties – (Applicable to Section 8- Public and Products Liability only)**

This *Policy* excludes legal liability for fines or penalties of any kind or the costs of appeal against improvement or prohibition notices.

13. **More Specific Insurance – (Not applicable to Section 7 – Employers’ Liability and Section 8 - Public and Products Liability)**

This *Policy* excludes loss or *Damage* to any property more specifically insured by *You* or on *Your* behalf.

14. **Northern Ireland Overriding Exclusion Applicable to Insurances relating to Property in Northern Ireland Other than Private Dwellings – (Not applicable to Section 7 – Employers’ Liability and Section 8 - Public and Products Liability)**

Notwithstanding anything in this *Policy* or in any extensions thereof, it is hereby declared and agreed that as an exclusion overriding all other terms (including the nature and terms of perils insured against) this *Policy* does not cover loss or destruction of or *Damage* to any property in Northern Ireland or loss resulting therefrom caused by or happening through or in consequence of:

- (i) civil commotion
- (ii) any unlawful, wanton or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any Unlawful Association.

Note - "Unlawful Association" means any organisation which is engaged in Terrorism and includes an organisation which at any relevant time is a proscribed organisation within the meaning of the Northern Ireland (Emergency Provisions) Act 1973.

"Terrorism" means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear.

In any action, suit or other proceedings where *We* allege that by reason of the provisions of this exclusion any loss, destruction or *Damage* is not covered by this *Policy* the burden of proving that such loss, destruction or *Damage* is covered shall be upon *You*.

This overriding exclusion applies to this *Policy* and to any extensions thereof, whether such extensions be issued before or after this overriding exclusion except only if an extension be issued hereafter which expressly cancels this overriding exclusion.

GENERAL EXCLUSIONS

15. Sanctions Clause

We shall not be deemed to provide cover and shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payments of such claim or provision of such benefit would expose *Us* or *Our* employees to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, Australia, Bermuda, Singapore, Brazil or any other applicable jurisdiction.

CLAIMS PROCEDURE

1. *Your Obligations*

It is a **Condition Precedent** to *Our* liability under this *Policy* that;

- a) Upon learning of any circumstances likely to give rise to a claim or on receiving verbal or written notice of any claim *You* must:
 - i) tell *Us* through *Your Agent* as soon as reasonably possible, and in any case within 3 (three) working days, and give *Us* all the assistance *We* may reasonably require
 - ii) as soon as reasonably possible, and in any case within 3 (three) working days, tell the Police if the *Damage* is due to any actual or suspected criminal act
- b) *You* send to *Us* through *Your Agent*, as soon as reasonably possible, and in any case within 3 (three) working days, any intimation of a claim from a third party, writ, summons or other legal proceedings issued against *You*
- c) *You* supply at *Your* own expense, full details of the claim in writing within the following periods:
 - i) 7 (seven) days for *Damage* by riot, civil, labour, theft or political disturbances or vandals or malicious people.
 - ii) 30 (thirty) days after the expiry of the *Indemnity Period* under Section 2 – Business Interruption
 - iii) 30 (thirty) days after any other *Damage*, interruption or *Bodily Injury*.
- d) *You* provide all help and assistance and co-operation required by *Us* in connection with any claim to include supplying, as soon as reasonably possible, any supporting evidence and information that *We* require
- e) *You* do nothing that would prejudice the exercise of *Our* Rights set out in 2. below
- f) *You* take action at *Your* own expense following circumstances likely to give rise to a claim to minimise
 - i) the *Damage*;
 - ii) to prevent further *Bodily Injury* or *Damage*; and/or
 - iii) to avoid interruption with *The Business*.
- g) *You* must not admit, deny, negotiate or settle any claim without *Our* written consent.

2. *Our Rights*

- a) *We* have the right to take over the defence or settlement of a claim against *You* by another person.

- b) *We* have the right to the salvage of any *Property Insured*
- c) *We* and *Our* appointed representatives have the right to enter the building where the *Damage* has happened in order to investigate the Claim, and to take and keep any of the *Property Insured* which has caused or suffered *Damage*, and to deal with salvage in a reasonable manner.

3. **Fraud**

If any claim made under this *Policy* by *You* or anyone acting on *Your* behalf is fraudulent or intentionally exaggerated in any way, or if any false declaration or statement shall be made, or any fraudulent device used, in support thereof:-

- a) *We* shall have no obligation to indemnify in respect of that claim;
- b) *We* will treat the *Policy* as having been terminated with effect from the time the fraudulent act is committed;
- c) *We* shall have no obligation to indemnify *You* in respect of any claim made under this *Policy* arising out of an event occurring after the fraudulent act;
- d) *We* shall have the right to recover any monies paid to *You* under this *Policy* during in respect of:
 - i) the fraudulent claim; and
 - ii) any claims arising out events occurring after the date of the fraudulent act, whether genuine or otherwise.

GENERAL CONDITIONS

1 Cancellation – Not applicable to Section 7 – Employers' Liability

- a) *We* may cancel this insurance (or any Section or part thereof) by giving no less than 14 (fourteen) days' notice in writing to *Your Agent*.
- b) *You* may cancel by giving 14 (fourteen) days' notice in writing to *Us* either directly or via *Your Agent*.

Where this Condition is exercised, either by *You* or *Us*, *You* may be entitled to a pro-rata return of *Premium* in respect of all sections, other than Section 7 – Employers' Liability and Section 8 – Public and Products Liability, after *Our* expenses and any adjustment of the *Premium* paid as provided for by any conditions of this *Policy*, provided that:

- i) no claims have been made under the *Policy* for which *We* have made a payment;
- ii) no claims have been made under the *Policy* which are still under consideration
- iii) no event has occurred which may give rise to a claim but has yet to be reported to *Us*.

2 Contracts (Rights of Third Parties) Act 1999

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

3 Contribution/Multiple Insurance (Applicable to Sections 1 - 6 only)

If, at the time of a claim under this *Policy*, there is any other valid and collectible *Policy* of insurance in place which covers the same risk or any part thereof, or would do but for the existence of a clause in any other *Policy* which purports to exclude or reduce the indemnity provided by reference to the existence of another insurance, this *Policy* shall operate as an Excess of Loss *Policy* and so shall not respond until all cover available under the other *Policy* has been exhausted.

4 Interpretation

In this *Policy*:

- a) reference to any statute or statutory provision and orders or regulations thereunder shall include a reference to that provision, order or regulation as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this *Policy*;
- b) reference to any statutory or other body shall include the successor to that body;
- c) words importing the singular include the plural and vice versa and references to persons include bodies corporate or unincorporated. Words importing a gender shall include all genders;
- d) if any term, condition, exclusion or *Endorsement* or part thereof is found to be invalid or unenforceable the remainder shall remain in full force and effect;
- e) the headings are for reference only and shall not be considered when determining the meaning of this *Policy*.

GENERAL CONDITIONS

5 Jurisdiction and Law

Unless otherwise agreed by *Us* and *You*, this *Policy* shall be subject to and construed solely in accordance with the law of England and Wales.

You and *We* agree that all disputes arising out of or in connection with this *Policy*, including but not limited to any disputes relating to the formation, validity and interpretation and/or application of the terms, conditions, limits, and exclusions of this *Policy*, shall be subject to the exclusive jurisdiction of the Courts of England and Wales.

6 Notification of Interest

In the event that *We* agree to note the interest of a bank, building society or other lender (for these purposes all described as 'Lender') then such notice shall constitute an assignment of the proceeds of this *Policy* (but only to the extent of the Lender's interest) rather than a co-insurance with the result that the Lender can be in no better position to recover indemnity than *You*.

7 Several liability

If there is more than one insurer shown on the *Schedule Our* obligations hereunder are several and not joint and are limited solely to the extent of *Our* individual subscription. *We* are not responsible for the subscription of any co-subscribing Underwriter(s) who for any reason does not satisfy all or part of their obligation.

8 Subrogation

You shall, at *Our* request and expense, take and permit to be taken all necessary steps to enforce rights and remedies against any other party in *Your* name in respect of any loss which falls to be indemnified under the terms of this *Policy*. *Our* rights in this respect shall arise immediately following upon any such loss.

If *We* choose to exercise *Our* rights under this clause, *We* will have sole conduct of any subsequent legal proceedings and/or negotiations, including the right to take over and control any proceedings or negotiations *You* have already begun, regardless of whether *You* have also suffered an uninsured loss. However, *We* will, at *Your* request, include within the subrogation proceedings any amount properly recoverable in respect of *Your* uninsured losses.

9 Subrogation Apportionment

In the event that, following a claim under the *Policy*, *We* take a decision to try to recover *Our* loss by means of subrogation proceedings, and an amount is properly included in the claim in respect of *Your* uninsured losses, then any recovery made from a defendant will be shared between *You* and *Us* as follows:-

- (a) Any legal costs and disbursements recovered from the defendant shall be added to the recovery for the purposes of the calculation in (b) and no apportionment of the recovery will take place until any dispute on costs has been resolved;
- (b) The total amount of *Our* legal costs and disbursements in pursuing the subrogation proceedings will be deducted from the total amount produced by (a) and will be refunded to *Us*;
- (c) The net amount remaining after the deduction in (b) will be divided between *You* and *Us* in the same proportion which *Your* uninsured losses bore to the total of the properly recoverable insured losses included within the claim.

