

Commercial Combined Insurance Policy



Welcome

UK General are niche commercial and personal lines insurance experts providing specialist underwriting, distribution and fulfilment services.

UK General was formed in 2009 following the merger of PBS Holdings Ltd and Longhawk Insurance Group. We now provide a unique, hybrid organisation with the ability to move between or combine our business models enabling maximum flexibility in meeting the requirements of both our trading partners and customers.

We have a proven reputation as developers of bespoke personal and commercial lines niche insurance products coupled with a unique combination of expertise, people, systems and access to underwriting capacity. This means we can create and deliver a wide range of carefully tailored general insurance products to the UK's intermediary and affinity marketplace.

UK General's operating style is to develop products according to our client requirements, ensuring bespoke product design is tailored to market and customer segment. Our group provides insurance solutions for a range of product categories including Commercial, Property, Financial & Specialist Risk, Travel and Agricultural.

Our wealth of commercial expertise and industry experience enables us to maintain an innovative approach to commercial insurance and risk management. Our commercial products are designed to protect the assets and insure the liabilities of your small to medium sized businesses, while also reducing your businesses exposure to risk through providing effective risk management assistance and advice.

We work in partnership with an exclusive agency base of

professional brokers which we regard as individuals, involving them in the decision-making process. By working hard to support our broker's business objectives we ensure our policyholders get the level of cover and service that suits their requirements.

From our centralised underwriting services teams in Leeds, Belfast and Glasgow we provide our trading partners with easy access to underwriters for quick and efficient quotations and policy inception. Building and maintaining strong relationships at a local level is core to our business proposition and our regional Business Development Managers are spread across the UK to provide a more local presence for our intermediaries.

If you would like to find out more about UK General please visit our website:

www.ukgeneral.com

Notification of New Claims

In the event of any occurrence which may give rise to a claim, please contact your broker or alternatively you can contact us direct on:

Claims Line: 0844 209 0999

Open: Mon to Fri: 9am to 5pm

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Commercial Combined Policy

Cancelling Your Policy

Although the Insurers hope You are happy with the cover this Policy provides, if this Insurance doesn't meet Your requirements, You may cancel this Policy by giving notice in writing (including by email) and the Insurers will then cancel Your Policy with effect from the date upon which notice is dispatched to UK General. That date will be the Cancellation Date. If considered appropriate the Insurers reserve the right to request the return of all the policy documentation.

If the Cancellation Date is within 14 days of the start of the Period of Insurance the Insurers will return a proportionate part of the last premium paid in respect of the unexpired Period of Insurance less any policy fees already incurred.

If it is later and there have been no claims made during the current Period of Insurance, the Insurers will return a proportionate part of the last premium paid in respect of the unexpired Period of Insurance (subject to a minimum premium of £100) less any policy fees already incurred.

PLEASE NOTE that in order to process Your request for cancellation after the first 14 days the Insurers will need to check the records of Your Insurance Broker, Intermediary or Agent and of UK General to confirm that no claims, occurring during the Period of Insurance, have been made or notified and/or paid under the Policy. If there is such a claim the Insurers will still be happy to cancel the Policy at Your request but will require that You pay the premium and any fees for the whole Period of Insurance and the Insurers will not make any refund of premium or of any policy fees.

Insurers' Rights to Cancel Your Policy

The Insurers shall not be bound to accept any Renewal of this Policy.

There are circumstances in which the Insurers, Your Insurance Broker, Intermediary or Agent may notify You that the Policy will be cancelled

Non Payment of Premium and/or Insurance Premium Tax

If the Insurers do not receive the Premium and Insurance Premium Tax in full the Insurers may cancel this Policy by sending You at least 7 days written notice of cancellation to Your last known address. The Insurers will send a copy of this communication to Your Insurance Broker, Intermediary or Agent.

Cancellation for other reasons

The Insurers may cancel this Policy at any other time by sending 14 days notice of cancellation, giving details of the reason for cancellation, in writing to Your last known address. The Insurers will send a copy of this communication to Your Insurance Broker, Intermediary or Agent.

In the event of such a cancellation You shall be entitled to the return of a proportionate part of the last premium paid in respect of the unexpired Period of Insurance.

Details about the regulator and Insurers

UK General Insurance Ltd is authorised and regulated by the Financial Services Authority. Our FSA register number is 310101. You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register/ or by contacting the FSA on 0845 606 1234.

Ageas Insurance Limited is authorised and regulated by the Financial Services Authority (FSA). You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register/ or by contacting the FSA on 0845 606 1234.

Compensation Arrangements

UK General Insurance Ltd and Ageas Insurance Limited are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if any of these companies cannot meet their insurance obligations. This depends on the type of business and the circumstances of the claim. 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 up to 90% of the claim. Further information about Compensation Scheme arrangements is available from the FSCS at: <http://www.fscs.org.uk/> or You may write to the Financial Services Compensation Scheme, 7th Floor, Lloyd's Chambers, Portoken Street, London E1 8BN. Their telephone number is 0207 8927300.

Complaints Procedure

(Not forming part of this Policy)

It is always UK General's intention to provide a first class standard of service. However, if You have any cause for complaint about the way Your Policy was sold to You, You should, in the first instance, contact the intermediary who arranged the Policy for You. If You have a complaint about a claim, call Your claims handler first. You will find the claims handler's name and phone number on any letters they have sent You.

Should the matter not be resolved to Your satisfaction, please contact:

The Customer Relations Department
UK General
Cast House
Old Mill Business Park
Gibraltar Island Road
Leeds
West Yorkshire, LS10 1RJ

Tel: 0845 218 2685
Email: customerrelations@ukgeneral.co.uk

Please quote the details of Your Policy, the name of the Insured, Policy Number and departmental references.

If You cannot settle Your complaint with UK General, You may be entitled to refer it to the Financial Ombudsman Service (FOS). Further information is available at: <http://www.financial-ombudsman.org.uk/>

The FOS is an independent organisation that decides on complaints about general insurance products. They will only consider complaints after UK General have given You written confirmation that You have been through the Complaints Procedure and Your business has a turnover of less than EUR 2 million and fewer than 10 employees. You can contact the Ombudsman at:

Insurance Division
Financial Ombudsman Service
South Quay Plaza
183, Marsh Wall
London E1 4SR
Phone 0845 080 1800 Fax 0207 964 1001

Your legal rights will not be affected by following the Complaints Procedure or by contacting the FOS.

Commercial Combined Policy

Policy Information

(Not forming part of this Policy)

This Policy has been prepared in accordance with your instructions. Please read it carefully to ensure that it meets your requirements.

This Policy consists of

- a) the Introduction which explains the basis on which the cover is provided
- b) the Schedule which shows who is the Insured the Business being covered and other Policy particulars such as the Period of Insurance (also included with the Schedule are details of which Sections are operative)
- c) the General Policy Definitions Exceptions and Conditions which incorporate definitions and terms that apply to the whole Policy
- d) the Sections of the Policy which give precise details of the cover being provided
- e) any Endorsement(s) which might apply to the Policy or individual Sections and which incorporate cover amendments extensions limitations and such like.

Immediate notice should be given to the Insurers of any changes as these may affect the insurance provided by this Policy

Alterations in the cover required after issue of the Policy will be confirmed by separate Endorsement(s) which you should file with the Policy. You should refer to the Endorsement(s) and the Policy to ascertain precise details of cover currently in force.

Your insurance intermediary will be able to provide any help or information that you might require.

Data Protection Act 1998

Please read this notice carefully as it contains information about UK General's and Ageas Insurance Limited's use of personal information.

All personal information about You will be treated as private and confidential (even when You are no longer a customer), except as stated below.

By taking out this Policy, You are confirming that UK General, Ageas Insurance Limited and any holding company, subsidiaries and other linked companies may use Your personal information for the purposes explained below.

UK General, Ageas Insurance Limited and any holding company, subsidiaries and other linked companies may use any information held about You, any director, partner or Employee of the Business:

- to manage the Insurance Policy, including handling, underwriting, claims, issuing renewal documents and providing renewal information to your agent
- to carry out research and analysis.

They may share personal information with other insurers, regulatory authorities or agents providing services on their behalf.

UK General, Ageas Insurance Limited and any holding company, subsidiaries and other linked companies will only release personal information to others if:

- (a) it is necessary to manage the Policy
- (b) it is necessary to prevent fraud

- (c) required or permitted to do this by law (for example, if a legitimate request is received from the police or another authority)
- (d) there are any other circumstances where they have received Your permission to do so.

If UK General, Ageas Insurance Limited and any holding company, subsidiaries and other linked companies need to change the way personal information is to be used, the Insured will be notified. If the change is not acceptable You must notify them as soon as possible.

Sharing information to prevent fraud

The information held may be shared with operators of registers used by the insurance industry to check information that is given to UK General, Ageas Insurance Limited and any holding company, subsidiaries and other linked companies and prevent fraudulent claims. Information relating to the Insurance Policy and any incident (such as an accident or theft) may be passed to these registers.

Dealing with others on Your behalf

To help manage the Insurance Policy, subject to passing security questions, UK General, Ageas Insurance Limited and any holding company, subsidiaries and other linked companies will deal with You, any director, partner or Employee employed in the Business or any other person whom they reasonably believe to be acting for or on Your behalf in connection with the Policy.

Sensitive information

Some of the personal information that has been requested is known as sensitive personal data. This will include information relating to health, race, religion and criminal convictions relevant to the insurance provided. This information will only be used to manage the Policy and to provide the services set out in the Policy documents.

Monitoring and recording

Telephone calls may be monitored and recorded to monitor and improve service and to prevent or detect fraud. CCTV recording equipment may also be used in and around the premises of UK General, Ageas Insurance Limited and any holding company, subsidiaries and other linked companies

Interested parties

You should ensure that anyone else whose name has been supplied to UK General, Ageas Insurance Limited and any holding company, subsidiaries and other linked companies in connection with this Insurance Policy is shown this notice (Data Protection Act) as it will apply to them too.

Further information

You are entitled to receive a copy of the information held by UK General, Ageas Insurance Limited and any holding company, subsidiaries and other linked companies. The Insured should contact the Data Controller of UK General, Cast House, Old Mill Business Park, Gibraltar Island Road, Leeds LS10 1RJ, giving their name, address and insurance Policy number. UK General is entitled to charge an administrative fee for this.

Disclosure

Your insurance is based upon the information provided to UK General and you must ensure that all such information is complete and accurate, and that any facts that may influence the insurers' decision to accept and pay a valid claim are disclosed. Failure to disclose material information may invalidate your insurance cover and could mean that part, or all, of a claim may not be paid.

Duration of cover

As stated in the Period of Insurance.

Commercial Combined Policy

1. Introduction

- 1.1 Each Section of this Policy, the Schedule to each Section and any Endorsement(s) together with this Introduction and the General Policy Information, Definitions, Exclusions and Conditions and the Proposal and/or Statement of Fact shall be read as one document and form the contract of insurance.
- 1.2 Any word or expression given a specific meaning in
 - 1.2.1 the Schedule, any Policy Endorsement(s) or this Introduction and the General Policy Definitions, Exclusions and Conditions shall have the same meaning throughout the Policy unless otherwise indicated
 - 1.2.2 an individual Section or any Section of an Endorsement(s) shall replace any specific meaning given elsewhere but shall only have such meaning for the purpose of that Section or Endorsement(s) and such meaning shall apply throughout the Section or Endorsement(s).
- 1.3 In consideration of the payment of the premium the Insurers will indemnify the Insured within the terms of and subject to the exclusions and conditions of this Policy in respect of liability, loss or damage as set out in each Section and/or Endorsement occurring in connection with the Business during the Period of Insurance or any subsequent period for which the Insurers agree to accept payment of premium.
- 1.4 The Proposal and/or Statement of Fact made by the Insured is the basis of and forms part of this Policy.

2. The Insurers

In accordance with the authorisation granted to UK General by Ageas Insurance Limited (hereinafter referred to as 'The Insurers') and in consideration of the appropriate premium having been paid, the said Insurers (their Executors and Administrators) are hereby bound to insure in accordance with the terms and conditions contained herein or endorsed hereon.

All Sections
Ageas Insurance Limited, Ageas House, Tollgate, Eastleigh, Hampshire, SO53 3YA, Registered number: 354568 England.

3. Choice of Law applicable to this contract

- 3.1 The Parties are free to choose the law applicable to this Policy. Unless specifically agreed to the contrary this insurance shall be subject to English Law.

4. Use of Language

Unless otherwise agreed the contractual Terms and Conditions and other information relating to the contract will be in English.



Karen Beales
Technical Director
UK General
Registered Office
Cast House
Old Mill Business Park
Gibraltar Island Road
Leeds
West Yorkshire, LS10 1RJ

UK General Insurance Ltd. Registered in England (Company No. 4506493).

General Policy Definitions

1. Wherever the following words or phrases occur in the Policy they will have the meaning described below unless otherwise indicated

All Other Contents means in so far as they are not otherwise insured

- (a) Money and stamps (including National Insurance stamps) for an amount not exceeding £500
- (b) documents, manuscripts and Business books but only for the cost of the materials and clerical labour expended in reproducing such records (excluding any expense in connection with the production of information to be recorded therein)
- (c) computer systems records but only for the cost of the materials and clerical labour and computer time expended in reproducing such records (excluding any expense in connection with the production of information to be recorded therein)
- (d) patterns, models, moulds, plans and designs for an amount not exceeding the cost of the labour and materials expended in reinstatement
- (e) contents of Outbuildings
- (f) contents of open yards
- (g) tenants improvements, alterations and decorations
- (h) directors', partners', customers', visitors' and employees' personal effects of every description (other than motor vehicles and money) for an amount not exceeding £500 in respect of any one person.

Auditor(s) means the appointed auditor of a company or the accountant(s) in respect of companies exempt from audit requirements or partnerships or individuals;

Bodily Injury means

- (a) death, illness, disease or injury
- (b) mental injury, nervous shock but not defamation.

Buildings means the building or buildings forming part of the Premises and being mainly brick, stone or concrete built, and roofed with concrete, asphalt, tiles, slates, metal or sheets or slabs composed entirely of non-combustible mineral ingredients unless as otherwise declared by the Insured and accepted by the Insurers. The Buildings shall include landlords' fixtures and fittings therein and thereon, Outbuildings, walls, gates and fences, yards, car parks and pavements.

Business shall mean the Insured's business described in the Schedule.

Business Hours means the period during which the Premises are actually occupied for Business purposes and during which the Insured or Employees are in the Premises.

Computer Equipment means

- (a) all computer equipment (including interconnecting wiring, fixed discs, back-up media, temporary storage devices and telecommunications equipment) used for the storage and communication of electronically processed data
- (b) data carrying materials comprising all current and back-up computer programs and information contained on magnetic or optical discs and magnetic tapes.

Condition Precedent

A condition which must be complied with before the Insurers are to be liable for a claim.

Excess means the first part of each and every claim for which the Insured shall be responsible as ascertained after all other terms of this Policy have been applied.

Insured / You / Your means the person, persons or corporate body named as such in the Schedule.

Intruder Alarm Installation means the component parts detailed in the alarm specification and the lines of communication used to transmit signals.

Machinery & Plant means the machinery, plant and All Other Contents, in or on the described Premises and in the open within the Premises, all belonging to the Insured or held in trust for which they are responsible but excluding

- (a) landlords' fixtures and fittings
- (b) Stock
- (c) property more specifically insured, except in respect of any amount over and above that recoverable under such specific insurance.
- (d) vehicles licensed for road use including their accessories in, on or attached to them.

Money means cash (notes and coins), cheques, Giro cheques, travellers cheques, postal or money orders, bankers' drafts, current postage and revenue stamps, unused units in postage stamp franking machines, National Insurance stamps, stamped or franked National Insurance cards, National Savings stamps, National Savings certificates, Premium Bonds, Holiday-with-Pay stamps, bills of exchange, credit and debit card sales' vouchers, luncheon vouchers, consumer redemption vouchers, trading stamps, gift tokens and VAT purchase invoices all pertaining to the Business and belonging to or the responsibility of the Insured.

Office Machines means calculators, cash registers, facsimile and telex machines, internal public address, radio and telephone systems, photocopiers, tape and video recorders, televisions and word processors other than Stock used by the Insured in connection with the Business and belonging to or the responsibility of the Insured.

Outbuilding means any building at the Premises specified in the Schedule which does not incorporate permanent foundations below ground level.

Period of Insurance means the period specified in the Schedule and any additional period agreed by the Insurers as provided in any Endorsement;

Pollution and/or Contamination means all pollution and/or contamination of buildings or other structures, or of water or land, or the atmosphere. For the purpose of this Policy the term Pollution and/or Contamination shall include (but not be limited to):

- (i) seepage of or pollution and/or contamination by anything, including but not limited to that which is designated by any governmental, public or regulatory body or authority as toxic, hazardous, dangerous or deleterious to persons, property, or the environment under any law, ordinance, regulation or decree;
- (ii) the presence existence or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment;

Premises means the premises specified in the Schedule.

Principal means any person, employer, firm, company, ministry, or authority for whom the Insured is carrying out a contract or agreement for the performance of work;

Property Insured means the material property specified in the Schedule.

Proposal means any information provided by the Insured in connection with the obtaining of this Insurance and any declaration made in connection therewith.

General Policy Definitions

Rent means rent receivable in respect of each Building;

Responsible Person means the Insured or any other person authorised by the Insured to be responsible for the security of the Premises.

Stock means stock and materials in trade and goods in trust;

Sum Insured means the amount specified as the sum insured for each item in the Schedule.

Terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s), 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.

Unattended Vehicle means a Vehicle left in circumstances such that no one is in charge of keeping the Vehicle under observation and able to observe any attempt by anyone to interfere with it with a reasonable prospect of preventing any unauthorised interference;

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

Unoccupied means any Building or part thereof that is not occupied, tenanted or in active use.

Vehicle means a mechanically driven conveyance with or without attached trailers for conveying the Property Insured.

2. In this Policy unless the context otherwise requires
 - (a) clause headings are inserted for convenience only and shall not affect the construction of this Policy and all references to Clauses, Sub-clauses, Sections, Schedules or Endorsements are to Clauses, Sub-clauses and Sections of, or Schedules and Endorsements to, this Policy
 - (b) words denoting the singular number include the plural and vice versa
 - (c) references to persons include references to bodies corporate and un-incorporate
 - (d) references to statutes or statutory instruments include references to any equivalent legislation that is operative in any other part of Great Britain, Northern Ireland, the Isle of Man or the Channel Islands, any modification, any extension or any re-enactment thereof from time to time.

General Policy Exclusions

The following exclusions will apply to the indemnity given under the whole of this Policy (including all Sections and Endorsements) unless otherwise indicated.

1. Radioactive Contamination

The Insurers shall not provide indemnity under this Policy in respect of any

- (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) legal liability of whatsoever nature directly or indirectly caused by or contributed to, by or arising from
 - i) ionising radiations from 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 or contaminating properties of any nuclear installation, reactor or other nuclear assembly or component thereof
 - iii) any weapon or device
 - dispensing radioactive material and/or ionising radiation or
 - employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - iv) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.

Exclusion (iv) does not extend to radioactive isotopes, other than nuclear fuel or nuclear waste, when such isotopes are on the Premises and are being prepared, stored or used in the normal course of operations by the Insured for the commercial, agricultural, medical, scientific or other similar peaceful purposes for which they were intended.

2. War and Similar Risks

The Insurers shall not provide indemnity under this Policy in respect of any loss, destruction or Damage, consequential loss and legal liability directly or indirectly caused or occasioned by, happening through or in consequences of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, civil commotion assuming the proportions of or amounting to popular rising, 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 municipal, local or custom's authority.

In any action suit or other proceedings where the Insurers allege that by reason of war and similar risks described above any loss, destruction or Damage, consequential loss and legal liability is not covered by this Policy, the burden of proving that such loss, destruction or Damage is covered shall be upon the Insured.

3. Sonic Bangs

The Insurers shall not provide indemnity under this Policy in respect of any loss, destruction or damage or any consequential loss occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

4. Terrorism

The Insurers will not provide indemnity under this Policy for

Damage to any Property whatsoever or any loss or expense whatsoever resulting or arising from, or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from Terrorism except for accidental Injury sustained by any Employee of the Insured during the Period of Insurance and arising out of and in the course of their employment by the Insured in the Business described in the Schedule and occasioned by or happening through or in consequence directly or indirectly of Terrorism up to a maximum of £5,000,000 for Compensation and claimant's costs and expenses in respect of any one occurrence or all occurrences of a series consequent upon or attributable to one source or original cause (inclusive of legal costs and solicitors fees) for which the Insured is legally liable.

In any action, suit or other proceedings, where the Insurer alleges that by reason of the provisions of this Exclusion any loss, Damage or legal liability is not covered by this Policy, the burden of proving that such loss, Damage or legal liability is covered shall be upon the Insured.

5. Date Recognition

- a) The Insurers shall not provide indemnity under this Policy in respect of any loss, destruction or Damage directly or indirectly caused by, contributed to, consisting of or arising from the failure of any
 - (i) computer, data processing equipment or media microchip integrated circuit or similar device
 - (ii) other equipment or system for processing, storing or retrieving Data
 - (iii) computer software

whether the property of the Insured or not and whether occurring before, during or after the year 2000 to

- recognise correctly any date as its true calendar date
- capture, save, retain or correctly manipulate, interpret or process any Data, information, command or instruction as a result of treating any date otherwise than its true calendar date
- capture, save, retain or correctly process any Data as a result of the operation of any programmed command which causes the loss of Data or the inability to capture, save, retain or correctly to process such Data on or after any date.

Provided that such indemnity shall apply in respect of subsequent loss or Damage which itself results from a Defined Peril to the extent insured and which is not otherwise excluded in any Section.

- (b) For the purpose of this General Policy Exclusion, a Defined Peril means fire, lightning, explosion, aircraft or other aerial device or article dropped therefrom, storm or flood, earthquake or impact by any vehicle
- (c) For the purpose of this General Policy Exclusion Data means all information which is
 - i) electronically stored, or
 - ii) electronically represented, or
 - iii) contained on any current and back-up disks, tapes or other materials or devices used for the storage of data,

including but not limited to operating systems, records programmes, software or firmware, code or series of

General Policy Exclusions

instructions.

6. Northern Ireland

The Insurers shall not provide indemnity in respect of Damage to any Property in Northern Ireland or Damage resulting from, caused by, 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.

7. Electronic Risks Exclusion

The Insurers shall not provide indemnity under this Policy in respect of any claim (other than in respect of Bodily Injury as covered under the Public and Products Liability Section) arising directly or indirectly from, or in connection with, or consisting of

- (a) Loss of Data.

However, the Insurers will not exclude any claim arising directly or indirectly from, or in connection with, or consisting of Loss of Data, which claim is not otherwise excluded and which results from a Malicious Contingency involving physical force and violence or a Specified Contingency where either is insured under any of the following Sections of the Policy and only to the same extent that such claim is insured under that Section

- (i) Material Damage - Specified Perils.
 - (ii) Money
 - (iii) Business Interruption
 - (iv) All Risks (Specified Items)
- (b) any loss, destruction or Damage, Failure or Loss of Data resulting directly or indirectly from, or in connection with Virus or Similar Mechanism, Denial of Service Attack, unauthorised access to or use of Computer and Electronic Equipment

However, the Insurers will not exclude any claim in respect of any subsequent physical loss or destruction of, or Damage to property other than Computer and Electronic Equipment and Data Storage Materials which is not otherwise excluded and which results from a Malicious Contingency involving physical force and violence or a Specified Contingency where either is insured under any of the following Sections of the Policy and only to the same extent that such subsequent physical loss or destruction of or Damage to property is insured under that Section

- (i) Material Damage - Specified Perils.
- (ii) Money
- (iii) Business Interruption
- (iv) All Risks (Specified Items)

Exclusions (a) and (b) do not apply to the following

Sections, when insured by the Policy

- (i) Loss of Premises Licence
- (ii) Terrorism
- (iii) Employers' Liability

Special Provisions

For the purposes of this Exclusion

Cyber Vandal means the person or persons, whether identified or not, responsible for, or involved with, creating a Virus or Similar Mechanism or a Denial of Service Attack, unauthorised access to or use of Computer and Electronic Equipment.

Data means all information which is

- (a) electronically stored, or
- (b) electronically represented, or
- (c) contained on any current and back-up disks, tapes or other materials or devices used for the storage of data,

including but not limited to operating systems, records, programmes, software or firmware, code or series of instructions.

Denial of Service Attack means any actions or instructions with the ability to damage, interfere with, or otherwise affect the availability of Computer and Electronic Equipment or Data, including but not limited to the generation of excess traffic into network addresses, the exploitation of systems or network weaknesses, and the generation of excess or non genuine traffic within, between or amongst networks.

Failure means any partial or complete reduction in the

- (a) performance, or
- (b) availability, or
- (c) functionality, or
- (d) the ability to recognise or process any date or time, of any
 - (i) Computer and Electronic Equipment
 - (ii) electronic means of communication
 - (iii) web site.

Loss of Data means physical or electronic or other loss or destruction or alteration or loss of use, whether permanent or temporary, of or damage to Data, of whatsoever nature, in whole or in part, including, but not limited to, Loss of Data resulting from loss or damage to Computers and Electronic Equipment or Data Storage Materials, including while stored on Data Storage Materials.

General Policy Exclusions

Malicious Contingency means -

- (a) riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances
- (b) malicious persons other than thieves and Cyber Vandals.

Specified Contingency means the following Specified Perils:

Fire, Lightning, Explosion, Aircraft, Earthquake and/or Subterranean Fire, Storm, Flood, Escape of Water and Impact.

Virus or Similar Mechanism means program code, programming instruction or any set of instructions with the ability to damage, interfere with, or otherwise adversely affect Computer and Electronic Equipment or Data, whether involving self-replication or not, including, but not limited to Trojan Horses, Worms and Logic Bombs.

Computer and Electronic Equipment means all computers, computer installations and systems, microchips, integrated circuits, microprocessors, embedded systems, hardware and any electronic equipment, data processing equipment, information repository, telecommunication equipment, computer controlled or programmed machinery, equipment capable of processing data and/or similar devices, whether physically or remotely connected thereto.

Data Storage Materials means any materials or devices used for the storage or representation of Data including but not limited to disks, tapes, CD-ROMs, DVDs, memory sticks, memory cards or other materials or devices which may or may not also constitute Computer and Electronic Equipment.

General Policy Conditions

(applicable to the whole Policy)

1. Misdescription

This Policy may be avoided with effect from inception in the event of misrepresentation, misdescription or non-disclosure in any material particular whether this be under Sections A - L of this Policy or Sections M, N or O of the Signatures Policy if Sections M, N or O are shown as operative in the Schedule.

2. Alteration in Risk or Interest

This Policy shall be avoided with effect from the date the event occurs if after the commencement of this Insurance

- (i) the risk is materially increased; or
- (ii) the interest of the Insured ceases; or
- (iii) the Business does any of the following
 - (1) making a composition or arrangement with creditors; or
 - (2) have a proposal for a voluntary arrangement for a composition of debts or scheme of arrangement approved in accordance with the Insolvency Act 1986, or
 - (3) have an application made under the Insolvency Act 1986 to the court for the appointment of an administrator; or
 - (4) have a winding-up order made or (except for the purposes of amalgamation or reconstruction) a resolution for voluntary winding up passed or have a provisional liquidator, receiver or receiver and manager of his business or undertaking duly appointed; or
 - (5) have an administrative receiver, as defined in the Insolvency Act 1986, appointed or having possession taken by or on behalf of the holders of any debentures secured by floating charge or of any property comprised in or subject to the floating charge.

unless agreed by the Insurers in writing.

3. Fraudulent Claims

If any claim upon this Policy shall be in any respect fraudulent or if fraudulent means or devices be used by or on behalf of the Insured to obtain any benefit under this Policy or if any loss destruction or damage be occasioned by the wilful act or with the connivance of the Insured all benefit under this Policy shall be forfeited.

4. Duties of Insured

The Insured shall take all reasonable care and precautions

- (i) to prevent any event which may give rise to a claim under this Policy; and
- (ii) to maintain the Property Insured and everything used in the Business in proper repair; and
- (iii) in the selection and supervision of employees; and
- (iv) to comply with all statutory and other obligations and regulations imposed by any authority; and
- (v) to make good or remedy any defect or danger which becomes apparent and take such additional precautions as the circumstances may require.