GENERAL CONDITIONS

10 Survey Condition

If *We* require a Survey Report, it shall be from an independent Surveyor who will be nominated by *Us* and appointed by way of *Your Agent*. The Survey Report shall be so provided within 60 (sixty) days of inception, unless otherwise stated ('the Survey Deadline').

Between inception and the Survey Deadline, subject to the terms below, cover is provided by *Us* on the terms and conditions specified in the *Policy* to which this condition is attached.

Survey Deadline Extension Request

It is *Your Agent's* responsibility to make any request for an extension to the Survey Deadline to *Us* in sufficient time prior to expiry of the Survey Deadline. If the nominated Surveyor is unable to provide the Survey Report prior to the Survey Deadline it is *Your Agent's* responsibility to advise *Us* accordingly and to request, if necessary, an alternative Surveyor to be nominated and to request an extended Survey Deadline.

Where the Survey Report is not submitted to *Us* by the Survey Deadline and no extension has been granted in writing by *Us*, cover shall terminate automatically at the Survey Deadline without further notice.

Survey Report

Where the Survey Report is submitted to *Us* by the Survey Deadline, cover shall continue from the Survey Deadline on the *Policy* until expiry of the *Period of Insurance* unless and until terminated in accordance with the following paragraph.

Unsatisfactory Survey Report

In the event that the Survey Report is unsatisfactory to *Us*, *We* reserve the right to cancel this *Policy* with immediate effect.

Reservation of Rights

We also reserve the right, following such a Survey Report, to impose any terms and/or **conditions precedent** that *We* think fit as a condition of *Us* agreeing to continue on cover. If *We* impose a timescale for compliance with any Survey Requirements, including an extension to any original deadline, then all cover will immediately cease if *You* fail to comply with the Survey Requirements within the timescale specified by *Us*. If *We* do not impose a specific timescale, *We* will specify whether the Requirement is a **condition precedent** or otherwise.

You shall implement and continue to implement during the whole currency of the *Policy* and following any renewal the survey requirement(s) or as otherwise agreed by *Us* within a period to be agreed by *Us* and advised to *You*.

Termination

In the event of termination under this Survey Condition, *You* shall be entitled to pro rata return of *Premium* for the unexpired *Period of Insurance*, unless a loss has arisen for which *You* seek indemnity under this *Policy* in which case *We* shall remain entitled to the full *Premium*. Alternatively, if *Premium* has not yet been settled, a pro-rata *Premium* will be charged, unless a loss has arisen for which *You* seek indemnity under this *Policy* in which case *We* shall remain entitled to the full *Premium*.

To the extent that this Survey Condition conflicts with any other cancellation notice or *Premium* provision in the *Policy*, this Survey Condition shall prevail.

GENERAL CONDITIONS

11 Winding-up/bankruptcy

This *Policy* shall cease with immediate effect if:

- a) *The Business* be wound up or carried on by a liquidator, receiver, creditor appointed body, administrator, put into receivership or discontinued
- b) *Your* interest ceases otherwise than by *Death* or operation of law

Unless its continuance is agreed by *Us* and the amendment endorsed hereon.

12 Workmen

Workmen may be employed to effect minor repairs, decorations, routine maintenance and minor, non-structural, alterations without prejudice to this insurance and without the need for notification.

All other work, and any work to be carried out under a Joint Contract Tribunal (JCT) contract, must be notified to *Us* via *Your Agent* at least 14 (fourteen) days before it commences.

We reserve the right, following such notification, to impose any terms regarding the conduct of the work that *We* see fit, including the payment of additional *Premium* by *You* or the exclusion of any claims under the *Policy* arising out of the work.

If notification is required under this clause but is not provided, *We* will be under no liability under this *Policy* for any loss, *Damage*, claim or liability arising out of or in connection with the work.

CONDITIONS PRECEDENT

Please note that if *You* are in breach of any condition precedent at the time of a loss, *We* will have no obligation to indemnify *You* in relation to any claim for that loss. However if a condition precedent is intended to reduce the risk of loss of a particular kind, at a particular location or at a particular time, *We* will not rely on the breach of that condition precedent to exclude, limit or discharge *Our* liability if the breach could not have increased the risk of the loss of the type which actually occurred in the circumstances in which it occurred.

All of the following conditions precedent are applicable to all Sections of this *Policy* unless it is stated otherwise on the *Schedule*:

1. Change in the Nature of the Risk and New Activities and Processes Condition Precedent

It is a **condition precedent** to *Our* liability that notice is given to *Us* prior to or immediately of the following:-

- a) any change in the nature of the risk that takes place after the start of this insurance which changes the nature of the risk underwritten by *Us*, provided that *You* either knew about the change or would have known about it had *You* had in place, and adhered to, an adequate system to inspect the *Premises* regularly during the *Period of Insurance*.
- b) any new activities or processes undertaken by *You* or by *Your Employees* at the *Premises* which changes the nature of the risk of an *Insured Peril* operating and which were not disclosed prior to the start of this insurance or the most recent renewal, whether or not giving rise to a change in the nature of the risk within the meaning of (i) above.

Following such notification, *We* shall have the right to impose any terms or conditions that *We* see fit as a condition of remaining on cover. This shall not prejudice *Our* right, in the alternative, to give notice of cancellation under General Conditions 1 Cancellation.

2. Combustible Materials Condition Precedent

It is a **condition precedent** to *Our* liability that combustible materials stored in the open when the *Premises* are closed for *Business* are kept at least 10 (ten) metres, or such other distance as *We* may specify, away from any permanent structures at the *Premises*.

3. Composite Panels Condition Precedent

- a) It is a **condition precedent** to *Our* liability that in respect of any permanent structure containing composite panels with combustible cores that:-
 - i) the existence and extent of the composite panels had been fully disclosed to *Us* prior to inception of the *Policy* provided that *You* either knew about the existence and extent of the composite panels or would have known about it had *You* inspected the *Premises* adequately;
 - ii) all wiring passing through composite panels is, and will continue to be, encased in metal conduits and sealed with rubber grommets;
 - iii) when services, which pierce any composite panels, are removed, the openings will immediately be capped by metal plates;
 - iv) any ductwork or services that pass through composite panels and which may get hot are, and will continue to be, sleeved in non-combustible insulation

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- sufficient to prevent any transfer of heat to the composite panels through which they pass;
- v) no repairs will be made to composite panels that involve welding, grinding, cutting or other obvious ignition sources;
 - vi) heat sources will be kept a minimum distance of 2 (two) metres away from all composite panels.
- b) In addition it is a **condition precedent** to *Our* liability in respect of any permanent structure at the *Premises* containing composite panels that:-
- i) fire extinguishers and fire blankets, suitable both in number and type, are supplied for all cooking areas;
 - ii) at least weekly inspections are undertaken by *You* to check for damage to composite panels or panel joints;
 - iii) any defects which are found during the course of the inspections referred to above are rectified or the defective panel(s) replaced by a panel(s) with a non-combustible core without delay and in any event within 7 (seven) days and a record of all such defects and rectifications will be kept elsewhere other than at the *Premises* and will be made available for inspection at any time;
 - iv) there is no external storage of combustible waste, stock, packaging, pallets or skips or bins containing such items within 10 (ten) metres or such other distance as *We* may specify of any permanent structure at the *Premises* containing composite panels at any time including within trading hours.
- c) Where work involving the application of heat is to be carried out in any permanent structure at the *Premises* containing composite panels with combustible cores, the following **condition precedent** applies in place of **condition precedent** 5 (Heat and Hot Works);

It is a **condition precedent** to *Our* liability that:-

- i) any work involving the application of heat is only carried out by a suitably experienced contractor;
- ii) the contractor carrying out the work has public liability insurance in force at least to the same level as the *Sums Insured* shown on the *Schedule* to this *Policy* and that *You* confirm the same through sight of their certificate of insurance;
- iii) *You* do not waive any subrogation rights against the contractor at any time;
- iv) the area in which the work is to be carried out must be cleared of any loose debris and all moveable combustible materials removed to a distance of not less than 6 (six) metres from the area of the proposed work prior to its commencement;
- v) if work is to be carried out overhead, the area beneath that work must be cleared of any loose debris and all moveable combustible materials removed to a distance of not less than 6 (six) metres from the area of the proposed work prior to its commencement;
- vi) any combustible materials within a 6 (six) metre radius of the area of the proposed work which cannot be moved, including any composite panels, are to be fully covered and protected by fire-proof blankets and/or screens. [For

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- the avoidance of doubt, the **condition precedent** (a)(vi) will still apply such that under no circumstances must Hot Works be carried out within 2 (two) metres of any composite panels];
- vii) the ground or floor or other horizontal surface (including any gutters) directly beneath the area of the proposed work is to be liberally covered with sand to a distance of not less than 50 (fifty) centimetres all around the area of the proposed work;
 - viii) a suitable number of fire extinguishers with a total capacity of not less than 20 (twenty) litres must be kept available for immediate use and located no more than 2 (two) metres from the area of work;
 - ix) a dedicated able bodied adult, with no other responsibilities, must be in attendance to keep a constant fire watch and to damp down the area of the proposed works whilst the Hot Work is being carried out and for at least 15 (fifteen) minutes following any interruption to and/or cessation of the Hot Work;
 - x) blow lamps and blow torches shall be lit for as short a time as possible before use and extinguished immediately after use;
 - xi) lighted blow lamps and torches must not be left unattended;
 - xii) any work involving the application of heat will cease at least 60 (sixty) minutes before the end of the working day and 60 (sixty) minutes before any time during the working day when the *Premises* are left unattended;
 - xiii) a thorough examination of the area in which the work was carried out, including an examination of the other side of any roof or partition to the side on which the Hot Works were being carried out, shall be made 30 (thirty) minutes and 60 (sixty) minutes after Hot Works have ceased or been interrupted for 30 (thirty) minutes or more, and immediately prior to the *Premises* closing for *Business* any day during which Hot Works have been carried out and records of such examinations will be kept elsewhere other than at the *Premises* and will be made available for inspection at any time;
 - xiv) *You* obtain written confirmation from the contractor prior to the start of work that the precautions listed above will be adhered to.

4. Electrical Certificates Condition Precedent

It is a **condition precedent** that the electrical installation (“the installation”) be inspected and tested at least once in every five years by a contractor approved by either:-

- a) The National Inspection Council for Electrical Installation Contracting (NICEIC)
or
- b) Electrical Contractors Association (ECA) or
- c) SELECT (in respect of Scotland only) or
- d) Register of Electrical Contractors of Ireland (RECI) or any other accredited organisation approved for such inspections by the Electro-Technical Council of Ireland (ETCI) (in respect of Republic of Ireland only)

If the inspection and testing reveals any departures, defects or faults with the installation, it is a **condition precedent** that these are notified to *Us* immediately, but in any case within 3

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(three) working days, and are remedied within such time as *We* specify.

If at the time of inception the electrical installation has not been tested within the previous five years it is a **condition precedent** that the whole installation must be tested by one of the bodies mentioned at (a) to (d) above and any departures, defects or faults remedied within 60 (sixty) days of inception. Thereafter, it is a **condition precedent** that the installation shall be inspected and tested at least every 5 (five) years as required above.

5. Heat and Hot Works Condition Precedent

It is a **condition precedent** to *Our* liability that:-

- a) any work involving the application of heat is only carried out by a suitably experienced contractor;
- b) the contractor carrying out the work has public liability insurance in force at least to the same level as the *Sums Insured* on the *Schedule* to this *Policy* and that *You* confirm the same through sight of their certificate of insurance;
- c) *You* do not waive any subrogation rights against the contractor at any time;
- d) *You* implement a documented system of Hot Works Permits whilst contractors are engaged in work involving the use of heat equipment on the *Premises*, which include, as a minimum, the following requirements:-
 - i) the area in which the work is to be carried out must be cleared of any loose debris and all moveable combustible materials removed to a distance of not less than 6 (six) metres from the area of the proposed work prior to its commencement;
 - ii) if work is to be carried out overhead, the area beneath that work must be cleared of any loose debris and all moveable combustible materials removed to a distance of not less than 6 (six) metres from the area of the proposed work prior to its commencement;
 - iii) any combustible materials within 6 (six) metres of the area of the proposed work which cannot be moved are to be fully covered and protected by fire-proof blankets and/or screens;
 - iv) the ground or floor or other horizontal surface (including any gutters) directly beneath the area of the proposed work is to be liberally covered with sand to a distance not less than 50 (fifty) centimetres all around the area of the proposed work;
 - v) a suitable number of fire extinguishers with a total capacity of not less than 20 (twenty) litres must be kept available for immediate use and located no more than 2 (two) metres from the area of work;
 - vi) a dedicated able bodied adult, with no other responsibilities, must be in attendance to keep a constant fire watch and to damp down the area of the proposed works whilst the Hot Work is being carried out and for at least 30 (thirty) minutes following any interruption to and/or cessation of the Hot Work;
 - vii) blow lamps and blow torches shall be lit for as short a time as possible before use and extinguished immediately after use;
 - viii) lighted blow lamps and torches must not be left unattended;

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- ix) any work involving the application of heat will cease at least 60 (sixty) minutes before the *Premises* close for *Business* for the day.
- x) a thorough examination of the area in which the work was carried out, including an examination of the other side of any roof or partition to the side on which the Hot Works were being carried out, shall be made 30 (thirty) minutes and 60 (sixty) minutes after Hot Works have ceased or been interrupted for 30 (thirty) minutes or more, and immediately prior to the *Premises* closing for *Business* on any day during which Hot Works have been carried out.
- e) *You* obtain written confirmation from the contractor prior to the start of work that the precautions stated on *Your* Hot Work Permit will be adhered to.

6. No Smoking Condition Precedent

It is a **condition precedent** to *Our* liability that:-

- a) smoking will be prohibited throughout the *Premises* except in specifically designated external areas and suitable notices to this effect will be displayed in prominent positions and that metal receptacles are to be provided for waste smoking materials and kept at least 2 (two) metres from the *Buildings*; and
- b) *You* take reasonable steps to enforce and check compliance with this prohibition on smoking; and
- c) *You* comply with any law forbidding smoking which applies to *Your Premises*.

7. Pipe and Tank Lagging Condition Precedent

It is a **condition precedent** to *Our* liability that:

- a) there is, within the *Premises*, a heating system that is maintained in full and effective operation and is linked to a thermostat which automatically activates the heating system when the temperature falls below 6 (six) degrees Celsius.
- b) all water tanks, apparatus or pipes within the *Premises* are fully lagged.

8. Portable Heaters Condition Precedent

It is a **condition precedent** to *Our* liability that:-

- a) there will be no use or storage on the *Premises* of paraffin or portable electric or gas heaters or containers or cylinders unless specifically agreed by *Us* prior to such use or storage.
- b) there will be no portable LPG (Liquid Petroleum Gas) heating on the *Premises* unless specifically agreed by *Us* prior to such use or storage

9. Premises Maintenance Condition Precedent

It is a **condition precedent** to *Our* liability that *You* shall maintain the *Premises*, *Contents* and services (including fire, security and safety equipment) in a satisfactory state of repair.

10. Protections Condition Precedent

It is a **condition precedent** to *Our* liability that:-

- a) all protections in force at the *Premises* at the inception of this *Policy* whether or not declared to *Us* or subsequently as stipulated by or agreed by *Us* shall be in full operation securing the *Premises* whenever the *Premises* are closed for *Business* or left unattended and shall not be withdrawn, altered or varied without *Our* prior consent.
- b) any keys to the *Premises* and/or intruder alarm systems and/or safes and/or strong rooms and/or any other secured area or device in which *Your* property is kept are removed from the *Premises* whenever the *Premises* are closed for *Business* or left unattended.

11. Reasonable Precautions Condition Precedent

It is a **condition precedent** to *Our* liability that *You* shall take all reasonable precautions:-

- a) for the safety of and to avoid, prevent or minimise any *Damage* to the *Property Insured*;
- b) to avoid, prevent or minimise any injury to others or *Damage* to their *Property*;
- c) to prevent the sale of or supply of *Products* which are defective in any way;
- d) in the selection and supervision of *Employees* and in the employment of competent staff;
- e) in the event of discovery of any defect or *Damage*, that *You* shall forthwith cause such defect or *Damage* to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require;
- f) comply with all statutory requirements, bye-laws and any other obligations and regulations imposed by any Authority;

which might give rise to a claim under this *Policy*.

12. Security and Protections Condition Precedent

a) Minimum Protections

It is a **condition precedent** to *Our* liability that the *Premises* meet or exceed the following physical security requirements:

- i) Five lever mortice deadlock(s) on entry/exit door(s)
- ii) Window locks on all accessible windows.

b) Fire Alarms Condition Precedent

It is a **condition precedent** to *Our* liability that where the *Premises* are protected by an automatic fire alarm:-

- i) *You* will take all reasonable steps to prevent *Damage* to the installations and, insofar as it is *Your* responsibility, maintain the installations (including the automatic external alarm signalling apparatus) in efficient and effective working order;
- ii) *You* have carried out the testing and checking requirements recommended by the installing company;
- iii) *You* will carry out the maintenance procedures specified by the manufacturer of the equipment and remedy any defects as soon as discovered, and in any case within 3 (three) working days;

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- iv) *You* will notify *Us* in writing and obtain *Our* prior agreement in writing in the event that changes, repairs or alterations to the installations are proposed;
- v) *You* will notify *Us* prior to any planned disconnection or immediately upon discovery of failure of the automatic fire alarm installation likely to leave any area unprotected for 12 (twelve) hours or more;
- vi) *You* will record details of all events such as alarm faults, tests, maintenance and disconnections and that such details will be kept elsewhere other than at the *Premises* and will be made available for examination by *Our* representatives at any time;
- vii) the alarm system is, and will continue to be, maintained under an annual contract by a suitable alarm contractor in accordance with the current British Standard.

c) Fire Break Doors and Shutters Condition Precedent

It is a **condition precedent** to *Our* liability that all fire break doors and shutters shall be kept closed except during working hours and shall be maintained in efficient working order and all passageways leading thereto shall be kept clear at all times.

d) Fire Extinguishing Appliances Condition Precedent

It is a **condition precedent** to *Our* liability that:-

- i) any fire extinguishing appliances are maintained under an annual contract of maintenance with a suitable contractor and are in full and effective working order during the *Period of Insurance*;
- ii) any fire extinguishing appliances that are discharged will be replaced or refilled by a suitable contractor as soon as reasonably possible, and in any case within 3 (three) working days.