5. Instalment Premiums

- (a) Where reference is made in this Policy to the payment of premium this includes the Insured having agreed to pay by instalments.
- (b) If UK General have agreed to accept payment of the first premium or any subsequent premium by instalment
 - (i) this Policy remains a contract for the Period of Insurance stated in the Schedule
 - (ii) if any instalment of premium is not received by UK General on or before its due date all unpaid instalments of premium and any service fee shall immediately become payable. Should the full premium and service fee not be paid within 7 days of UK General giving written notice of non-payment of an instalment, this Policy shall be cancelled immediately on expiry of such notice.
- (c) Following such cancellations UK General shall return to the Insured the balance of any instalment already paid after deduction of an appropriate charge for the Insurance cover to the date of cancellation except that if
 - (i) a claim has been made under the Policy for which the Insurers have made a payment
 - (ii) a claim has been made under the Policy which is still under consideration
 - (iii) an incident has occurred which is likely to give rise to a claim but is yet to be reported to the Insurers

no refund of premiums shall be made and the annual premium remains due in full. In such cases monthly collection must continue or a one-off payment be agreed to settle the outstanding amount. Where a one off payment is not made to settle the outstanding amount You must continue with the instalment payments. Alternatively UK General may deduct any outstanding instalments from any claim payment that may be due to You or payable on Your behalf.

6. Observance

- (a) The due observance and fulfilment of the Terms of this Policy, insofar as they relate to anything to be done or complied with by the Insured, shall be Conditions Precedent to any liability of the Insurers to make any payment under this Policy.
- (b) The truth of statements and answers in the Proposal and/or Statement of Fact are the basis of this Policy and if anything referred to shall be untrue, the Policy shall be null and void.

7. Other insurance

There shall be no liability under this Policy in respect of any claim where the Insured is entitled to indemnity under any other policy or insurance policy EXCEPT in respect of any excess beyond the amount which would have been covered under such other policy or insurance policy had this Policy not been effected.

8. Subrogation

The Insurers shall be entitled to prosecute in the Insured's name for the Insurers' benefit any claim for indemnity or damage or otherwise against a third party and shall have full discretion in the conduct of any such action and the Insured shall give to the Insurers all such information and assistance as the Insurers may reasonably require.

General Policy Conditions

9. Notice

- (a) In respect of claims under this Policy, the Insured should contact 0844 209 0999.
- (b) In respect of any other information where the Insurers require the Insured to notify them under the terms of this Policy, the Insured should contact their insurance intermediary.

10. Claims (Arbitration)

If any difference arises as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions. Where any difference is to be referred to arbitration the making of an award under this Condition shall be a Condition Precedent to any right of action against the Insurers.

11. Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this Policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act.12.

12. Contribution

Applicable to Employers' Liability Section and Public and Products Liability Sections

If the Insurance provided by these Sections is also covered by another policy (or would be but for the existence of these Sections), the Insurers will only indemnify the Insured in respect of any excess beyond the amount which would be payable under such other Insurance had these Sections not been effected.

Applicable to all other Sections insured by this Policy

- (a) Where any loss, destruction, Damage or liability covered by this Policy is also covered by another policy, (or would be but for the existence of this Policy), the Insurers will only pay a rateable share of the loss.
- (b) If the other insurance is subject to a Condition of Average and this Policy is not, this Policy will become subject to the same Condition of Average.
- (c) If the Property Insured covered by the other insurance is subject to a provision excluding proportional payment in whole or in part, the payment the Insurers make will be limited to the proportion of loss, destruction or Damage as the Sum Insured bears to the value of the property.

13. Notice of Property becoming Unoccupied/occupied

Notice must be given to the Insurers as soon as reasonably practicable when any Building or part thereof becomes Unoccupied or when an Unoccupied Building or part thereof is again occupied. If the risk is accepted by the Insurers a suitable additional premium must be paid.

14. Survey Condition

1. If required by the Insurers, You must allow the Insurers access to the Premises, the Contract Sites and/or the Business to carry out survey(s) within 60 days of the inception or renewal date, unless the Insurers agree an extension of this period of time in writing. This date shall be called the Survey Deadline Date. Between inception or renewal date and the Survey Deadline Date the cover provided by this Insurance remains unaltered.

If the survey is not carried out by the Survey Deadline Date because of You not allowing the Insurers access to the Premises the Insurers have the right to

- (a) cancel the contract by sending 14 days notice in writing in accordance with Policy Cancellation Condition
- (b) modify Your premium
- (c) issue a mid-term amendment to the Policy or Section Terms and Conditions
- (d) leave this Policy or Section Terms and Conditions, and the premium unaltered.

The Insurers will advise you of their decision within 30 days from the Survey Deadline Date.

2. If the Survey requires Risk Improvements, identified as Requirements, the Insured must fully comply with the timescales stipulated in the Compliance Schedule.

In the event that any Risk Improvements, identified as Requirements, are not completed by the Compliance Date the Insurers have the option to -

- (a) cancel the contract by sending 14 days notice in writing in accordance with Policy Cancellation Condition
- (b) modify Your premium
- (c) issue a mid-term amendment to the Policy or Section Terms and Conditions
- (d) leave this Policy or Section Terms and Conditions, and the premium unaltered.

The Insurers will advise you of their decision within 30 days from the Compliance Date

During the timescale stipulated in the Compliance Schedule for the completion of the Risk Improvements, identified as Requirements, the cover provided by this Insurance remains unaltered.

3. If the Survey identifies additional risk that was not evident in Your Proposal (without prejudice to any rights which the Insurers have to avoid) the Insurers have the right to -

- (a) cancel the contract by sending 14 days notice in writing in accordance with Policy Cancellation Condition
- (b) modify Your premium
- (c) issue a mid-term amendment to the Policy or Section Terms and Conditions.

4. It is a Condition Precedent to liability that all Risk Improvements, identified as Requirements, and that are confirmed by You or on Your behalf either in writing or verbally, to the Insurers or their representative as having been completed must continue to be complied with during the Period of Insurance.

The above Conditions do not affect the Insurers' right to void this Policy if Insurers discover information material to their acceptance of the risk. Please refer to the General Policy Conditions 1.

To the extent that this Survey Condition conflicts with the Cancellation Condition, this Survey Condition shall prevail.

General Policy Conditions

15. Subjectivity

This Policy, Schedule, Statement of Fact and/or Proposal made by You, should be read together and form the Contract of Insurance between You and the Insurers.

The Insurers will clearly state in the Schedule if the Cover provided by this Policy is subject to You

- (i) providing the Insurers with any additional information requested by the required date(s)
- (ii) completing any actions agreed between You and the Insurers by the required date(s)
- (iii) allowing the Insurers to complete any actions agreed.

Upon completion of these requirements (or if they are not completed by the required dates) the Insurers, at their option may

- (i) modify Your premium
- (ii) issue a mid-term amendment to the Policy or Section Terms and Conditions
- (iii) require You to make alterations to the Premises insured by the required date(s)
- (iv) exercise the right to cancel Your Policy
- (v) leave this Policy or Section Terms and Conditions, and the premium unaltered.

The Insurers will contact You with their decision and where applicable, specify the date(s) by which any action(s) agreed need to be completed by You and/or any decision by the Insurers will take effect.

The requirement and decisions will take effect from the date(s) specified unless and until the Insurers agree otherwise in writing. If the Insured disagrees with the requirements and/or decision, the Insurers will consider comments and, where the Insurers consider appropriate, will continue to negotiate with You to resolve the matter to Your and Your Insurers' satisfaction. In the event that the matter cannot be resolved

- (i) You have the right to cancel this Policy from a date agreed with the Insurers and providing no claims have been made, the Insurers will refund a proportionate part of the premium paid for the unexpired period of cover
- (ii) the Insurers may, at their option, exercise their right under Policy Cancellation Condition.

Until expiry of the required timescales the cover provided by this Insurance remains unaltered.

Except where stated all other Policy and Section Terms and Conditions will continue to apply.

The above Conditions do not affect the Insurers' right to void this Policy if the Insurers discover information material to their acceptance of the risk. Please refer to the General Policy Condition 1.

16. Minimum Physical Security Requirements

It is a Condition Precedent to liability under this Policy in respect of Damage caused by theft or attempted theft from the Premises that devices for the security of the Premises are installed in accordance with the following Specification and that such devices are put into full and effective operation whenever the Premises are closed for Business or left unattended.

Specification

- A). The Final Exit Door of the Premises be fitted with either
 - 1) For timber or steel framed doors - a mortice deadlock which has 5 or more levers and/or conforms to BS3621 with matching boxed striking plate

or

- 2) For aluminium or UPVC framed doors- a cylinder operated mortice deadlock or a deadlocking multi - point system
- B). All other external doors and all internal doors giving access to any part of the buildings not occupied by the Insured for the purpose of the Business be fitted with either
 - 1) Any of the locking arrangements as specified in A) 1 or 2 above in accordance with the construction of the door frame

or

- 2) Two key - operated bolts for doors one fitted approximately 30cm from the top of the door and the other 30cm from the bottom
- C). All outward opening external doors and all internal doors giving access to any part of the buildings not occupied by the Insured for the purpose of the Business be fitted and secured with hinge bolts.
- D). All ground floor and basement opening windows/skylights and other opening windows/skylights accessible from roof decks balconies fire escapes canopies or down pipes are to be fitted with key - operated window locks. This requirement does not apply to windows/skylights which are protected by solid steel bars grilles lockable gates expanded metal or weld - mesh.

Any door or window officially designated a fire exit by the fire authority is excluded from these requirements.

17. Intruder Alarm Installation

It is a Condition Precedent to liability under this policy in respect of theft or attempted theft from the Premises that:

- (i) Where the Premises are protected by an Intruder Alarm Installation
 - (1) such installation must not be altered or amended in any way unless such amendment or alteration has been approved in writing by the Insurers; and
 - (2) such installation must be maintained under contract with the installers or as otherwise approved by the Insurers; and
 - (3) the Insured shall immediately notify the Insurers upon receipt of any communication giving notice that the level of response to the Intruder Alarm Installation has been (or will be) reduced or delayed; and
 - (4) the Premises shall not be left without at least one Responsible Person therein without the agreement of the Insurers
 - (i) unless the Intruder Alarm Installation is set in its entirety with the means of communication used to transmit signals in full operation; or

General Policy Conditions

- (ii) where the level of response is reduced to no police attendance Keyholder response only; and
 - (5) the Insured shall appoint at least two Keyholders and lodge written details (which must be kept up to date) with the alarm company and Police; and
 - (6) in the event of notification of any activation of the Intruder Alarm Installation or interruption of the means of communication during any period that the Intruder Alarm Installation is set, a Keyholder shall attend the Premises as soon as reasonably possible.
- (ii) A Keyholder is appointed and can be the Insured or any person or keyholding company authorised by the Insured who is available at all times to accept notification of faults or alarm signals relating to the intruder alarm system and allow access to the Premises.

18. Protections

It is a Condition Precedent to liability under this policy that the Insured must ensure

- (1) all protections in force at the Premises at the inception of this Policy or subsequently as stipulated by or agreed by the Insurers shall be in full operation securing the Premises whenever the Premises are left unattended for any reason whatsoever; and
- (2) any keys for the Premises and or intruder alarm systems and/or safes and/or strongrooms and/or any other secured area or device in which Insured Property is kept are removed from the Premises whenever the Premises are left unattended for any reason whatsoever; and
- (3) the Insured maintains the secrecy of codes for the operation of the Intruder Alarm Installation to Responsible Persons and no details of the same are left on the Premises.

Otherwise no claim in respect of theft or attempted theft from the Premises insured shall be payable.

19. Inflation Protection Clause

The Insurers will adjust the Sums Insured in respect of Sections A - Material Damage (Specified Perils), C – Theft and H – All Risks (Specified Items) in line with suitable indices of costs and the renewal premium will be based on the adjusted Sums Insured.

Section A – Material Damage - Specified Perils

(Only operative if specified on the Schedule)

1. Section Definitions

Wherever the following words or phrases occur they will have the meaning set out below for the purpose of this Section A

Damage means loss of or damage to the Property Insured.

2. The Cover

The Insurers will indemnify the Insured in respect of Damage occurring at the Premises during the Period of Insurance caused by any of the Specified Perils identified in the Schedule as being insured under Section A.

3. Specified Perils

Specified Perils means:

(i) **Fire** but excluding Damage directly or indirectly caused by

- (1) explosion resulting from fire unless Explosion as defined in Clause 3(iii) and/or 3(v) is insured
- (2) earthquake and/or subterranean fire unless Earthquake and/or subterranean fire is insured
- (3) spontaneous fermentation or heating or
- (4) its undergoing any heating process or any process involving the application of heat

(ii) **Lightning**

(iii) **Explosion** of boilers and of gas where the boiler or gas is used for domestic purposes only.

(iv) **Aircraft** or other aerial devices or articles dropped therefrom.

(v) **Explosion** but excluding Damage

- (1) caused by or consisting of the bursting of a boiler economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured
- (2) in respect of and originating in any vessel machinery or apparatus or its contents belonging to or under the control of the Insured which requires to be examined to comply with any Statutory Regulations unless such vessel machinery or apparatus shall be the subject of a policy or other contract providing the required inspection service
- (3) caused by Fire resulting from explosion unless Fire is insured
- (4) caused by explosion of boilers or of gas used for domestic purposes only unless Explosion defined in Clause 3(iii) is insured

(vi) **Riot, Civil Commotion, Strikers, Locked-out**

Workers, persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation but excluding Damage

- (1) arising from cessation of work or occasioned by, happening through or in consequence of confiscation, nationalisation, requisition or destruction of or damage to property by or under order of any government municipal, local or customs authority; and/or

(2) by fire caused by strikers, locked-out workers or persons taking part in labour disturbances or malicious persons unless Fire is insured.

(vii) **Malicious Persons** not acting on behalf of or in connection with any political organisation excluding

(1) Damage (other than by Fire or Explosion)

- (i) caused by theft or attempted theft; and/or
- (ii) in respect of any Unoccupied Building(s); and

(2) the amount of the Excess specified in the Schedule

(viii) **Earthquake and or Subterranean Fire.**

(ix) **Storm** but excluding

(1) Damage directly or indirectly caused by

- (i) the escape of water from the normal confines of any natural or artificial water course, lake, reservoir, river, canal or dam; and/or
- (ii) inundation from the sea

whether resulting from Storm or otherwise; and/or

(2) Damage attributable solely and directly to a change in the water table level; and/or

(3) Damage caused by Lightning

(4) Damage caused by frost, subsidence, ground heave or landslip; and/or

(5) Damage in respect of fences, gates and moveable property in the open; and

(6) the amount of the Excess specified in the Schedule

(x) **Flood** excluding

(1) Damage directly caused by

- (i) Storm; and/or
- (ii) the escape of water from any tank, apparatus or pipe; and/or
- (iii) frost, subsidence, ground heave or landslip; and/or

(2) Damage attributable solely and directly to a change in the water table level; and/or

(3) Damage in respect of fences, gates and moveable property in the open; and

(4) the amount of the Excess specified in the Schedule.