For the avoidance of doubt, however, the insurance provided hereunder shall not be invalidated by any defect in any of the said appliances due to any circumstances unknown to *You* or beyond *Your* control.

e) Intruder Alarm System Condition Precedent

It is a **condition precedent** to *Our* liability that:-

- i) any intruder alarm system that you have declared to *Us* being fitted as at any *Premises* at the time of inception, or which is installed subsequently at *Our* request, shall:
 - i. not be altered or varied, nor shall any structural alterations to the *Premises* which would affect the system be made, without *Our* written consent;
 - ii. be inspected and maintained under a contract by a company which is either included in the official list of recognised firms of the National Security Inspectorate (NSI) or Security Systems and Alarm Inspection Board (SSAIB) or otherwise approved by *Us*;
 - iii. be put into full and effective operation whenever the alarmed portion of the *Premises* is closed for *Business* or left unattended.
- ii) all keys of the intruder alarm system shall be removed from the *Premises* whenever they are closed for *Business* or left unattended except that where part of the *Premises* is occupied residentially by *You* or an *Insured Person* the said keys shall be removed from the *Business* portion of the *Premises*.

- iii) if *You* have declared that the intruder alarm system is monitored, or *We* have required that the system should be monitored, *You* shall give *Your Agent* immediate notice if:-
 - i. the telephone line, direct line or central station monitoring system is to *Your* knowledge not in full and effective working order or *You* have had notice of the withdrawal of the Police or telephone or central station service and such service has actually been withdrawn;
 - ii. notice has been received from a Local Authority or Magistrate that imposes any requirement for abatement of a nuisance under the terms of the Environment Protection Act 1990 or any subsequent or other legislation.
- iv) *You* maintain the secrecy of codes for the operation of the intruder alarm system to authorised persons and no details of the same are left on the *Premises*.

13. Sprinkler Maintenance Condition Precedent

It is a **condition precedent** to *Our* liability that any automatic sprinkler system at the *Premises* is:-

- a) in full and effective operation unless otherwise agreed by *Us*;
- b) maintained in good and efficient working order under a contract of maintenance by a suitably qualified engineer or contractor pursuant to which and half yearly inspections are carried out and any defects, faults or shortcomings revealed by such tests are rectified as soon as reasonably possible, and in any case within 3 (three) working days, unless otherwise agreed by *Us* and a record of such tests will be kept elsewhere other than at the *Premises* and will be made available for inspection at any time;

throughout the currency of this *Policy*.

14. Storage of Gas Cylinders Condition Precedent

It is a **condition precedent** to *Our* liability that:

- a) gas cylinder bottles are stored in a caged storage area on a level concrete or paved surface secured by a heavy-duty close-shackle padlock;
- b) gas cylinder bottles are kept securely upright at all times;
- c) the caged storage area must be cleared of combustible materials and a cleared space of at least 5 (five) metres around must be maintained at all times;
- d) the caged storage area is at least 5 (five) metres from any *Buildings* and boundary fences;
- e) smoking is prohibited within 5 (five) metres of the caged storage area;
- f) the caged storage area is not heated;
- g) the gas cylinder bottles are marked as highly flammable;
- h) a prominent warning notice should be displayed at the caged storage area, identifying the gas stored and prohibiting smoking, naked lights, or use of motor vehicles (except for loading or unloading);
- i) all gas cylinders must be treated as though full with valves shut as residual gas vapour can remain even if they appear empty, resulting in a potential explosion risk.

15. Unoccupancy Condition Precedent

- a) It is a **condition precedent** to *Our* liability that prior notice shall be given to *Us* by *You* when any permanent structure at the *Premises* or self-contained part thereof becomes *Unoccupied*, or upon *Your* discovery within 3 (three) working days. Following receipt of such notice, *We* shall have the right to cancel the *Policy* in accordance with the terms of this *Policy*. Should *We* agree to continue to provide cover the *condition precedent* as set out in paragraph (b) shall apply. *We* shall have the right to impose any further *conditions precedent*, terms, exclusions or limits that *We* see fit as a condition of remaining on cover and/or charge an additional *Premium*.
- b) Should *We* continue to provide cover under this *Policy* coverage will automatically be limited to the perils Fire, Lightning, Explosion, Aircraft and Earthquake unless otherwise agreed by *Us* for any permanent structures at the *Premises* that are *Unoccupied* following *Your* notification in accordance with paragraph (a)
- c) In circumstances where any permanent structure at the *Premises* or self-contained part thereof is or becomes *Unoccupied* it is a **condition precedent** to *Our* liability that:-
- i) all gas, water and electricity mains supplies will be kept disconnected (except those supplies required to maintain automatic sprinkler installations, lighting or alarm systems which are to remain in operation for security or fire protection purposes);
 - ii) all water tanks, apparatus, pipes and heating systems/radiators (other than those connected to an automatic sprinkler system) must be drained down;
 - iii) steps are taken to ensure that any permanent structure at the *Premises* are made secure against entry by intruders including, as a minimum:-
 - i. securely locking and fastening all doors and windows;
 - ii. sealing any letter boxes;
 - iii. setting all security and alarm protections in full operation and ensuring that the protections are in proper working order;
 - iv. boarding over all ground floor and any accessible windows;
 - iv) all combustible contents, trade refuse and waste materials will be removed from the interior of any *Buildings* at the *Premises* and no accumulation of combustible contents, trade refuse and waste materials will be allowed in the adjoining yards or spaces for which *You* are responsible;
 - v) tanks containing fuel or other flammable liquids must be drained and purged within 7 (seven) days of the permanent structure at the *Premises* becoming *Unoccupied*;
 - vi) the *Premises* must be inspected at least once every 7 (seven) days by *You* or *Your* nominee in order to inspect the permanent structures both internally and externally and to carry out any work necessary to maintain the above security arrangements and that a record of such inspections will be kept elsewhere other than at the *Premises* and will be made available for inspection at any time and any evidence of forced or attempted forced entry or malicious *Damage* be reported to *Us* within 7 (seven) days of discovery;

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- vii) *You* will give *Us* prior notice before commencing any renovation of the permanent structures and renovations will not be commenced without *Our* prior agreement in writing;
- viii) *You* will implement any additional protections *We* may require within the timescale specified;
- d) Where a self-contained part of any permanent structure at the *Premises* is *Unoccupied*, the requirements set out at (c) above apply in full, as **conditions precedent**, to the *Unoccupied* part. If this is not feasible, it is a **condition precedent** of continuation of cover that *You* contact *Us* immediately, but no more than within 3 (three) working days, and comply with any alternative requirements that *We* may impose.
- e) In the event that *Your* application for planning permission/consent is refused or withdrawn by the Local Planning Authority, notwithstanding anything contained within the Cancellation condition, all coverage under this *Policy* shall be terminated with immediate effect and *You* shall be entitled to pro rata return of *Premium* for the unexpired *Period of Insurance*, unless a loss has arisen for which *You* seek indemnity under this *Policy* in which case *We* shall remain entitled to the full *Premium*. Alternatively, if *Premium* has not yet been settled, a pro-rata *Premium* will be charged, unless a loss has arisen for which *You* seek indemnity under this *Policy* in which case *We* shall remain entitled to the full *Premium*.

For the purpose of c) iv) above only, the *Contents* Definition on page 108 is amended to delete item “d) *Tenant’s Improvements*, alterations, fixtures, fittings and decorations”.

16. Waste Condition Precedent

It is a **condition precedent** to *Our* liability that:-

- a) in *Your* portion(s) of the *Premises*, all oily rags and greasy cloths (when not in use) be deposited in metal receptacles fitted with lids and the receptacles removed from the permanent structure at the *Premises* at the end of each working day or when left unattended;
- b) all other combustible waste or refuse, including trade waste, be removed from *Your* portion(s) of the permanent structure at the *Premises* at the end of each working day or, in the event of 24 (twenty-four) hour working, at least once per day.

17. Payment of *Premium* Condition Precedent

It is a **condition precedent** to *Our* liability that the amount of *Premium* due must be paid in full to *Your Agent* within 60 (sixty) days of inception of the *Policy*. If *You* do not make payment within 60 (sixty) days all cover under the *Policy* will be cancelled, other than for Section 7 – Employers’ Liability, and *We* will not be liable to indemnify *You* for *Your* claim. In addition if *You* do not pay the *Premium* in full within 60 (sixty) days of inception of the *Policy* *We* reserve *Our* right to issue notice of cancellation as per Cancellation Conditions of the *Policy*.

In respect of any additional *Premium* due following an amendment to *Your Policy*, this must be paid in full to *Your Agent* within 60 (sixty) days of the effective date of the amendment. Failure to do so will result in the coverage provided by this amendment being cancelled by giving no less than 14 (fourteen) days’ notice in writing to *Your Agent*.

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Any of the following conditions precedent may be applicable to the *Policy* as detailed on the *Schedule*:

18. Bona Fide Subcontractors Condition Precedent (Applicable to Sections 7 and 8)

It is a **condition precedent** to *Our* liability that all bona fide subcontractors engaged by *You* have in full force and effect throughout the duration of their contract with *You* insurances as follows:

- a) Employers Liability insurance in respect of their liability at law for *Injury* to any person in the employment of the subcontractor including any labour master or labour only subcontractor or person supplied or employed by them
- b) Public/Products Liability insurance in respect of their liability at law for *Injury* or *Damage* with a *Limit of Indemnity* of not less than the *Limit of Indemnity* any one *Occurrence* or series of *Occurrences* arising out of one original cause provided under this *Policy*

It is further a **condition precedent** to *Our* liability that:

- i) such insurances contain an Indemnity to Principals Clause
- ii) *You* shall have obtained and retained a copy of written evidence of such insurances

For the purposes of this Condition Precedent, the term bona fide subcontractors means any subcontractor engaged by *You* supplying labour and or materials for the purpose of the contract.

It is further a **condition precedent** to *Our* liability that *You* will not assume by any agreement any liability or potential liability that would not have attached to *You* in the absence of such agreement including but not limited to the assumption of any liability or potential liability on behalf of any bona fide subcontractor or the waiver of any rights of recourse against any bona fide subcontractor.

All other terms, conditions, exclusions and limitations in this *Policy* remain unaltered.

19. Bunding Condition Precedent

It is a **condition precedent** to *Our* liability that the fuel tank has a non-combustible permanent base and that the fuel tank is double skin bunded.

20. Burning and Welding Condition Precedent (Applicable to Sections 7 and 8)

It is a **condition precedent** to *Our* liability that the following special precautions will be complied with on each occasion of any of the following work:

- (a) Work involving the use of any blow lamp, blow torch, flame gun or hot air gun:
 - (i) The area in which work is to be carried out is to be examined and combustible property within the vicinity of the work either removed or as far as practicable covered by non-combustible material;
 - (ii) Suitable fire extinguishing appliances are to be kept available for immediate use at the point of work;
 - (iii) All blow lamps, blow torches and flame guns are to be lit in strict accordance with the manufacturer's instructions, not left unattended when lit and extinguished immediately after use;
 - (iv) Hot air guns are to be switched off when unattended and immediately after

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- use;
- (v) During the period of not less than 30 (thirty) minutes immediately following completion of each period of work, a continuous check that there is no fire or risk of fire is to be made in the vicinity of the point of work;
- (b) Work involving any electric, gas or other welding, cutting or portable grinding equipment:
- (i) The area in which the work is to be carried out (including adjoining shafts or openings and the area on the other side of any wall or partition) is to be inspected to establish whether any combustible material (other than the property to be worked upon) is in danger of ignition either directly or by conduction of heat;
- (ii) Wherever practicable, all combustible material is to be removed to a distance of not less than 10 (ten) metres from the point of work and such material which cannot be removed is to be covered by overlapping sheets of non-combustible material or afforded equivalent protection;
- (iii) Suitable fire extinguishing appliances are to be kept available for immediate use at the point of work;
- (iv) All torches are to be lit and used in strict accordance with the manufacturer's instructions, not left unattended when lit and extinguished immediately after use;
- (v) All portable grinders are to be switched on and used in strict accordance with the manufacturer's instructions and switched off when unattended and immediately after use;
- (vi) A person who is competent in the use of fire extinguishing appliances is to be appointed to act as a firewatcher in conjunction with the operative using the equipment and to remain in attendance until use of all such equipment has ceased and all torches have been extinguished and all portable grinders switched off;
- (vii) Wherever practicable, gas cylinders not in use are to be kept outside the building in which the work is taking place or otherwise kept at least 15 (fifteen) metres from the point of work;
- (viii) Immediately following completion of each period of work, a thorough check that there is no fire or risk of fire is to be made of the whole area in which the work is to be carried out (including adjoining shafts or openings and the area on the other side of any wall or partition).
- (c) Work involving asphalt or bitumen tar boilers:
- (i) Regulation spill trays are to be used;
- (ii) All tar boilers are to be kept wholly at ground level;
- (iii) The equipment and work is not to be left unattended at any time whilst in use;
- (iv) Suitable fire extinguishing appliances are to be kept available for immediate use at the point of work;
- (v) Immediately following completion of each period of work, a thorough check that there is no fire or risk of fire is to be made of the whole area in which the work is to be carried out (including adjoining shafts or openings and the area on the other side of any wall or partition).

21. Dust and Fly Condition Precedent

It is a **condition precedent** to *Our* liability that all dust and fly be cleaned from all surfaces, including but not limited to, high surface pipes on a weekly basis.

22. Electrically Charged Vehicles and/or Fork Lift Trucks Condition Precedent

It is a **condition precedent** to *Our* liability that where Electrically Charged Vehicles and/or Fork Lift Trucks are recharged at the *Premises* that:-

- a) combustible materials be kept a minimum of 5 (five) metres clear of the recharging area;
- b) no recharging of electrically charged vehicles takes place whilst the *Premises* are left unattended or closed for *Business*.

23. Excess Condition Precedent (Applicable to Sections 7 and 8)

It is a **condition precedent** to *Our* liability that where in the opinion of *Our* Authorised Representative (Loss Adjuster) any claim is likely to exceed the *Excess* or Deductible stated in the *Schedule You* shall be liable for payment of the *Excess* or Deductible before *We* shall be liable to make any payment under this *Policy*. Payment of the *Excess* or Deductible is to be made to the Loss Adjuster and funds cleared within 30 (thirty) days of the request. If the *Excess* or Deductible has not been paid and funds cleared within this period of time then indemnity will be withdrawn and will not be reinstated.

Provided always that

- a) *We* shall refund to *You* any amount of the *Excess* or Deductible in full or in part should any claim be ultimately settled for any amount less than such *Excess* or Deductible;
- b) for the purposes of this *Policy* the terms “*Excess*” or “*Deductible*” shall mean the total amounts payable by *You* in respect of *Damages* (including all costs, expenses and solicitors fees).

Subject otherwise to the Terms Conditions Limitations and Exclusions of the *Policy*.

24. Flat Roofs Condition Precedent

It is a **condition precedent** to *Our* liability in respect of *Damage* by *Insured Peril 7* that any flat roof portion of the *Premises* shall have been inspected at least once every 2 (two) years by a qualified builder or property surveyor and any defects brought to light by that inspection shall have been repaired immediately.

If at the time of inception the flat roof portion of the *Premises* has not been inspected within the previous 2 (two) years by a qualified builder or property surveyor, it is a **condition precedent** to *Our* liability in respect of *Damage* by *Insured Peril 7* that the flat roof portion of the *Premises* is inspected within 60 (sixty) days of inception.

A record of all inspections shall be made and retained by the *You*. *We* reserve the right to inspect records by giving *You* reasonable notice.

25. Frying and Cooking Equipment Condition Precedent

It is a **condition precedent** to *Our* liability that:-

- a) a flame failure device is fitted if the range is gas or oil fired;
- b) all cooking equipment used for deep fat frying shall be fitted with a thermostat to prevent fat or oil exceeding 205° (two-hundred and five degrees) centigrade and a high temperature non-self resetting limit control to shut off the heat source if fat or oil exceeds 230° (two-hundred and thirty degrees) centigrade;
- c) all frying and other cooking ranges, equipment, flues, and exhaust and/or extraction ducting will be kept securely fixed and free from contact with combustible materials;
- d) frying equipment will be installed, used and maintained in accordance with the manufacturer's instructions;
- e) where flues, exhaust and/or extraction ducting pass through any combustible material, they should be cut away to a distance of at least 150 (one hundred and fifty) millimetres from the duct and the space filled with non-combustible insulation;
- f) extraction of heat, fumes and/or combustion products be via an integral duct, or an overhead canopy and duct system, vented direct to the open;
- g) all ducts be constructed of and supported by galvanised or stainless steel;
- h) all extraction hoods, canopies, filters and grease traps will be cleaned at least once each week;
- i) all extraction ducts will be cleaned, maintained and checked at least once every 6 (six) months by a specialist contractor;
- j) if at the time of inception, any extraction duct has not been cleaned within the previous 6 (six) months it must be cleaned within 14 (fourteen) days of inception and thereafter every 6 (six) months;
- k) the record of such cleaning and servicing of the extraction ducts will be kept elsewhere other than at the *Premises* and will be made available for inspection at any time;
- l) multi-purpose fire extinguishers and at least 1 (one) fire retardant blanket which conforms to the relevant British Standard suitable for extinguishing oil and fat fryers will be kept in the close proximity to the working area of the range or deep fat fryers and maintained ready for use; All kitchen staff shall be trained in their use;
- m) frying ranges or deep fat fryers will not be left unattended whilst in use;
- n) all naked flames (other than pilot lights) and all electrical elements will be turned off when the *Premises* are left unattended.