(xi) **Escape of Water** from any tank, apparatus or pipe but excluding

(1) Damage in respect of any Unoccupied Building(s); and/or

(2) Damage caused by water discharged or leaking from any automatic sprinkler installation; and

(3) Damage caused by Storm or Flood

(4) the amount of the Excess specified in the Schedule.

Section A – Material Damage - Specified Perils

(Only operative if specified on the Schedule)

- (xii) **Impact by any vehicle or animal** not belonging to or under the control of the Insured or any occupier of the Premises or their respective employees.
- (xiii) **Impact by any vehicle or animal** excluding in respect of vehicles or animals belonging to or under the control of the Insured or any occupier of the Premises or their respective employees the amount of the Excess specified in the Schedule.
- (xiv) **Accidental Escape of Water** from any Automatic Sprinkler Installation in the Premises not caused by
 - (1) freezing whilst the Building insofar as it is in the Insured's ownership or tenancy is an Unoccupied Building; or
 - (2) explosion, earthquake, subterranean fire or heat caused by fireand excluding the amount of the Excess specified in the Schedule
- (xv) **Accidental Physical Damage** excluding -
 - (1) Damage caused by
 - (i) any other Specified Peril and cause(s) excluded thereunder
 - (ii) inherent vice, latent defect, gradual deterioration, wear and tear, frost, faulty or defective design or materials but this shall not exclude subsequent Damage which results from a cause not otherwise excluded
 - (iii) faulty or defective workmanship, operational error or omission on the part of the Insured or any of their employees but this shall not exclude subsequent Damage which results from a cause not otherwise excluded
 - (iv) corrosion, rust, wet or dry rot, toxic mould, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
 - (v) change in temperature, colour, flavour, texture or finish
 - (vi) 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
 - (vii) mechanical or electrical breakdown, derangement or overloading in respect of the particular machine, apparatus or equipment in which such breakdown or derangement originates but this shall not include Damage to surrounding property not forming part of the same machine, apparatus or equipment
 - (viii) electrical or magnetic disturbance or erasure of electronic recordings
 - (ix) settling, shrinkage or expansion of foundations, walls, floors, ceilings or roof settlement or bedding down of new structures or extensions, Subsidence, Ground Heave or Landslip
 - (x) theft or attempted theft
 - (2) Damage to
 - (i) Buildings or structures caused by their own collapse or cracking unless resulting from any other Specified Peril insured and not otherwise excluded
 - (ii) Unoccupied Buildings or their contents
 - (iii) property or structures in the course of construction or erection and materials or supplies in connection with all such property in the course of construction or erection
 - (iv) property in the open or in transit by air or sea or inland waterway or road
 - (v) vehicles licensed or intended to be licensed for road use (including accessories thereon), caravans, trailers, watercraft or aircraft
 - (vi) livestock, growing crops or trees
 - (vii) jewellery, precious stones, precious metals, bullion, furs, curiosities, rare books or works of art
 - (viii) fixed glass
 - (ix) glass (other than fixed glass), china, earthenware, marble or other fragile or brittle objects
- (xi) acts of fraud or dishonesty
- (xii) unexplained disappearance, unexplained shortage, inventory shortage, misfiling or misplacing of information
- (xiii) the Insured voluntarily parting with title or possession of any property or rights to property
- (xiv) cessation of work
- (xv) the solidification of molten material (unless such Damage is directly caused by any other Specified Peril)
- (3) Damage resulting from any Property Insured undergoing any process of production or any process of packaging, treatment, testing, commissioning, cleaning, servicing, repair or any other process but this shall not exclude loss of or Damage to surrounding property not forming part of
 - (i) the same machine
 - (ii) the same process of production
 - (iii) the same process of packaging, treatment, testing, commissioning, cleaning, servicing, repair or any other process
- (4) Loss or Damage to
 - (i) any component part of any Property Insured while such part is removed from its normal position in the Item of Property Insured
 - (ii) any electrically driven machine or apparatus directly caused by its own overrunning, short circuiting, self heating or by the application of excessive electrical energy or mechanical derangement not arising from external impact

Section A – Material Damage - Specified Perils

(Only operative if specified on the Schedule)

(5) Damage

- (i) insured by any marine policy
- (ii) which would be insured under any marine policy, if this Policy did not exist.

However the Insurers will indemnify You in respect of Damage not otherwise excluded for any sum beyond the amount which would have been payable under the marine policy had this Insurance not existed.

(6) the amount of the Excess specified in the Schedule

(xvi) Subsidence or ground heave or landslip

- (1) Damage to Outbuildings, walls, gates, fences, yards, car parks and pavements unless Damage also occurs to the Building to which such property applies and that Building is insured by this Section

(2) Damage caused by

- (a) collapse, cracking, shrinking or settlement of any Building
- (b) coastal or river erosion
- (c) defective design or inadequate construction of foundations
- (d) demolition, structural alteration or repair
- (e) settlement or movement of made up ground

- (3) Damage as a result of movement of solid floor slabs, unless there has been Damage to the foundations beneath the exterior walls of the Premises at the same time and such Damage is not otherwise excluded

- (4) Damage in respect of land, roads, pavements, piers, jetties, bridges, culverts and excavations.

(5) the amount of the Excess specified in the Schedule

4. Limit of Liability

The liability of the Insurers under this Section shall not exceed the Sum Insured by each item stated in the Schedule for the Period of Insurance or the limit specified in any extension under Clause 7 of Section A .

5. Basis of Claims Settlement

Claims under Section A will be settled either on the basis of an indemnity or reinstatement in respect of any item of Property Insured as set out below:

- (i) **Indemnity** - will be payable where there is no R against the Sum Insured in the Schedule. The amount payable shall be the value of the Property Insured at the time of its loss or the amount of the Damage, or, at the Insurers' option, the reinstatement or replacement of such property or any part of it.
- (ii) **Reinstatement** - where R appears against the Sum Insured in the Schedule the amount payable under such item(s) shall be the cost of the reinstatement of the property lost or damaged.

For this purpose "reinstatement" means

- (1) where property is lost its replacement by similar property which, provided the liability of the Insurers is not increased may be carried out

- (a) in any manner suitable to the requirements of the Insured; and/or

- (b) upon another site; or

- (2) where the property is damaged the repair or restoration of the property in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new.

Provided that

- (i) the liability of the Insurers for the repair or restoration of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed

- (ii) each item insured subject to this Clause is declared to be separately subject to the following Condition of Average.

If at the time of reinstatement the amount of the Sum Insured for any item is less than 85 per cent of the total value of the Property Insured under that item in the Schedule, the liability of the Insurers shall not exceed that proportion of the amount of the Damage which the said sum insured shall bear to the sum representing the total cost of reinstating the whole of such property at that time

- (iii) No payment beyond the amount which would have been payable in the absence of Clause 5 (ii) shall be made

- (a) unless reinstatement commences and proceeds without unreasonable delay; and

- (b) until the cost of reinstatement has been actually incurred;

- (c) if the Property Insured at the time of its loss or damage shall be insured by any other insurance which is not upon the same basis of reinstatement

- (iv) All the terms of this Section shall apply

- (a) in respect of any claim payable under the provisions of this Clause 5 (ii) except insofar as they are varied hereby

- (b) where claims are payable as if this Clause had not been incorporated (including but not limited to Clause 8(a) of Section A)

6. Section Exclusions

The Insurers shall not indemnify the Insured for

- (i) delay, loss of market, loss of use or consequential loss of Damage of any kind but this shall not exclude loss of rent when such loss is included in the cover under Section A; or

- (ii) Damage directly or indirectly caused by riot or civil commotion but this shall not exclude such Damage where the Specified Peril as defined in Clause 3 (iv) is insured; or

- (iii) Damage caused by Pollution and/or Contamination

but this shall not exclude

Damage caused by

- (1) Pollution and/or Contamination which itself results from a Specified Peril; or

Section A – Material Damage - Specified Perils

(Only operative if specified on the Schedule)

- (2) a Specified Peril which itself results from Pollution and/or Contamination
unless otherwise excluded; or
- (iv) any property more specifically insured by or on behalf of the Insured; or
- (v) loss of or damage to working dynamos, motors, wires, main or electrical apparatus through short circuiting overrunning or excessive pressure; or
- (vi) loss of or damage to motor vehicles or their contents more specifically insured but this shall not exclude any amount in excess of that recoverable under such more specific insurance.
- (vii) Damage caused by the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunication services but this shall not exclude
- (a) such Damage not otherwise excluded which itself results from a Specified Peril or from any other accidental loss, destruction or Damage
- (b) subsequent Damage which results from a cause not otherwise excluded.
- (viii) Damage caused by infidelity or dishonesty of the Insured or any of their employees or other persons to whom Property Insured may be entrusted, nor loss, destruction or Damage resulting from the Insured voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme, trick, device or false pretence or any unexplained loss or shortage disclosed on taking inventory.

7. Section Extensions

These Section Extensions are subject otherwise to the terms of this Policy.

(a) Annexes

- (i) Except where more specifically insured the Buildings and/or items specified in the Schedule of
- (1) annexes, conveniences and external hoists, gangways and staircases; and
- (2) extensions communicating with any of the Buildings set out in the Schedule; and
- (3) Outbuildings are insured under the respective items applying to the Buildings and/or Premises to which such property is attached or belongs

(b) Architects' Surveyors' Legal and Other Professional Fees

The amount of the Sum Insured set out in the Schedule by each item in respect of Buildings and Machinery and Plant includes an amount in respect of architects' surveyors' legal and other professional fees necessarily incurred in the reinstatement of the Property Insured consequent upon Damage but not for preparing any claim, it being understood that the amount payable for such fees shall not exceed those authorised under the scale of charges of the respective professional bodies at the time of such Damage and that the liability for such Damage and fees shall not exceed in the aggregate the Sum Insured by each such item.

(c) Automatic Reinstatement

In the absence of written notice by the Insurers to the contrary the amount of the sum insured in respect of each item of Property Insured in the Schedule shall not be

reduced by the amount of loss and in return the Insured undertakes to pay the appropriate extra premium at a rate to be agreed on the amount of the loss from the date of the Damage.

(d) Capital Additions

- (i) The insurance for each item in respect of Buildings and Machinery and Plant as specified in the Schedule extends to include
- (1) alterations, additions and/or improvements to the Property Insured (but not appreciation in value); and/or
- (2) newly acquired and/or newly occupied Premises and/or Buildings or any other Property Insured provided it is not otherwise insured anywhere in Great Britain, the Isle of Man or the Channel Islands.

Provided that

- (i) in respect of Buildings or other Property Insured for each Premises this cover shall not exceed 10 per cent of the Sum Insured under the relevant item in the Schedule or £500,000 in the aggregate whichever is the lesser;
- (ii) the Insured shall advise Insurers
- (1) every 6 months in respect of any such alterations, additions and improvements; and
- (2) as soon as practicable and in any event within 6 months of any such newly acquired and or newly occupied property.
- (iii) The Insured will pay the appropriate additional premium required from inception of such additional cover and amounts so declared shall be added by endorsement to the Schedule whereupon these provisions shall be fully reinstated.

(e) Contract Price

This insurance will provide an indemnity in respect only of goods sold but not delivered for which the Insured is responsible subject to a sale contract which following Damage is cancelled by reason of failure to fulfil its conditions in whole or in part as a direct consequence of Damage insured by this Section. The liability of the Insurers in respect of such indemnity shall be based on the contract price of the goods affected by such Damage.

(f) Debris Removal - other than Stock

- (i) The insurance under Section A (except the cover applying wholly or in part to Stock) extends to include costs and expenses necessarily incurred by the Insured with the consent of the Insurers in
- (1) removing debris from
- (2) dismantling and/or demolishing
- (3) shoring up or propping
- of the portion or portions of the Property Insured following Damage by a Specified Peril .
- (ii) The liability of the Insurers under this Extension in respect of any item specified in the Schedule shall in no case exceed the Sum Insured for that item.
- (iii) The Insurers will not indemnify the Insured for any costs or expenses

Section A – Material Damage - Specified Perils

(Only operative if specified on the Schedule)

- (1) incurred in removing debris except from the Premises where Damage occurred and the area immediately adjacent thereto; or
- (2) arising from Pollution or Contamination of property not insured by this Section.

(g) Debris Removal - Stock

- (i) The insurance under Section A extends to costs and expenses necessarily incurred by the Insured with the consent of the Insurers in removing Stock from the Premises following Damage by a Specified Peril insured under Section A.
- (ii) The Insurers' liability shall not exceed the Sum Insured by each item under stock debris removal as specified in the Schedule.
- (iii) The Insurers will not indemnify the Insured for any costs or expenses
 - (1) incurred in removing debris except from the Premises where Damage occurred and the area immediately adjacent thereto
 - (2) arising from Pollution or Contamination of property not insured by this Section.

(h) Drain Clearance

The amount of the Sum Insured set out in the Schedule by each item in respect of Buildings and/or Machinery and Plant includes costs and expenses necessarily incurred in cleaning, and/or repairing drains, sewers and gutters which are the property of the Insured or for which they are responsible following Damage by a Specified Peril.

(i) Non-Invalidation

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

(j) Other Interests

The interest of parties supplying Property Insured to the Insured under a hiring, leasing or similar agreement is noted in this insurance and the nature and extent of any such interest to be disclosed in the event of Damage.

(k) Rent

The Insurers will indemnify the Insured for Rent only if any of the Buildings or any part of them is unfit for occupation in consequence of Damage to such Building or part thereof and then the amount payable shall not exceed such proportion of the Sum Insured on Rent as the period necessary for reinstatement bears to the term of Rent insured.

(l) Services

The insurance cover provided under each Item on Buildings and Machinery and Plant extends to include Damage, by a Specified Peril, to telephone, gas, water and electric instruments, meters, piping, cabling and the like and the accessories thereof, including similar property in adjoining yards or roadways or above or below ground and associated with the Premises which is the property of the Insured or for which they are responsible.

This Extension however shall not apply to any kind of above or below ground conductors, including wires, cables, poles, scaffolding, pylons and masts or any property forming part thereof or connected therewith and including substations and transformer stations unless such conductors are located no further than 1,000 metres from the Buildings or Buildings forming part of the Premises. This includes but is not limited to conductors for the transmission and distribution of electrical energy, telephone or telegraphic signals and all communication signals whether audio or visual.

(m) Mortgagees Freeholders and Lessors

Mortgagees, freeholders and lessors shall not be prejudiced by any increase in the risk of Damage resulting from any act of negligence of any mortgagor, leaseholder, lessee or occupier of any Buildings insured by this Section provided such increase in risk is without their prior knowledge or authority and that the Insurers are notified immediately they become aware of such increase in risk.

(n) Public Authorities

- (i) The insurance under Section A extends to include the cost of complying with the Public Authorities requirements being such additional cost of reinstatement of the Property Insured as may be incurred with the Insurers consent in complying with Building Regulations or local authority or other statutory requirements first imposed upon the Insured following the Damage provided that the reinstatement is completed within twelve months of the occurrence of the Damage or within such further time as the Insurers may in writing allow.
- (ii) The liability of the Insurers under this Extension in respect of any item specified in the Schedule shall in no case exceed the Sum Insured for that item.

(o) Subrogation Waiver

The Insurers agree to waive any rights, remedies or relief to which it might become entitled against any parent or subsidiary company of the Insured or any fellow subsidiary where the Insured is also a subsidiary as defined by the Companies Act 1985.

(p) Temporary Removal (General)

- (i) The Property Insured under Section A (other than Stock if insured) is covered whilst temporarily removed for cleaning, renovation, repair or similar purposes elsewhere and in transit thereto and therefrom provided it remains within the territory of Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.
- (ii) The liability of the Insurers under this Extension shall not exceed £5,000 or 10 per cent of the Sum Insured in the Schedule by the item whichever is the lesser.

(q) Temporary Removal (Documents)

- (i) The insurance cover in respect of deeds and other documents (including stamps thereon), manuscripts, plans and writings of every description and books (written and printed) extends to cover such property (for an amount not exceeding 10 per cent of the value thereof) whilst temporarily removed to any premises not in the Insured's occupation and in transit thereto and therefrom provided it remains within the territory of Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

Section A – Material Damage - Specified Perils

(Only operative if specified on the Schedule)

- (ii) This Extension does not apply to
 - (1) computer systems' records; or
 - (2) property insofar as it is otherwise insured.

(r) Transfer of Interest

If at the time of Damage the Insured shall have contracted to sell their interest in any Building and the purchase shall not have been but shall be thereafter completed, the purchaser on completion of the purchase (if and so far as the property is not otherwise insured by or on behalf of the purchaser against such Damage) shall be entitled to the benefit of this Section so far as it relates to such Damage without prejudice to the rights and liabilities of the Insured or the Insurers under this Section up to the date of completion.

(s) Workmen

Workmen are allowed in or about any of the Premises for the purpose of carrying out minor alterations, repairs, decorations and maintenance without prejudice to this insurance.

(t) Theft Damage to Buildings

Cover in respect of Buildings extends to include the cost of repairing Damage by theft or any attempt thereat to the Buildings of the Premises as insured hereby but excluding Damage to

- (i) Buildings which are Unoccupied
- (ii) Outbuildings, walls, gates & fences, yards, car parks and pavements.

8. Section Conditions

(a) Average (Underinsurance)

- (i) Each of the amounts set out under Sums Insured for each item in the Schedule in respect of Section A is declared to be separately subject to Average.
- (ii) Whenever a Sum Insured for an item in the Schedule is declared to be subject to Average if such amount shall at the commencement of any Damage be less than the value of the Property Insured or Rent insured under that item then the Insured will be considered self insured for the difference and the amount payable by the Insurers in respect of such Damage shall be proportionately reduced.

(b) Claims (Action by the Insured)

- (i) In the event of Damage the Insured shall
 - (1) notify the Insurers of the Damage immediately, or at the latest within 5 days; and
 - (2) notify the police authority immediately it becomes evident that any Damage has been caused by malicious persons; and
 - (3) carry out and permit to be taken any action which may be reasonably practicable to prevent further Damage; and
 - (4) deliver to the Insurers at their own expense within 30 days after such Damage (7 days in the case of Damage caused by riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons) or such further time as the Insurers may allow

- (i) full information in writing of the property lost, destroyed or damaged; and
- (ii) details of any other insurances on any Property Insured; and
- (iii) all such proofs and information relating to the claim as may be reasonably required; and
- (iv) if demanded a statutory declaration of the truth of the claim and of any matters connected with it.

- (ii) It is a Condition Precedent to liability under this Policy that the Insured fulfils all of its obligations under Clause 8(b) and no claim under Section A shall be payable unless all of the terms of Clause 8(b) have been complied with.

(c) Claims (Reinstatement)

If any property is to be reinstated or replaced by the Insurers the Insured shall, at their own expense, provide all such plans, documents, books and information as may be reasonably required. The Insurers shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the amount stated as the Sum Insured in the Schedule.

(d) Claims (Rights of Insurers)

- (i) On the happening of Damage in respect of which a claim is made the Insurers, and any person authorised by the Insurers, may without incurring any liability or diminishing any of the Insurers' rights under Section A
 - (1) enter, take or keep possession of the Premises where such Damage has occurred; and
 - (2) take possession of or require to be delivered to the Insurers any Property Insured and deal with such property for all reasonable purposes and in any reasonable manner.
- (ii) No claim shall be payable unless the terms of Clause 8(d) of Section A have been complied with.
- (iii) No property may be abandoned to the Insurers whether taken possession of by the Insurers or not.

(e) Warranties

Every warranty to which this Section or any item specified in the Schedule as insured under Section A is, or may be made, subject to shall from the time the warranty attaches apply and continue to be in force during the duration of the Period of Insurance.

Provided that if Section A of the Policy is renewed a claim in respect of Damage occurring following renewal date shall not be barred by reason of a warranty not having been complied with at any time before the date of renewal.

(f) Fire Break Doors and Shutters

It is a Condition Precedent to liability under this Policy that all fire break doors and shutters will be kept closed except during working hours and will be in efficient working order.

Section A – Material Damage - Specified Perils

(Only operative if specified on the Schedule)

(g) Fire Extinguishment - Automatic Sprinkler Installations

- (i) The Insured shall
- (1) test any automatic sprinkler installation(s) identified in the Proposal every working day for the purpose of ascertaining the condition of the circuit between the alarm switch and the control unit except where it is continuously monitored or is such that one break of wires will not prevent an alarm signal being transmitted (for example a ring circuit); and
 - (2) test any automatic sprinkler installation(s) identified in the Proposal at least once a week for the purpose of ascertaining the condition of
 - (i) the connection with the public fire station, central fire alarm depot or public fire brigade control (unless the fire brigade have given a written undertaking to carry out this test)
 - (ii) the relevant batteries; and

N.B. Where the circuit concerned is not continuously monitored test (2)(i) must be made every working day
 - (3) have a contract in respect of all automatic sprinkler installation(s) identified in the Proposal with approved installing engineers providing for the maintenance of and half-yearly inspection of the installation(s) and to obtain from them following each inspection, certification that they are in satisfactory working order; and
 - (4) make a test in respect of all automatic sprinkler installation(s) identified in the Proposal every week for the purpose of ascertaining that the alarm gong is in working order and that the stop valves controlling the individual water supplies and the installation(s) are fully open; and
 - (5) make tests in respect of all automatic sprinkler installation(s) identified in the Proposal each week for the purpose of ascertaining that the pump(s) can be started both automatically and manually and that in respect of any diesel engine driven pump the battery electrolyte level and density are correct and record the completion of these tests; and
 - (6) make quarterly or half-yearly tests in respect of all automatic sprinkler installation(s) identified in the Proposal if required by the Insurers to do so for the purpose of ascertaining that each water supply is in order and record the particulars of each test; and
 - (7) remedy promptly any defect disclosed by such tests or otherwise and ensure that any such automatic sprinkler installation(s) are in full and proper operation at all times; and
- N.B. Notice must be given to the Insurers before any installation is rendered inoperative or immediately in the event of emergency; and
- (ii) The Insured shall allow the Insurers to have access to the Premises at all reasonable times for the purpose of inspecting the sprinkler installation(s).
- (iii) It is a Condition Precedent to liability under this Policy that the Insured fulfils all of its obligations under this Clause and no claim under Section A shall be payable unless all of the terms of this Clause have been complied with.

(h) Fire Extinguishment - Other Appliances

- (i) It is a Condition Precedent of liability under this Policy that the Insured shall maintain all of the fire extinguishing appliances under contract with the installers and remedy promptly any defect disclosed by any such inspection or otherwise.
- (ii) Subject to the observance of the above undertaking this Section shall not be invalidated by any defect in any appliances due to any circumstances unknown to or beyond the control of the Insured.

(i) Fire Alarms

- (i) The Insured shall
- (1) carry out the testing and checking requirements in relation to the automatic fire alarm installation(s) referred to on the completion policy and remedy promptly any defect disclosed; and
 - (2) carry out the maintenance procedures in relation to the automatic fire alarm installation(s) specified by the manufacturers of the equipment; and
 - (3) notify the Insurers immediately of any disconnection or failure of the automatic fire alarm installation likely to leave any area unprotected for 12 hours or more; and
 - (4) record details of all events such as alarm faults tests maintenance and disconnections and keep such details available for examination by the Insurers' representatives.
- (ii) It is a Condition Precedent to liability under this Policy that the Insured fulfils all of its obligations under this Clause and no claim under Section A shall be payable unless all of the terms of this Clause have been complied with.

(j) Stock Declaration

Where "SDC" appears against the Sum Insured for property detailed in the Schedule the following shall apply

- (1) the premium for the item(s) is provisional and subject to adjustment as hereinafter provided; and
- (2) the separate value of the Property Insured by each such item shall be declared in writing by the Insured to the Insurers either monthly or quarterly as previously agreed and if the Insured fails to give such a declaration then the Insured shall be deemed to have declared the original Sum Insured by the item(s) on the declaration date; and
- (3) unless noted to the contrary the dates on which values are to be calculated shall be
 - (i) monthly declarations - last day of each month; or
 - (ii) quarterly declarations - last day of every 3 month period commencing from the beginning of the Period of Insurance

the declared values to reach the Insurers within 30 days of the declaration date; and
- (4) on expiry of each Period of Insurance the actual premium required shall be calculated by applying the agreed rates per cent to the average amount(s) declared is the total of the sums declared divided by the number of declarations. If the actual premium be greater than

Section A – Material Damage - Specified Perils

(Only operative if specified on the Schedule)

the provisional premium the Insured shall pay the difference. If it be less the difference shall be repaid to the Insured; and

- (5) in consideration of the insurance not being reduced by the amount of any loss the Insured shall pay the appropriate extra premium on the amount of the loss from the date of the Damage; and
- (6) it is warranted that every insurance in respect of Stock be identical in wording with this insurance.

(k) Day One Basis (Non Adjustable) – Applicable only to those items showing a Declared Value on the Schedule

- (i) The Insured having stated in writing the Declared Value incorporated in each item to which this Section Condition (l) applies, the premium having been calculated accordingly.

“Declared Value” shall mean the Insured’s assessment of the cost of reinstatement of Buildings, Machinery and Plant arrived at in accordance with Clause 5 (ii) of this Section at the level of costs applying at inception of the Period of Insurance (excluding inflationary factors which may operate subsequently) together with, in so far as the insurance by the Item provides, due allowance for;

- (a) the additional cost of reinstatement to comply with Public Authority requirements
- (b) professional fees
- (c) debris removal costs
- (ii) At the inception of each Period of Insurance the Insured shall notify the Insurers of the Declared Value of the Property Insured by each of the said items. In the absence of such declaration the last amount declared by the Insured shall be taken as the Declared Value for the ensuing Period of Insurance.
- (iii) Clause 5(ii) Provision (ii) of this Section is replaced with the following;

Each Item insured under this Section Condition is declared to be separately subject to the following Condition of Average;

If at the time of loss the Declared Value of the Property Insured by such Item be less than 85% of the cost of reinstatement (as defined by paragraph (i) of the Day One Basis (Non Adjustable) Condition) at the inception of the Period of Insurance then the Insurers liability for any loss hereby insured shall be limited to the proportion thereof which the Declared Value bears to such cost of reinstatement.

- (iv) Clause 5(ii) Provision (iv) of this Section is replaced with the following wording;

Where by reason of any of the above Special Provisions no payment is to be made beyond the amount which would have been payable under this Policy if this Section Condition had not been incorporated therein the rights and liabilities of the Insurers and the Insured in respect of Damage shall be subject to the terms and conditions of this Policy including any Conditions of Average therein, as if this Section Condition had not been incorporated therein except that the sums insured shall be limited to the percentage of the Declared Values detailed in the Schedule.

(l) Unoccupied Premises

It is a Condition Precedent to liability that whilst Buildings or part thereof insured by this Section are Unoccupied that the following requirements are complied with

- (a) gas, water and electricity supplies are kept disconnected and that all water apparatus is drained except as otherwise agreed by the Insurers in writing (and other than those supplies required to operate fire and security protection or for other essential services)
- (b) all external doors are kept securely locked
- (c) ground floor window openings are kept securely fastened and, if specified by the Insurers in writing, boarded up in accordance with their requirements
- (d) the Buildings to be maintained and all yards and external areas immediately surrounding the Buildings are to be kept free of all fuel and waste materials
- (e) all letterboxes are sealed to prevent insertion of material.

The Insured must inspect the property at least weekly to check that the foregoing conditions are observed. In the event of any breach of security of the Buildings or of malicious damage or any evidence of unlawful entry or attempted entry to the Buildings the Insured shall immediately :-

1. carry out the necessary work to satisfy the above requirements
2. notify the Insurers.

A record of these inspections must be kept and made available for inspection by the Insurers immediately upon request.

(m) Designation

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

Section B - Business Interruption - Specified Perils

(Only operative if specified on the Schedule)

1. Section Definitions

Wherever the following words or phrases occur they will have the meaning set out below for the purpose of this Section B

Actual Gross Profit means the Gross Profit earned during the financial year most nearly concurrent with the Period of Insurance (subject to the provision of Note 3 below)

Actual Gross Revenue means the Gross Revenue earned during the financial year most nearly concurrent with the Period of Insurance (subject to the provision of Note 3 below)

Additional Increase in Cost of Working means the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage.

Damage means loss of or damage to the Property Insured used by the Insured at the Premises for the purposes of the Business;

Estimated Gross Profit means the amount declared by the Insured to the Insurers as representing not less than the Gross Profit which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (subject to the provision of Note 3 below)

Estimated Gross Revenue means the amount declared by the Insured to the Insurers as representing not less than the Gross Revenue which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (subject to the provision of Note 3 below)

Gross Profit means the amount by which the sum of the amount of the Turnover and the amounts of the closing stock and work in progress shall exceed the sum of the amounts of the opening stock and work in progress and the amount of the Specified Working Expenses (subject to the provision of Note 3 below)

Gross Rentals means the money paid or payable to the Insured on account of Rents for accommodation provided and charges to tenants for work done and services rendered in the course of the Business at the Premises or those portions thereof which are let or sub-let (subject to the provision of Note 3 below)

Gross Revenue means the money paid or payable to the Insured for work done and for services rendered in course of the Business at the Premises.