26. Full Repairing Lease Condition Precedent

It is a **condition precedent** to liability under this *Policy* that all properties that are owned by *You* and leased to tenants are subject to agreements (on a full repairing lease basis) that require the tenant to maintain and repair the *Property Insured*.

27. Gutters Condition Precedent

It is a **condition precedent** to *Our* liability that all gutters be inspected and cleared every 6 (six) months by a qualified contractor and a written record and details of any works carried out shall be provided by the contractor and retained by *You*.

28. Open Fires Condition Precedent

It is a **condition precedent** to *Our* liability that:-

- a) Chimneys must be swept at not greater than 6 (six) monthly intervals;
- b) Mortar joints in the chimney stacks must be sound and must be checked at not greater than 12 (twelve) monthly intervals;
- c) A spark guard is placed in front of the open fire whenever it is lit or smouldering;
- d) Combustible materials must not be kept within 2 (two) metres of the open fire when it is lit or smouldering;
- e) The open fire must not be left lit or smouldering over-night or whilst the *Premises* are unattended.

29. Personal Protective Equipment Condition Precedent (Applicable to Section 7 only)

It is a **condition precedent** to *Our* liability that the use or wearing of Personal Protective Equipment by any *Employee* is rigorously enforced and that Personal Protective Equipment is supplied to the *Employee* and that a formal record is maintained confirming receipt of such equipment.

All other terms, conditions, exclusions and limitations in this *Policy* remain unaltered.

30. Spills and Clean Up Procedures Condition Precedent (Applicable to Sections 7 and 8)

It is a **condition precedent** to *Our* liability that a documented spills and clean up procedure is in force at all times.

31. Spraying of Paint and Flammable Substances Condition Precedent

It is a **condition precedent** to *Our* liability that all spraying of any flammable substances including but not limited to paints, varnishes or lacquers (or paints or varnishes with a flash point below 32 degrees centigrade) will be carried out in an area enclosed by non-combustible materials with extraction ventilation to the open air and any electrical installation including that for extraction ventilation will be of flameproof design and any heating will be of the black-heat type and with fully enclosed elements.

It is also a **condition precedent** to *Our* liability that:-

- a) only one day's supply of flammables will be kept in the spraying area;
- b) all other flammables will be kept in a designated enclosed steel bin or if the stocks of same are substantial they will be kept in a store with high and low level vents to the open air or forced flameproof extractor at floor level;
- c) all lighting will also be flameproof;
- d) all paint residue to be cleaned off surfaces at least weekly;
- e) motors are not located in ducts.

32. Stillage Condition Precedent

It is a **condition precedent** to *Our* liability under Sections 1 and 2 that all *Stock* stored at basement or ground level on the *Premises* is stored on racks, shelves or stillages, not less than 15 (fifteen) centimetres above floor level.

33. Swimming Pool Condition Precedent (Applicable to Sections 7 and 8)

It is a **condition precedent** to *Our* liability that with regard to the operation of the swimming pool:-

- a) disclaimer notices are displayed in prominent positions;
- b) there shall at all times be at least 1 (one) qualified lifeguard present while such swimming pool is accessible to the general public;
- c) it shall be locked and secured from the general public when not in operation.

All other terms conditions exclusions and limitations in this *Policy* remain unaltered.

34. Thatched Roof Condition Precedent

It is a **condition precedent** to *Our* liability that:-

- a) Chimneys must be swept at not greater than 6 (six) monthly intervals;
- b) Mortar joints in the chimney stacks must be sound and must be checked at not greater than 12 (twelve) monthly intervals;
- c) There must be a gap of not less than half a metre between the thatch and electric lamps;
- d) External outlet grilles from kitchen ducting must be at least one and a half metres from the thatch;
- e) All electric cables in the roof must be in metal conduit;
- f) No old thatch to be burnt within 100 (one hundred) metres of the *Premises*.

35. Unattended Vehicle Condition Precedent – (Not applicable to Section 4 – Goods in Transit)

It is a **condition precedent** to *Our* liability that cover for loss or *Damage* as a result of Theft or Attempted Theft from a vehicle not individually attended is subject to all of the following:

- a) The equipment being stored out of sight from the exterior of the vehicle in a locked luggage compartment and/or boot;
- b) All security protections fitted to the vehicle being in full and effective operation;
- c) All windows (including sun roof) are to be left closed;
- d) Estate vehicles being fitted with a hard parcel shelf to form a closed off area within the vehicle under which nothing is visible from the exterior of the vehicle.

We will not make any payment for loss or *Damage* as a result of Theft or Attempted Theft from a vehicle not individually attended:

- (i) Between the hours of 10.00 pm and 6.00 am;
- (ii) From an unlocked vehicle;
- (iii) In respect of convertible or soft top vehicles or vehicles of a similar “non enclosed” type;
- (iv) Where there are no signs of violent and forcible entry to the vehicle.

CONDITIONS PRECEDENT

We will not pay the first 10% of each and every claim following Theft or Attempted Theft from a vehicle not individually attended subject to a minimum of £500.

Our maximum liability for loss or *Damage* as a result of Theft or Attempted Theft from a vehicle not individually attended, subject to compliance to the above conditions precedent, is £5,000 in respect of any one claim.

36. Woodworking Condition Precedent (Applicable to Sections 7 and 8)

It is a **condition precedent** to *Our* liability that:-

- a) All mechanical woodworking machinery shall be guarded in accordance with current Government Regulations;
- b) Any *Employee* inexperienced in the use of mechanical woodworking machinery shall be fully supervised at all times by an experienced operative of the *Insured* until such time as the *Employee* has attained a high degree of competency or has completed his/her apprenticeship;
- c) There shall be no indemnity provided by this *Policy* in respect of *Injury* to any *Employee* who is under 18 (eighteen) years of age which is attributed to the use of any mechanical woodworking machinery.

All other terms, conditions, exclusions and limitations in this *Policy* remain unaltered.

37. Listed Building Condition Precedent

It is **condition precedent** to *Our* liability that, for any heritage protected building (including but not limited to Grade I, II* and Grade II listed buildings or in Scotland and Northern Ireland Grade A, B and C including sub-categories), or part-listed thereof, a professional valuation is carried out within 60 (sixty) days of inception unless one has previously been carried out and accepted by *Us* within the 24 (twenty four) months prior to inception.

GENERAL DEFINITIONS

A

Agent/Your Agent

The broker or other intermediary who arranged this insurance for *You*.

Amount of Damage

Whichever is the lower of:

- The diminution (reduction) in the open market value of the item of *Property Insured* as a result of the *Damage*;
- The cost of repairing the item of *Property Insured* or any damaged part thereof, so as to put it into a condition equivalent to, but not better than, its condition immediately prior to the *Damage*;
- The cost of replacing the item of *Property Insured*, including an appropriate deduction for wear and tear.

B

Bodily Injury

Physical injury not including sickness, illness, disease, nervous shock, mental injury or any naturally occurring condition or degenerative process or any gradually operating cause.

Buildings

The buildings at the *Premises* shown in the *Schedule*, including:

- a) any *Outbuildings* used in connection with *The Business* or for domestic purposes,
- b) landlord's fixtures, fittings and decorations,
- c) walls, gates and fences,
- d) drains, sewers, piping, ducting, cables, wires and associated control gear and accessories on the *Premises* and extending to the public mains,
- e) yards, car parks, roads, pavements, forecourts, all constructed of solid materials;

only if and to the extent that they are owned by *You*, held in trust by *You* or *You* are responsible for them.

The Business/Business

Your Business as stated in the *Schedule* provided that it is carried out within the *Territorial Limits*.

For the purposes of Sections 7 and 8 only, the *Business* shall include the following, in addition to those activities specified in the *Schedule*:

- a) maintenance of property and *Premises* owned or occupied by *You* in connection with the *Business*.
- b) the provision and management of canteen, social, sports and welfare organisations for the benefit of *Your Employees*.
- c) first aid, security, fire and ambulance services in connection with the *Business*
- d) private work carried out within the *Territorial Limits* by any of *Your Employees* for any of *Your* directors, partners or senior executives.
- e) participation in exhibitions within the *Territorial Limits* in connection with the *Business*.

Business Hours

Any time when *You* or *Your* directors, partners or *Employees* with responsibility for *Money* are in *Your Premises* for the purposes of *Your Business*.

C

Claimant's Costs

Legal costs and expenses (including court fees and disbursements) incurred by a claimant in bringing a claim against *You*, in respect of which claim *You* are entitled to an indemnity under Sections 7 or 8 of the *Policy*.