Indemnity Period means the period beginning when the Damage occurs and ending when the Business ceases to be affected by the Damage but not exceeding the Maximum Indemnity Period shown in the Schedule.

Outstanding Debit Balances means the total recorded debits adjusted for

- (1) bad debts
- (2) 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 the credit accounts of the Business in the period between the date to which the last monthly record relates and the date of the Damage

- (3) any abnormal condition of trade which had or could have had a material effect on the Business so that the figures thus adjusted will represent as nearly as reasonably practicable those which would have been obtained at the date of the Damage had the Damage not occurred

Rate of Gross Profit) had the damage not
The rate which Gross Profit) occurred after account
would have borne to the) has been taken of the
Turnover during the) trends of the Business
Indemnity Period) and of the variations
in or other

Standard Turnover) circumstances
The Turnover which would) affecting the Business
have been obtained during) either before or after
the Indemnity Period) the Damage or which
would have affected

Insurable Amount) the Business had the
The Gross Profit or Gross) Damage not occurred
Revenue which would have) subject to the
been earned in the twelve) provision of Note 3
months immediately following) below.
the date of the damage)

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

Specified Working Expenses means;

- (1) Purchases and related discounts
- (2) Bad Debts

unless otherwise stated in the Schedule

The following **Notes** refer to the Section Definitions stated above

- 1. To the extent that the Insured is accountable to the tax authorities for Value Added Tax all terms in this insurance will be exclusive of such tax
- 2. For the purpose of these definitions any adjustment implemented in current cost accounting will be disregarded
- 3. In the definitions of Estimated Gross Profit and Estimated Gross Revenue and Gross Rentals and Actual Gross Profit and Actual Gross Revenue the amount of Gross Profit or Gross Revenue or Gross Rentals will be proportionately increased to correspond with the Maximum Indemnity Period where it exceeds twelve months
- 4. The Specified Working Expenses have the meaning usually attached to them in the Insured's accounts
- 5. The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Insured's normal accountancy methods due provision being made for depreciation

2. The Cover

The Insurers will indemnify the Insured in respect of Damage by any of the Specified Perils set out under Clause 3 and stated in the Schedule as being insured under Section B occurring at the Premises during the Period of Insurance to Property Insured used by the Insured for the purpose of the Business which causes interruption of or interference with the Insured's Business at the Premises.

Section B - Business Interruption - Specified Perils

(Only operative if specified on the Schedule)

The Insurers will pay to the Insured the amount of loss resulting from the interruption or interference caused by the Damage in accordance with the provisions of this Section B.

Provided that

- A) payment has been made or liability admitted for the Damage under an insurance covering the interest of the Insured in the property

or

payment would have been made or liability admitted for the Damage but for the operation of a provision in such insurance excluding liability for losses below a specified amount

- B) the Insurers' liability in any one Period of Insurance shall not exceed in the whole the total Sum Insured or in respect of any Item its Sum Insured or any other stated Limit of Liability.

3. Specified Perils

- (i) Fire** but excluding Damage directly or indirectly caused by

- (1) explosion resulting from fire unless Explosion as defined in Clause 3(iii) and/or 3(v) is insured; or
- (2) earthquake and/or subterranean fire unless Earthquake and/or subterranean fire as defined in Clause 3(viii) is insured; or
- (3) spontaneous fermentation or heating or
- (4) its undergoing any heating process or any process involving the application of heat

- (ii) Lightning**

- (iii) Explosion** of boilers and of gas where the boiler or gas is used for domestic purposes only

- (iv) Aircraft** or other aerial devices or articles dropped therefrom excluding Damage by Fire unless Fire is insured.

- (v) Explosion** but excluding Damage

- (1) caused by or consisting of the bursting of a boiler, economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured
- (2) in respect of and originating in any vessel machinery or apparatus or its contents belonging to or under the control of the Insured which requires to be examined to comply with any Statutory Regulations unless such vessel machinery or apparatus shall be the subject of a policy or other contract providing the required inspection service
- (3) caused by Fire resulting from explosion unless Fire is insured
- (4) caused by explosion of boilers or of gas used for domestic purposes only unless Explosion as defined in Clause 3 (iii) is insured.

- (vi) Riot, Commotion, Strikers, Locked-out Workers,**

persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation but excluding Damage

- (1) arising from cessation of work or occasioned by, happening through or in consequence of confiscation, nationalisation, requisition or destruction of or damage to property by or under order of any government municipal, local or customs authority; and/or

- (2) by fire caused by strikers, locked-out workers or persons taking part in labour disturbances or malicious persons unless Fire is insured.

- (vii) Malicious Persons** not acting on behalf of or in connection with any political organisation excluding Damage (other than by Fire or Explosion)

- (a) caused by theft; and/or
- (b) in respect of any Unoccupied Building(s)

- (viii) Earthquake and or Subterranean Fire.**

- (ix) Storm** but excluding

- (1) Damage directly or indirectly caused by
 - (i) the escape of water from the normal confines of any natural or artificial water course, lake, reservoir, river, canal or dam; and/or
 - (ii) inundation from the seawhether resulting from Storm or otherwise; and/or
- (2) Damage attributable solely and directly to a change in the water table level; and/or
- (3) Damage caused by Lightning
- (4) Damage caused by frost, subsidence, ground heave or landslip; and/or
- (5) Damage in respect of fences, gates and moveable property in the open; and

- (x) Flood** but excluding

- (1) Damage directly caused by
 - (i) Storm; and/or
 - (ii) the escape of water from any tank, apparatus or pipe; and/or
 - (iii) frost, subsidence, ground heave or landslip; and/or
- (2) Damage attributable solely and directly to a change in the water table level; and/or
- (3) Damage in respect of fences, gates and moveable property in the open; and

- (xi) Escape of Water** from any tank, apparatus or pipe but excluding

- (1) Damage in respect of any Unoccupied Building(s); and/or
- (2) Damage caused by water discharged or leaking from any automatic sprinkler installation;
- (3) Damage caused by Storm or Flood

- (xii) Impact by any vehicle or animal** not belonging to or under the control of the Insured or any occupier of the Premises or their respective employees

- (xiii) Impact by any vehicle or animal**

Section B - Business Interruption - Specified Perils

(Only operative if specified on the Schedule)

(xiv) Accidental Escape of Water from any Automatic Sprinkler Installation in the Premises not caused by

- (1) freezing whilst the Building insofar as it is in the Insured's ownership or tenancy is an Unoccupied Building; or
- (2) explosion, earthquake, subterranean fire or heat caused by fire

(xv) Accidental Physical Damage excluding

- (1) Damage caused by
 - (i) any other Specified Peril and cause(s) excluded thereunder
 - (ii) inherent vice, latent defect, gradual deterioration, wear and tear, frost, faulty or defective design or materials but this shall not exclude subsequent Damage which results from a cause not otherwise excluded
 - (iii) faulty or defective workmanship, operational error or omission on the part of the Insured or any of their employees but this shall not exclude subsequent Damage which results from a cause not otherwise excluded
 - (iv) corrosion, rust, wet or dry rot, toxic mould, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
 - (v) change in temperature, colour, flavour, texture or finish
 - (vi) 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
 - (vii) mechanical or electrical breakdown, derangement or overloading in respect of the particular machine, apparatus or equipment in which such breakdown or derangement originates but this shall not exclude Damage to surrounding property not forming part of the same machine, apparatus or equipment
 - (viii) electrical or magnetic disturbance or erasure of electronic recordings
 - (ix) settling, shrinkage or expansion of foundations, walls, floors, ceilings or roof settlement or bedding down of new structures or extensions, Subsidence, Ground Heave or Landslip
 - (x) theft or attempted theft
 - (xi) acts of fraud or dishonesty
 - (xii) unexplained disappearance, unexplained shortage, inventory shortage, misfiling or misplacing of information
 - (xiii) the Insured voluntarily parting with title or possession of any property or rights to property
 - (xiv) cessation of work
 - (xv) the solidification of molten material (unless such Damage is directly caused by any other Specified Peril)

(2) Damage to

- (i) Buildings or structures caused by their own collapse or cracking unless resulting from any other Specified Peril
- (ii) Unoccupied Buildings or their contents
- (iii) property or structures in the course of construction or erection and materials or supplies in connection with all such property in the course of construction or erection
- (iv) property in the open or in transit by air or sea or inland waterway or road
- (v) vehicles licensed or intended to be licensed for road use (including accessories thereon), caravans, trailers, watercraft or aircraft
- (vi) livestock, growing crops or trees
- (vii) jewellery, precious stones, precious metals, bullion, furs, curiosities, rare books or works of art
- (viii) fixed glass
- (ix) glass (other than fixed glass), china, earthenware, marble or other fragile or brittle objects

(3) Damage resulting from any Property Insured undergoing any process of production; or any process of packaging, treatment, testing commissioning, cleaning, servicing, repair or any other process but this shall not exclude loss of or Damage to surrounding property not forming part of

- (i) the same machine
- (ii) the same process of production
- (iii) the same process of packaging, treatment, testing commissioning, cleaning, servicing, repair or any other process

(4) Loss or Damage to

- (i) any component part of any Property Insured while such part is removed from its normal position in the Item of Property Insured.
- (ii) any electrically driven machine or apparatus directly caused by its own overrunning, short circuiting, self heating or by the application of excessive electrical energy or mechanical derangement not arising from external impact.

(5) Damage

- (i) insured by any marine policy
- (ii) which would be insured under any marine policy, if this Policy did not exist.

However the Insurers will indemnify You in respect of Damage not otherwise excluded for any sum beyond the amount which would have been payable under the marine policy had this Insurance not existed.

(xvi) Theft or attempted theft involving

- (1) forcible and violent entry to or exit from Buildings at the Premises including such thefts or attempted thefts involving collusion by any employee but not partner or director of the Insured; or

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(Only operative if specified on the Schedule)

- (2) assault or violence or threat thereof to the Insured or any partner director employee of the Insured or members of their families or any other person lawfully on the Premises.

(xvii) Subsidence or Ground Heave or Landslip but excluding

- (1) Damage to Outbuildings, walls, gates, fences, yards, car parks and pavements unless Damage also occurs to the Building to which such property applies and that Building is insured by this Section
- (2) Damage caused by -
 - (i) collapse, cracking, shrinking or settlement of any Building
 - (ii) coastal or river erosion
 - (iii) defective design or inadequate construction of foundations
 - (iv) demolition, structural alteration or repair
 - (v) settlement or movement of made up ground
- (3) Damage as a result of movement of solid floor slabs, unless there has been Damage to the foundations beneath the exterior walls of the Premises at the same time and such Damage is not otherwise excluded
- (4) Damage in respect of land, roads, pavements, piers, jetties, bridges, culverts and excavations.

4. Limit of Liability

The liability of the Insurers under this Section shall not exceed in the aggregate for the Period of Insurance

- a. the Total Sum Insured as specified in the Schedule
- b. in respect of any Item the Sum Insured specified in the Schedule
- c. the Limit of Liability as specified in the Schedule for any Section Extensions that are shown as operative
- d. the limit specified in any Extension.

If the Insurance under this Section is on the Declaration Linked basis (as stated in the Schedule) the liability of the Insurers shall not exceed in the aggregate for the Period of Insurance 133.33% of the Estimated Gross Profit or Estimated Gross Revenue as specified in the Schedule. In respect of each other Item the liability of the Insurers will not exceed 100% of the Sum Insured stated in the Schedule nor in the whole the sum of 133.33% of the Estimated Gross Profit or Estimated Gross Revenue.

5. Basis of Settlement

(i) Item on Gross Profit

Subject to the provisions below the Insurers will pay as indemnity –

- (A) In respect of reduction in Turnover
The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period falls short of the Standard Turnover in consequence of the Damage
- (B) In respect of Increase in Cost of Working
The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing

the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the total of the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided

Special Provisions

- (1) Alternative Trading
If during the Indemnity Period work is done or services rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by others on the Insured's behalf the money paid or payable in respect of such work or services will be taken into account in arriving at the Turnover during the Indemnity Period
- (2) Savings
If any of the charges or expenses of the Business payable out of Gross Profit cease or reduce in consequence of the Damage the amount of such savings during the Indemnity Period will be deducted from the amount payable
- (3) Professional Accountants Charges
The Insurers will pay the reasonable charges payable by the Insured to their professional accountants for producing information required by the Insurers in connection with any claim and for reporting that such information is in accordance with the Insured's accounts
- (4) Underinsurance
(Not applicable if the insurance is on the Declaration Linked basis)
If the Sum Insured is less than the Insurable Amount the amount payable shall be proportionately reduced

(ii) Item on Additional Increase in Cost of Working

The Insurers will indemnify the Insured for such further additional expenditure beyond that recoverable under clause B of the Item on Gross Profit as the Insured shall necessarily and reasonably incur during the Indemnity Period in consequence of the Damage for the sole purpose of avoiding or diminishing the reduction in turnover but not exceeding the Sum Insured shown in the Schedule

(iii) Item on Book Debts

Subject to the provisions below the Insurers will indemnify the Insured following Damage to the Insured's Business records for

- (1) the difference between the Outstanding Debit Balances and the total of the amounts received or traced in connection with such balances
- (2) the additional expenditure incurred with the consent of the Insurers in tracing and establishing customers debit balances after the Damage
- (3) the reasonable charges payable by the Insured to their professional accountants for producing information required by the Insurers in investigating or verifying a claim under this Section for an amount not exceeding the Sum Insured shown in the Schedule in any one Period of Insurance

Special Provisions

- (1) Underinsurance
If the sum insured is less than the Insurable Amount the amount payable shall be proportionately reduced
- (2) Duplicate Records and Storage
It is a condition precedent to the Insurer's liability that the Insured

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(A) maintains a record elsewhere than in the building in which the original records are kept showing the total amount outstanding in the credit accounts of the Business at the end of each month and in the event of Damage resulting in a claim will supply that record to the Insurers

(B) will keep all business records in which credit accounts of the Business are shown stored in standard metal cabinets fire resisting cabinets safes or strongrooms when not in use

(iv) Item on Gross Rentals

The Insurers will pay as indemnity

- (1) In respect of loss of Gross Rentals - the amount by which the Gross Rentals during the Indemnity Period shall in consequence of the Damage fall short of the Standard Gross Rentals
- (2) In respect of Additional Expenditure - the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Rentals which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Gross Rentals thereby avoided

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

(v) Item on Gross Revenue

Subject to the provisions below the Insurers will pay as indemnity –

- (A) In respect of loss of Gross Revenue - the amount by which the Gross Revenue during the Indemnity Period shall in consequence of the Damage fall short of the Standard Turnover
- (B) In respect of Increase in Cost of Working - the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Revenue which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the total of the amount of the reduction in Gross Revenue thereby avoided

Special Provisions

- (1) Alternative Trading - If during the Indemnity Period work shall be done or services rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or by others on the Insured's behalf the money paid or payable in respect of such work or services shall be taken into account in arriving at the Gross Revenue during the Indemnity Period
- (2) Savings - If any of the changes or expenses of the Business payable out of Gross Revenue shall cease or reduce in consequence of the Damage the amount of such savings during the Indemnity period shall be deducted from the amount payable
- (3) Professional Accountants Charges - The Insurers will pay the reasonable charges payable by the Insured to their professional accountants for producing information required by the Insurers in connection with any claim and for reporting that such information is in accordance with the Insured's accounts

(4) Underinsurance - (Not applicable if the insurance is on the Declaration Linked basis)
If the sum insured is less than the Insurable Amount the amount payable shall be proportionately reduced

6. Section Exclusions

The Insurers shall not indemnify the Insured for

- (i) loss resulting from Pollution and/or Contamination but this shall not exclude Damage caused by
 - (1) Pollution and/or Contamination which itself results from a Specified Peril or
 - (2) a Specified Peril which itself results from Pollution or Contaminationunless otherwise excluded.
- (ii) Damage directly or indirectly caused by riot or civil commotion but this shall not exclude such Damage where the Specified Peril 3(vi) is insured.