Computer Virus

A set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature to include but not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

Computer Equipment

- a) electronic, computer or other data processing equipment;
- b) peripherals used in connection with a); and
- c) software and programs licensed to *You* and installed on a)

Contents

The contents of the *Buildings* at the *Premises*, only if and to the extent that they are owned by *You*, held in trust by *You* or *You* are legally responsible for them, including;-

- a) Machinery, plant, equipment,
- b) *Computer Equipment*,
- c) Furniture,
- d) *Tenant's Improvements*, fixtures and fittings,
- e) The contents of *Outbuildings*,
- f) The contents of open yards,
- g) The personal effects (excluding motor vehicles) of *Employees* and visitors, unless more specifically insured elsewhere, for an amount not exceeding £500 in respect of any one person in the aggregate during the *Period of Insurance*;

but excluding;-

- i) *Buildings*,
- ii) *Stock*,
- iii) *Money*,
- iv) Documents, manuscripts and *Business* books, except for the cost of materials and of clerical labour expended in reproducing such records;
- v) computer records, except for an amount not exceeding £10,000 in the aggregate during the *Period of Insurance* in respect of the cost of the materials and of clerical labour and computer time expended in reproducing such records but not for the value to *You* of the information contained therein;
- vi) patterns, models, moulds, plans and designs except for an amount not exceeding £10,000 in the aggregate during the *Period of Insurance* in respect of the value of the materials together with the cost of labour expended for reinstatement;
- vii) motor vehicles and their accessories;
- viii) goods entrusted to *You* by *Your* customers;
- ix) wines, spirits, cigarettes and tobacco goods except for an amount not exceeding £1,000 in the aggregate during the *Period of Insurance*;
- x) fine art and jewellery except for an amount not exceeding £5,000 in the aggregate during the *Period of Insurance*.

Cost of Reinstatement

Where the *Property Insured* is lost or destroyed, the cost of rebuilding the property to a standard equal to but not better or more extensive than its condition when new, or replacing the property including in the case of *Buildings* the cost of *Debris Removal*, *Professional Fees*, and *Increased Cost of Construction* expenses.

Where *Property Insured* is damaged but not lost or destroyed, the cost of repairing and restoring the property, or any damaged portion thereof, to a condition substantially the same as but not better or more extensive than its condition when new including in the case of *Buildings* the cost of *Debris Removal Costs*, *Professional Fees*, and *Increased Cost of Construction* expenses.

D

Damage

Physical loss of, destruction or damage to, *Property Insured*.

Damages

Sums which *You* are ordered to pay to a claimant by a court within the *Territorial Limits* in respect of liability incurred by *You* in tort, delict or quasi-delict.

Death

The permanent cessation of life which shall include any death which is the sole and direct result of *Bodily Injury* occurring or commencing within the 12 months prior to that death.

Debris Removal/Debris Removal Costs

The reasonable and necessary costs and expenses of:

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

the *Property Insured* which *You* incur as a direct result of *Damage* by an *Insured Peril*, excluding any costs or expenses:

- i) of removing debris except from the site of *Damage* and the surface of the area immediately adjacent to such site;
- ii) of moving *Stock* or the debris of damaged *Stock*;
- iii) arising from pollution or contamination of property not insured by this Section; or
- iv) which are increased as a result of pollution or contamination of the debris.

Declared Value

The *Full Cost of Reinstatement* of the *Property Insured* at the level of costs applying at the inception of the *Period of Insurance*.

Defence Costs

Your legal costs and expenses (including court fees and disbursements) incurred in the investigation, defence and settlement of any claim against *You* that does or might fall within the cover provided by Section 7 – Employers’ Liability or Section 8 – Public and Products Liability, if and only to the extent that the claim is contested, and the costs and expenses in question are incurred, with *Our* prior consent.

E

Electronic Data

Facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electro-mechanical data processing or electronically controlled equipment and including programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Employee

Employee shall mean:

- a) any person under a contract of service or apprenticeship with *You*.
- b) any labour master or labour only subcontractor or persons supplied by any of them
- c) any self employed person
- d) any person hired or borrowed by *You* from another employer
- e) *Your* directors or partners, if applicable, in *The Business* (and references to “employment” in this *Policy* shall be construed accordingly to include work done by a director or partner in connection with *The Business*)
- f) voluntary workers
- g) any person with *You* for work experience
- h) agency workers or temporary staff

working for *You* in connection with *The Business*.

Endorsement(s)

A change to the terms of the *Policy* as agreed by *Us*.

Excess

For the purposes of Sections 1-6, *Excess* means the amount stated either in the *Policy* or in the *Schedule*, as applicable, that is to be deducted from any claim payable under this *Policy* borne by *You* after the application of *Average* (or *Underinsurance*). Further, under Section 1 (*Property Damage*) the *Excess* shall apply to each loss at each *Premises*.

For the purposes of Section 8 – *Public and Products Liability*, *Excess* means the amount as stated in the *Schedule* which *You* shall pay in respect of all *Damages*, compensation, *Claimant's Costs*, *Legal Costs* and expenses before *We* shall be liable to make any payment. *Excess* shall apply to each *Occurrence* unless otherwise stated in the *Schedule*.

F

Full Cost of Reinstatement

The *Full Cost of Reinstatement* that would be incurred where the item of *Property Insured* is lost or destroyed.

G

Glass

All fixed plain sheet or plain *Glass* in windows, doors, fanlights, skylights, partitions, furniture, display and show cases, counters or shelves or mirrored *Glass*.

I

Increased Cost of Construction

Any additional *Cost of Reinstatement* as may be incurred solely by reason of the necessity to comply with the *Stipulations* of:

- a) European Community Legislation; or
- b) Building or other Regulations under or framed in pursuance of any Act of Parliament or Bye-laws of any Public Authority; (hereinafter referred to as “*Stipulations*”) in respect of the lost or damaged property thereby insured.

Excluding:

- i) the cost incurred in complying with the *Stipulations*:
 - i. in respect of *Damage* occurring prior to the inception of this *Policy*;
 - ii. in respect of *Damage* not insured by the *Policy*;
 - iii. under which notice has been served on *You* prior to the happening of the *Damage*;
 - iv. for which there is an existing requirement which has to be implemented within a given period;
 - v. in respect of property entirely undamaged by any peril insured against by this *Policy*; and

- vi) in respect of any undamaged property
- ii) the additional cost that would have been required to make good the property lost destroyed or damaged to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen;
- iii) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner of that property by reason of compliance with the Stipulations.

Insured

means the *Insured* as stated in the *Schedule*.

Insured Peril

One of the perils against which cover is provided as listed in the *Schedule* and as defined herein.

Insured Person

means any partner, director or *Employee* working for *You* under a contract of service or apprenticeship of *Yours* whose usual place of employment is at the *Premises* or as otherwise stated in the *Schedule*.

K

Keyholder

The *Insured* or any person or key holding company authorised by the *Insured* who must be available at all times to accept notification of a fault, false or alarm signals relating to the intruder alarm system, attend and allow access to the *Premises*.

L

Licence

A *Licence* granted for:-

- a) the retail sale of excisable liquor at any *Premises* specified in the *Schedule* and/or
- b) the provision of public entertainment.

Limit of Indemnity

The maximum amount of compensation payable in the event of insured *Damage*.

Loss of Limb(s)

The total loss by physical separation at or above the wrist or ankle, or permanent total loss of use of an entire hand, arm, foot or leg, caused solely and directly by *Bodily Injury*.

Loss of Sight

Total and irrecoverable loss of sight:

- a) in both eyes if the *Insured Person* is entered on the Register of Blind Persons on the authority of a fully qualified ophthalmic specialist.

- b) in one eye if the degree of sight remaining after correction is 3/60 or less on the Snellen Scale, meaning that the *Insured Person* would see at 3 (three) metres what a normally sighted person would see at 60 (sixty) metres.

M

Medical Expenses

Necessary medical, hospital, surgical, manipulative, therapeutic and x-ray fees and nursing treatment, emergency dental and emergency optical charges incurred as a direct result of *Bodily Injury*. This shall be deemed to include the costs of medical supplies and ambulance hire.

Money

Negotiable Items and *Non-negotiable Items* which belong to *You* or are *Your* responsibility.

N

Negotiable items

Current coinage, bank and currency notes, uncrossed cheques, Giro cheques, uncrossed postal orders, unexpired units in franking machines, unused postage stamps, revenue stamps, National Savings stamps, *Business* travel tickets, customer redemption vouchers, trading stamps, bills of exchange, promissory notes, traveller's cheques, dividend warrants, gift tokens, sales vouchers, land registry stamps or telephone cards.

Non-negotiable Items

Any crossed instrument being a cheque, *Money* or postal order, travellers cheques, Giro draft, banker's draft, National Savings Certificates, Premium Bonds, credit cards and reservation vouchers, VAT purchase invoices, credit and charge card counterfoils, or stamped pension cards.

Notifiable Human Disease

An illness sustained by any person resulting from any human infectious or human contagious disease (excluding Severe Acute Respiratory Syndrome (SARS), swine flu, avian flu, Acquired Immune Deficiency Syndrome (AIDS) or an AIDS-related condition) an outbreak of which the competent local authority has stipulated shall be notified to them.

O

Occurrence

Any one loss or series of losses consequent upon or attributable to one source or original cause.

Outbuildings

Any building at the *Premises* that is subsidiary to the *Buildings* excluding any temporary or moveable structure.

Outstanding Debit Balances

The total amounts owed to *You* by customers in relation to goods supplied or services delivered, as recorded in accordance with **conditions precedent 1** (Records) of Section 2F, and 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 the said last record relates and the date of the *Damage*; and
- c) any abnormal condition of trade which had or could have had a material effect on *The Business* so that the figures when adjusted shall represent as nearly as reasonable practicable those which would have been obtained at the date of the *Damage* had the *Damage* not occurred.

P

Parent or Subsidiary

Any company which is for the time being (directly or indirectly) *Your* parent company, *Your* subsidiary company or a subsidiary company of a parent company where the shareholding of a parent in a subsidiary exceeds 50%.

Period of Insurance

The *Period of Insurance* specified in the *Schedule*.

Permanent Total Disablement

Bodily Injury (not resulting in *Loss of Limb(s)* or *Loss of Sight*) which is the sole and direct cause of the *Insured Person* being totally disabled and prevented from attending to his usual *Business* or occupation with proof satisfactory to *Us* that such disablement has continued for 1 (one) year from the date of the *Occurrence* of *Bodily Injury* and will in all probability continue for the remainder of the *Insured Person's* life.

Policy

The Commercial Combined *Policy* Wording together with *the Proposal*, the *Schedule* (including any *Schedule* issued in addition or substitution), any *Endorsements* and any *Survey Requirements*, terms and conditions accepted by *You* at the inception of the *Period of Insurance*.

Premises

The location(s) as stated in the *Schedule* used by *You* for the purposes of *The Business*.

Premium

The amount payable by *You* for the insurance cover provided (excluding Insurance *Premium* Tax) as specified in the *Schedule*.

Products

Any commodities, articles or goods or anything (including packaging, containers and labels) sold, supplied, distributed, erected, repaired, altered, treated, installed, processed, manufactured or tested by *You* or on *Your* behalf and no longer in *Your* possession or under *Your* control.

Professional Fees

The reasonable and necessary fees of any architect, engineer, surveyor, site manager or other construction professional which *You* incur solely for the repair or reinstatement of the *Property Insured* following *Damage*, with *Our* prior consent.

For the avoidance of doubt, this excludes any costs or expenses incurred in preparing a claim under this *Policy*.

Property Insured

As stated in the *Schedule*.

Proposal

Any information supplied by *You* in connection with this insurance and any declaration made in connection therewith by *You* or on *Your* behalf by *Your Agent*.

R

Rent Payable

The rent which *You* are legally obliged to pay whilst the *Buildings* used by *You* at the *Premises* or any part thereof are rendered unfit for occupation in consequence of their suffering *Damage* caused by an *Insured Peril*.

Replacement Cost

The cost of purchasing a replacement for any item destroyed to a standard equal to but not better or more extensive than its condition when new.

S

Sanitary Fittings

Fixed hand basins, lavatory bowls, bidets, shower trays and baths including lettering, embossing, beading, silvering or ornamental work.

Schedule

The document that lists the items and limits insured, specifying details and forming part of the *Policy*.

Specified Items

Any items listed on the *Schedule* under category D.

Stock

Stock, merchandise, materials in trade, work in progress and packing materials, stored in the *Premises* shown in the *Schedule* and only if and to the extent that they are owned by *You*, held in trust by *You* or *You* are legally responsible for them, excluding any goods entrusted to *You* by *Your Customers*.

Sum Insured/Sums Insured

The *Sum Insured* as stated in the *Schedule* applicable to an item of *Property Insured*.

T

Temporary Total Disablement

Bodily Injury which within 12 (twelve) months from its *Occurrence* is the sole and direct cause of the *Insured Person* being totally disabled and prevented from attending to his/her usual *Business* or occupation.

Tenant's Improvements

Improvements and decorations to the *Building(s)* at the *Premises* for which *You* are responsible.

Territorial Limits – Applicable to all Sections of the Policy except Sections 7 and 8

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

Terrorism

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

Total Sum Insured

The Total *Sum Insured* as stated in the *Schedule* applicable to all items of *Property Insured* falling within a category on the *Schedule*.

Transit

The period during which *Your* goods are being ;

- a) conveyed by or temporarily housed in or upon a vehicle or trailer owned or operated by *You*;
- b) conveyed by or in the charge of a carrier for the purposes of transportation by the carrier;
- c) conveyed by any other means of *Transit* stated in the *Schedule*;
- d) loaded onto or unloaded from the means of conveyance described in a), b) or c) above;

anywhere within the *Territorial Limits*, including sea and air transits therein.

U

Unoccupied

Not used for the purposes of *The Business* for a period of 30 (thirty) consecutive days.

W

We/Us/Our -

Contessa Limited on behalf of various insurers as fully described in the *Schedule*.

Y

You/Your/Yours

The person, persons or the company or other organisation shown in the *Schedule* as the *Insured*.

COMPLAINTS PROCEDURE

If *You* have a complaint please refer to *Your Schedule* for details of the insurer(s) in respect of the sections that are relevant to *Your Policy*.

Where the insurer is defined as **Contessa Limited on behalf of ERGO Versicherung AG, UK Branch** (*We/Us/Our*)

Any complaint that *You* may have about this *Policy* should be addressed in the first instance to *Your Agent*.

Please quote *Your Policy* number in all correspondence so that *Your* concerns may be dealt with speedily.

If *Your Agent* is unable to resolve the complaint to *Your* satisfaction by close of business the following day *You* should then contact:

The Complaints Manager
ERGO Versicherung AG, UK Branch,
35 Newhall Street,
Birmingham,
B3 3PU
Phone 0121 200 5822
Fax 0121 236 2889

In the event that *You* remain dissatisfied *You* may be able to refer the matter to:

The Financial Ombudsman Service,
Exchange Tower,
London, E14 9SR
Helpline: 0800 023 4567

Financial Services Compensation Scheme

ERGO Versicherung AG, UK Branch, are covered by the Financial Services Compensation Scheme (FSCS). *You* may be entitled to compensation from the FSCS if *We* are unable to meet *Our* liabilities. For compulsory insurance *You* may be entitled to compensation up to 100% of the claim. For all other types of insurance *You* may be entitled to compensation of up to £2,000 for the first part of the claim and 90% of the remainder of the claim. Further information about compensation arrangements is available from the FSCS.

Where the insurer is defined as **Contessa Limited on behalf of AXIS Specialty London, a UK branch of AXIS Specialty Europe SE** (*We/Us/Our*)

If *You* have any questions or concerns about *Your Policy* or the handling of a claim *You* should, in the first instance, contact *Your Agent* who arranged this *Policy* for *You*.

Please quote *Your Policy* number in all correspondence so that *Your* concerns may be dealt with speedily.

If *Your Agent* is unable to resolve the complaint to *Your* satisfaction by close of business the following day *You* should then contact:

AXIS Specialty London, a UK branch of AXIS Specialty Europe SE
Email: complaintsmanagereurope@axiscapital.com

If *You* are still dissatisfied then *You* may also have the right to refer *Your* complaint to:

Financial Services Ombudsman Bureau

3rd Floor, Lincoln House,
Lincoln Place,
Dublin 2,
Ireland

Online Complaints: www.financialombudsman.ie

Email Queries: enquiries@financialombudsman.ie

Phone: +353 (0)1 6670899

Fax: +353 (0)1 6620890

Public Office Hours: 10.00 – 13.00 hours and 14.00 – 17.00 hours

Further information is available from them on www.financialombudsman.ie

Your rights as a customer to take legal action are not affected by the existence or use of the complaints procedure mentioned above. However the Financial Services Ombudsman Bureau will not adjudicate on any cases where litigation has commenced.

Where the insurer is defined as Contessa Limited on behalf of Novae Syndicates Limited (*We/Us/Our*)

If *You* have any questions or concerns about *Your Policy* or the handling of a claim *You* should, in the first instance, contact *Your Agent* who arranged this *Policy* for *You*.

Please quote *Your Policy* number in all correspondence so that *Your* concerns may be dealt with speedily.

If *Your Agent* is unable to resolve the complaint to *Your* satisfaction by close of business the following day *You* should then contact:

Novae Syndicates Limited
Chief Executive
Novae Insurance Company Limited
71, Fenchurch Street
London EC3M 4HH

If *You* are still not satisfied with the way a complaint has been dealt with *You* may ask the Complaints Department at Lloyd's to review *Your* case without prejudice to *Your* rights in law.

The address is:

Complaints Department, Lloyd's, One Lime Street, London EC3M 7HA

If appropriate *You* may refer *Your* complaint to the Financial Ombudsman Service.

The address is :

The Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square,
London E14 9SR

Telephone No: 0800 023 4567

Please quote *Your Policy* number in all correspondence so that *Your* complaint may be dealt with speedily.

Data Protection

We hold data in accordance with the Data Protection Act 1998. It may be necessary for *Us* to pass data to other organisations that supply products and services associated with this contract of insurance. In order to verify information, or to prevent and detect fraud, *We* may share information *You* give *Us* with other organisations and public bodies, including the Police, accessing and updating various databases. If *You* give *Us* false or inaccurate information and *We* suspect fraud, *We* will record this and the information will be available to other organisations that have access to the database(s). *We* can supply details of the databases *We* access or contribute to on request.