7. Section Conditions

Claims (Action by the Insured)

- (i) In the event of loss or damage in consequence of which a claim is or may be made under this Section the Insured shall
 - (1) notify the Insurers immediately or at the latest within 5 days; and
 - (2) deliver to the Insurers at their own expense within 7 days of its happening full details of loss or damage caused by riot civil commotion strikers locked-out workers persons taking part in labour disturbances or malicious persons; and
 - (3) with due diligence carry out and permit to be taken any action which may be reasonably practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss; and in the event of a claim being made under this Section the Insured at their own expense shall:
 - (a) not later than 30 days after the expiry of the Indemnity Period or within such further time as the Insurers may allow deliver to the Insurers in writing particulars of their claim together with details of all other insurances covering property used by the Insured at the Premises for the purpose of the Business or any part of it or any resulting consequential loss; and
 - (b) deliver to the Insurers such books of account and other business books vouchers invoices balance sheets and other documents proofs information explanation and other evidence as may be reasonably required by the Insurers for the purpose of investigating or verifying the claim together with if demanded a statutory declaration of the truth of the claim and of any matters connected with it.
- (ii) It is a condition precedent to liability under this Policy that the Insured fulfils all of its obligations under this Clause and no claim under Section B shall be payable unless all of the terms of this Clause have been complied with.

Section B - Business Interruption - Specified Perils

(Only operative if specified on the Schedule)

8. Section Extensions

(Operative only if stated in the Schedule)

The cover under this Section B is extended to include loss insured in consequence of:

(i) Prevention Of Access

Damage to property in the vicinity of the Premises by any Specified Peril insured under Section A in the Schedule which prevents or hinders the use of or access to the Premises.

(ii) Failure of Public Utilities

Accidental failure of the public service of water gas or electricity at the terminal point of the service feed to the Premises but excluding

- (1) where such failure is for a period of less than twenty-four hours
- (2) where the service supplier exercises the right to restrict or withhold service including but not limited to withdrawal of service due to industrial action
- (3) as a result of any fault in any part of the Insured's installation at the Premises

(iii) Defective Sanitation

Closure of the Premises by order of a Public Authority consequent upon vermin pests defects in drains or defective sanitation at the Premises.

(iv) Unspecified Suppliers and Customers

Damage to property at the premises of any of the Insured's customers or suppliers manufacturers or processors of components goods or materials but excluding

- (1) any loss as a result of any such Damage at any premises of any supply undertaking from which the Insured obtains electricity gas water or telecommunication services unless specifically stated in this Section
- (2) any loss as a result of Damage not within Great Britain Northern Ireland and the Republic of Ireland

(v) Property Stored

Damage to property at the premises not in the occupation of the Insured where property of the Insured is stored but excluding any loss as a result of Damage not within Great Britain Northern Ireland and the Republic of Ireland

(vi) Goods In Transit

Damage to Property Insured in transit by any conveyance operated by the Insured excluding Damage

- (1) for any loss as a result of Damage to any conveyance not within Great Britain Northern Ireland and the Republic of Ireland
- (2) for theft from any unattended conveyance unless all doors windows and other openings are closed properly fastened and locked and any immobiliser cut out steering lock or alarm is correctly set to operate and in respect of theft occurring after the last business transit of the day has ceased the conveyance is housed in a secure locked building or guarded security compound

(vii) Public Utilities

Damage to property at any:

- (a) generating station or sub-station of any public electricity supply undertaking
- (b) land based premises of any public gas supply undertaking or of any natural gas producer linked directly therewith
- (c) water works or pumping station of any public water supply undertaking
- (d) land based premises of any public telecommunications undertaking from which the Insured obtains electricity gas water or telecommunications services all in Great Britain or Northern Ireland

9. Section Memoranda

(i) New Business

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

(ii) Premium Adjustment

(The Schedule shows which clause applies to this insurance)

The following provisions apply separately to each item on Gross Profit or Gross Revenue

A Where the premium paid is not provisional At the end of the Period of Insurance the Insurers will allow a pro rata return of premium (not exceeding 50% of the premium paid) if the premium calculated at the appropriate rate on the Actual Gross Profit or Actual Gross Revenue (as reported by the Insured's auditors) is less than the premium paid provided that if the Actual Gross Profit or Actual Gross Revenue has been affected by Damage as insured the Insurers will add to the amount declared the additional amount of Gross Profit or Gross Revenue which would have been earned in the relative financial year had the Damage not occurred and the adjusted figure will be deemed to be the declaration

B Where a provisional premium is paid The premium paid at the commencement of each period of insurance is provisional and the Insured shall declare to the Insurers within six months of the expiry of each period the Actual Gross Profit or Actual Gross Revenue as reported by the Insured's auditors The premium will be calculated at the appropriate rate on the declaration and the premium paid will be adjusted as stated below provided that if the Actual Gross Profit or Actual Gross Revenue has been affected by damage as insured the Insurers will add to the amount declared the additional amount of Gross Profit or Gross Revenue which would have been earned in the relative financial year had the Damage not occurred and the adjusted figure will be deemed to be the declaration

- (1) If the insurance is not on the Declaration-Linked basis

If the premium calculated is

- (i) less than the premium paid the Insurers will repay the difference to the Insured but not exceeding the difference between the premium paid and the premium payable on 50% of the sum insured

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- (ii) greater than the premium paid the Insured shall pay the difference but not exceeding the difference between the premium paid and the premium payable on the full sum insured

(2) If the insurance is on the Declaration-Linked basis

If the premium calculated is

- (i) less than the premium paid the Insurers will repay the difference to the Insured
- (ii) greater than the premium paid the Insured shall pay the difference

In the event that no declaration is received within six months of the expiry of the period of insurance the sum insured will be deemed to be the declaration and the additional premium due will become payable

(iii) Automatic Reinstatement after a Loss

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

Section C – Theft

(Only operative if specified on the Schedule)

1. Section Definitions

Wherever the following words or phrases occur they will have the meaning set out below for the purpose of this Section.

Damage means loss of or damage to the Property Insured as specified in the Schedule;

2. The Cover

The Insurers will indemnify the Insured in respect of

- (i) Damage occurring during the Period of Insurance as a result of
 - (a) theft or attempted theft involving forcible and violent entry to or exit from Buildings at the Premises and/or
 - (b) theft or attempted theft following assault or violence or threat of assault or violence to the Insured or any partner, director or employee of the Insured or members of their families or any other person lawfully on the Premises
- (ii) Damage occurring during the Period of Insurance to the Buildings as a result of theft or attempted theft provided the Insured are responsible for making good such Damage but excluding Damage
 - (a) arising while the Buildings are Unoccupied
 - (b) to Outbuildings, walls, gates and fences, yards, car parks and pavements.

3. Limit of Liability

The liability of the Insurers under this Section shall not exceed

- (i) the Total Sum Insured as specified in the Schedule and in respect of each item described in the Schedule the Sum Insured at the time of Damage; or
- (ii) in respect of Damage to the Premises the sum required to make good such damage but only to the extent that the Insured is responsible and subject to the aggregate limit set out in 3(i); or
- (iii) in respect of Damage resulting from the use of explosives in pursuance of theft or attempted theft an amount of £25,000 or the Total Sum Insured for the Period of Insurance whichever is the lesser; or;
- (iv) the limit specified in any Extension.

4. Basis of Claims Settlement

Claims under this Section will be settled either on the basis of an indemnity or reinstatement in respect of any item of Property Insured as set out below:

- (i) Indemnity - will be payable where there is no R against the Sum Insured in the Schedule. The amount payable shall be the value of the Property Insured at the time of its loss or the amount of the Damage, or, at the Insurers' option, the reinstatement or replacement of such property or any part of it.
- (ii) Reinstatement - where R appears against the Sum Insured in the Schedule the amount payable under such item(s) shall be the cost of the reinstatement of the property lost or damaged.

For this purpose "reinstatement" means

- (1) where property is lost its replacement by similar property

which, provided the liability of the Insurers is not increased may be carried out

- (a) in any manner suitable to the requirements of the Insured; and/or
 - (b) upon another site; or
- (2) where the property is damaged the repair or restoration of the property

in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new.

Provided that

- (i) the liability of the Insurers for the repair or restoration of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed
- (ii) each item insured subject to this Clause is declared to be separately subject to the following Condition of Average.

If at the time of reinstatement the amount of the Sum Insured for any item is less than 85 per cent of the total value of the Property Insured under that item in the Schedule, the liability of the Insurers shall not exceed that proportion of the amount of the Damage which the said sum insured shall bear to the sum representing the total cost of reinstating the whole of such property at that time

- (iii) No payment beyond the amount which would have been payable in the absence of this Clause shall be made
 - (a) unless reinstatement commences and proceeds without unreasonable delay; and
 - (b) until the cost of reinstatement has been actually incurred;
 - (c) if the Property Insured at the time of its loss or damage shall be insured by any other insurance which is not upon the same basis of reinstatement
- (iv) All the terms of this Section shall apply
 - (a) in respect of any claim payable under the provisions of this Clause except insofar as they are varied hereby
 - (b) where claims are payable as if this Clause had not been incorporated (including but not limited to Clause 7(a) of Section C)

5. Section Exclusions

Insurers shall not indemnify the Insured

- (i) for Damage caused by
 - (1) fire or explosion (other than as specified in Limit of Liability 3 (iii)); or
 - (2) in collusion with the Insured or any partner, director or employee of the Insured or any other person to whom Property Insured has been entrusted except as provided for within Clause 6(c) of Section C; or
- (ii) in respect of
 - (1) coin and similarly operated gaming and/or amusement machines or their contents; and/or

Section C – Theft

(Only operative if specified on the Schedule)

- (2) plate, float, toughened, laminated or stained glass or any decoration or lettering thereon or any glass otherwise insured; and/or
 - (3) Money and/or
 - (4) motor vehicles or accessories thereon; and/or
 - (5) livestock, furs, gold, silver or other precious metals or precious stones; and/or
 - (6) theft or attempted theft from yards, gardens open spaces or Outbuildings unless the contents thereof are specifically insured by this Section.
 - (7) theft or attempted theft from Buildings which are Unoccupied
 - (8) Damage to Outbuildings
- (iii) for delay, loss of market, loss of use or consequential loss or damage of any kind or description.
- (iv) for the amount of the Excess specified in the Schedule.

6. Section Extensions

These Section Extensions are subject otherwise to the terms of the Policy.

(a) Architects' Surveyors' Legal and Other Professional Fees

The amount of the Sum Insured set out in the Schedule by each item in respect of machinery and plant includes an amount in respect of architects' surveyors' legal and other professional fees necessarily incurred in the reinstatement of the Property Insured consequent upon Damage but not for preparing any claim, it being understood that the amount payable for such fees shall not exceed those authorised under the scale of charges of the respective professional bodies at the time of such Damage and that the liability for such Damage and fees shall not exceed in the aggregate the Sum Insured by each such item.

(b) Automatic Reinstatement

In the absence of written notice by the Insurers to the contrary the amount of the Sum Insured by each item in the Schedule shall not be reduced by the amount of any indemnity paid under this Section and in return the Insured undertakes to pay the appropriate extra premium at a rate to be agreed on the amount of the loss from the date of the Damage.

(c) Collusion

This Section extends to include indemnity for Damage resulting from collusion by any employee of the Insured provided that such Damage shall involve theft by forcible and violent entry to or exit from Buildings (or Outbuildings where the contents thereof are specifically insured by this Section) at the Premises.

(d) Contract Price

This insurance will provide an indemnity in respect only of goods sold but not delivered for which the Insured is responsible subject to a sale contract which following Damage is cancelled by reason of failure to fulfil its conditions in whole or in part as a direct consequence of Damage insured by this Section. The liability of the Insurers shall be based on the contract price of the goods affected by such Damage.

(e) Debris Removal - other than Stock

- (i) The insurance under Section C (except the cover applying wholly or in part to Stock) extends to include

costs and expenses necessarily incurred by the Insured with the consent of the Insurers in

- (1) removing debris from
- (2) dismantling and or demolishing
- (3) shoring up or propping

of the portion or portions of the Property Insured following Damage.

- (ii) The liability of the Insurers under this Extension in respect of any item specified in the Schedule shall in no case exceed the Sum Insured for that item.
- (iii) The Insurers will not indemnify the Insured for any costs or expenses
 - (1) incurred in removing debris except from the Premises where Damage occurred and the area immediately adjacent thereto; or
 - (2) arising from Pollution or Contamination of property not insured by this Section.

(f) Other Interests

The interest of parties supplying property to the Insured under a hiring leasing or similar agreement is noted in the insurance on Machinery and the nature and extent of any such interest to be disclosed in the event of Damage.

(g) Public Authorities

- (i) It is understood that the insurance under Section C extends to include the cost of complying with the Public Authorities requirements being such additional cost of reinstatement of the Property Insured as may be incurred with the Insurers consent in complying with Building Regulations or local authority or other statutory requirements first imposed upon the Insured following the Damage provided that the reinstatement is completed within twelve months of the occurrence of the Damage or within such further time as the Insurers may in writing allow.
- (ii) The liability of the Insurers under this Extension in respect of any item specified in the Schedule shall in no case exceed the Sum Insured for that item.

(h) Replacement Locks

- (i) If any of the keys of the Premises are stolen from the Insured or any partner, director or employee of the Insured and not recovered within 7 days the Insurers will pay for the replacement of the locks at the Premises to a standard equal to but not better than their original standard provided that the Insurers are notified of the loss within 7 days of its occurrence.
- (ii) The Insurers' liability is limited to £1,000 in respect of any one occurrence.

(i) Temporary Removal

- (i) The Property Insured by Section C (other than Stock and Customers' Goods as set out in the Schedule) is covered whilst temporarily removed for cleaning, renovation, repair or other similar purposes elsewhere and in transit thereto and there from provided it remains within the territory of Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.
- (ii) The Insurers' liability shall not exceed £5,000 or 10 per cent of the Sum Insured on each item in the Schedule whichever is the lesser.

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- (iii) This Clause shall not apply to property otherwise insured.

7. Section Conditions

(a) Average (Underinsurance)

- (i) Each of the amounts set out under Sums Insured in the Schedule is declared to be separately subject to Average
- (ii) Whenever a Sum Insured is declared to be subject to Average if such amount shall at the commencement of any Damage be less than the value of the Property Insured under that item then the Insured will be considered self insured for the difference and the amount payable by the Insurers in respect of such Damage shall be proportionately reduced.

(b) Claims (Action by the Insured)

- (i) In the event of Damage the Insured shall
 - (1) notify the Insurers of the Damage immediately or at the latest within 5 days; and
 - (2) notify the police authority immediately and take all practical steps to discover any guilty person and to trace and recover the Property Insured; and
 - (3) carry out and permit to be taken any action which may be reasonably practicable to prevent further Damage; and
 - (4) deliver to the Insurers at their own expense within 30 days after such Damage or such further time as the Insurers may allow;
 - (i) full information in writing of the property lost or damaged; and
 - (ii) details of any other insurance on any Property Insured under this Policy; and
 - (iii) all such proofs and information relating to the claims as may be reasonably required; and
 - (iv) if demanded a statutory declaration of the truth of the claim and of any matters connected with it.
- (ii) It is a Condition Precedent to liability under this Policy that the Insured fulfils all of its obligations under this Clause and no claim shall be payable unless all of the terms of this Clause have been complied with.

(c) Claims (Reinstatement)

If any property is to be reinstated or replaced by the Insurers the Insured shall at their own expense provide all such plans documents books and information as may be reasonably required. the Insurers shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the amount stated as the Sum Insured in the Schedule.

(d) Claims (Rights of Insurers)

- (i) On the happening of Damage in respect of which a claim is made the Insurers and any person authorised by the Insurers may without thereby incurring any liability or diminishing any of the Insurers' rights under this Section
 - (1) enter, take or keep possession of the Premises where such Damage has occurred; and

- (2) take possession of or require to be delivered to the Insurers any Property Insured and deal with such property for all reasonable purposes and in any reasonable manner.

- (ii) No claim shall be payable unless the terms of Clause 7 have been complied with.
- (iii) No property may be abandoned to the Insurers whether taken possession of by the

(e) Day One Basis (Non Adjustable) – Applicable only to those items showing a Declared Value on the Schedule

- (i) The Insured having stated in writing the Declared Value incorporated in each item to which this Condition applies, the premium having been calculated accordingly.

“Declared Value” shall mean the Insured’s assessment of the cost of reinstatement of Machinery and Plant arrived at in accordance with Clause 4(ii) of this Section at the level of costs applying at inception of the Period of Insurance (excluding inflationary factors which may operate subsequently) together with, in so far as the insurance by the Item provides, due allowance for;

- (a) the additional cost of reinstatement to comply with Public Authority requirements
- (b) professional fees
- (c) debris removal costs
- (ii) At the inception of each Period of Insurance the Insured shall notify the Insurers of the Declared Value of the Property Insured by each of the said items. In the absence of such declaration the last amount declared by the Insured shall be taken as the Declared Value for the ensuing Period of Insurance.
- (iii) Clause 4(ii) Provision (ii) of this Section is replaced with the following;

Each Item insured under this Condition is declared to be separately subject to the following Condition of Average;

If at the time of loss the Declared Value of the Property Insured by such Item be less than 85% of the cost of reinstatement (as defined by paragraph 1 of the Day One Basis (Non Adjustable) Condition) at the inception of the Period of Insurance then the Insurers liability for any loss hereby insured shall be limited to the proportion thereof which the Declared Value bears to such cost of reinstatement.

- (iv) Clause 4(ii) Provision (iv) of this Section is replaced with the following wording;

Where by reason of any of the above Special Provisions no payment is to be made beyond the amount which would have been payable under this Policy if this Section Condition (g) had not been incorporated therein the rights and liabilities of the Insurers and the Insured in respect of Damage shall be subject to the terms and conditions of this Policy including any Conditions of Average therein, as if this Section Condition (g) had not been incorporated therein except that the sums insured shall be limited to the percentage of the Declared Values detailed in the Schedule.

(f) Designation

For the purpose of determining where necessary the heading under which any property is insured the Insurers agree to accept the designation under which such property has been entered into the Insured’s books.

Section D - Liability

(Only operative if specified on the Schedule)

1. Section Definitions

Whenever the following words or phrases occur they shall have the meaning set out below for the purpose of this Section

Business means the Business of the Insured as specified in the Schedule and shall include

- (i) the provision and management of catering social, sports, educational, medical, dental and welfare organisations for the benefit of the Insured's Employees and fire, security, first aid and ambulance services
- (ii) the ownership, repair, maintenance and decoration of the Insured's Premises
- (iii) private work carried out by any Employee of the Insured (with the consent of the Insured) for any director, partner or senior official of the Insured.

Compensation means all damages which the Insured shall be legally liable to pay other than punitive, exemplary, liquidated, restitutionary or aggravated damages, liability under any penalty clause or any additional damages resulting from the multiplication of compensatory damages.

Contractual Liability means liability which attaches by virtue of a contract or agreement but which would not have attached in the absence of such contract or agreement.

Damage means loss of or damage to material property not otherwise insured under this Policy.

Employee shall mean

- (i) any person under a contract of service or apprenticeship with the Insured
- (ii) any labour master or labour only sub-contractor or person supplied or employed by them
- (iii) any self-employed person
- (iv) any person hired to or borrowed by the Insured
- (v) any person engaged under a work experience, youth training or similar scheme
- (vi) any volunteer worker

while working for the Insured in connection with the Business.

Excess means the total amount payable by the Insured or any other person entitled to indemnity in respect of any Damage arising out of any one occurrence or series of occurrences arising out of any one originating cause before the Insurers shall be liable to make any payment.

If any payment made by the Insurers shall include the amount for which the Insured or any other person entitled to indemnity is responsible such amount shall be repaid to the Insurers forthwith.

Asbestos means asbestos, asbestos fibres and any derivatives of asbestos.

Offshore means from the time of embarkation onto a conveyance at the point of final departure to an offshore rig or offshore platform until disembarkation from a conveyance onto land upon return from such offshore rig or offshore platform.

Product Supplied means any product or item (including containers packaging or labelling) sold, supplied, erected, repaired, altered, treated, installed processed,

manufactured, tested, serviced, hired out, stored, transported or delivered by or through the Insured in the course of the Business in or from the Territorial Limits.

Territorial Limits

- (a) Great Britain, Northern Ireland, the Channel Islands or the Isle of Man
- (b) A country which is a member of the European Union but only in respect of temporary Business carried out by the Insured and any Employee normally resident in the territories set out in (a) above
- (c) Elsewhere in the world in respect of temporary Business journeys by any person normally resident in the territories set out in (a) above which do not involve manual labour or the supervision of manual labour.

2. Event 1 - Employers' Liability

(a) The Cover

The Insurers will indemnify the Insured against

- (1) legal liability to pay Compensation

and

- (2) other costs and expenses as stated in the Section Extensions

in respect of Bodily Injury caused during the Period of Insurance to any Employee arising out of and in course of employment by the Insured in the Business within the Territorial Limits.

(b) Limit of Liability

The liability of the Insurers shall not exceed the amount stated as in the Schedule for any one occurrence or series of occurrences arising out of any one event.

(c) Event Exclusion

The Insurers shall not provide indemnity against liability in respect of which compulsory insurance or security is required to be arranged by the Insured under the Road Traffic Act 1988 or the Road Traffic (Northern Ireland) Order 1981.

(d) Event Extensions

These Event Extensions are subject otherwise to the terms of this Policy.

(i) Unsatisfied Court Judgements

Insurers will, at the Insured's request, pay any Employee or his or her personal representative, the amount of damages and costs awarded to such person as a result of a judgement which has been obtained for Bodily Injury against any company registered in or any individual domiciled in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands and which remain unpaid six months after the date of such judgement.

Payment will only be made where

- (a) the Bodily Injury was caused during any Period of Insurance to the Employee arising out of and in the course of employment by the Insured in the Business
- (b) the judgement was obtained in a court within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- (c) there is no appeal outstanding to the judgement the Employee, or his or her personal representative, assigns the judgement debt to the Insurers.

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3. Event 2 - Public Liability

(a) The Cover

The Insurers will indemnify the Insured in respect of Compensation arising out of accidental

- (1) Bodily Injury to any person
- (2) Damage
- (3) obstruction, trespass, nuisance or interference with any right of way, air, light or water or other easement
- (4) wrongful arrest, wrongful detention, false imprisonment or malicious prosecution

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

The Insurers will also pay other costs and expenses as stated in the Section Extensions of this Section.

(b) Limit of Liability

- (1) The liability of the Insurers shall not exceed the amount stated in the Schedule for any one occurrence or series of occurrences arising out of any one event.
- (2) Unless otherwise stated herein or endorsed hereon any costs and expenses, will be payable in addition to the Limit of Indemnity but in respect of any judgement, award or settlement made against the Insured within countries which operate under the laws of the United States of America and/or Canada (or any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part) the total liability of the Insurers inclusive of all payments, costs, charges and expenses shall not exceed the Limit of Indemnity in the Schedule for any one occurrence or series of occurrences arising out of any one event.

(c) Event Exclusions

The Insurers shall not provide indemnity against liability

- (1) in respect of Bodily Injury to any Employee;
- (2) caused by or arising from the ownership, possession or use by or on behalf of the Insured of any
 - (i) aircraft, aerospace device or hovercraft
 - (ii) watercraft (other than hand propelled watercraft or other watercraft not exceeding 8 metres in length)
 - (iii) mechanically propelled vehicle
 - (a) for which compulsory insurance or security is required under any legislation governing the use of the vehicle; or
 - (b) where indemnity for legal liability in respect of such vehicle is provided by any other insurance.
- (3) caused by or arising from any Product Supplied after it has ceased to be in the custody or under the control of the Insured or any Employee .
- (4) in respect of Damage to any property which at the time of the Damage giving rise to such legal liability

is owned by or held in trust by or in the custody or control of the Insured other than

- (a) Employees' directors' partners' or visitors' personal effects including vehicles and their contents
 - (b) premises and their contents not owned by or leased or rented to the Insured at which the Insured is undertaking work in connection with the Business.
- (5) caused by or arising from any work in or on
- aircraft
 - airport or aerodrome runways, manoeuvring areas or aprons or those parts of airports or aerodromes to which aircraft have access.
 - nuclear installations.
- (6) for the Excess specified in the Schedule other than in respect of Damage to premises (including their fixtures and fittings) leased or rented to the Insured.

(d) Event Extensions

These Event Extensions are subject otherwise to the terms of this Policy.

(i) Motor Vehicles

Clause 3(c)(2)(iii) of Event 2 shall not apply to liability caused by or arising from

- (1) the use of plant as a tool of trade at the Premises or on any site at which the Insured is working
- (2) the loading or unloading of any vehicle or the bringing to or taking away of a load from any vehicle
- (3) Damage to any building, bridge, weighbridge, road or to anything beneath caused by vibration or by the weight of any vehicle or its load.

Provided that the Insurers shall not provide indemnity against liability

- (i) in respect of which compulsory insurance or security is required under any legislation governing the use of the vehicle; and/or
- (ii) for which indemnity is provided by any other insurance.

(ii) Motor Contingent Liability

Notwithstanding Clause 3(c)(2)(iii) of Event 2, the Insurers will indemnify the Insured and no other under the terms of Clause 3 in respect of liability for Bodily Injury or loss of or damage to any property caused by or arising from any motor vehicle or trailer (not belonging to or provided by the Insured) being used in the course of Business

Provided that the Insurers shall not provide indemnity against liability

- (i) in respect of loss or damage to any such vehicle or trailer or property conveyed therein or thereon; or

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- (ii) for which indemnity is provided by any other insurance; or
- (iii) caused or arising whilst such vehicle or trailer is
 - (a) engaged in racing, pace-making, reliability trials or speed testing; or
 - (b) being driven by the Insured; or
 - (c) being driven with the general consent of the Insured or their representative by any person who to the knowledge of the Insured or other such representative does not hold an appropriate licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence; or
 - (d) used elsewhere than in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands

(iii) Movement of Obstructing Vehicles

Clause 3(c)(2)(iii) of Event 2 shall not apply to liability caused by or arising from any vehicle (not owned or hired by or lent to the Insured) being driven by the Insured or by any Employee with the Insured's permission whilst such vehicle is being moved for the purpose of allowing free movement of any vehicles or pedestrians

Provided that

- (i) movements are limited to vehicles parked on or obstructing the Premises or any site at which the Insured is working
- (ii) the vehicle causing obstruction will not be driven by any person unless such person is competent to drive the vehicle and has an appropriate licence
- (iii) the vehicle causing obstruction is driven by use of the owners ignition key
- (iv) Insurers shall not provide indemnity against liability
 - (a) in respect of loss of or damage to such vehicle
 - (b) in respect of which compulsory insurance or security is required under any legislation governing the use of the vehicle.

(iv) Defective Premises Act

The indemnity provided by Clause 3(a) shall extend to apply in respect of liability arising under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with any premises previously owned or occupied by the Insured for purposes pertaining to the Business and which have since been disposed of by the Insured

Provided that the Insurers shall not provide indemnity against liability

- (i) for which indemnity is provided by any other insurance; or
- (ii) for the costs of remedying any defect or alleged defect in such premises.

(v) Leased or Rented Premises

Clause 3(c)(4)(ii) shall not apply to liability for Damage to Premises (including their fixtures and fittings) leased or rented to the Insured

Provided that the Insurers shall not provide indemnity against

- (i) Contractual Liability; or
- (ii) the first £250 of each and every occurrence of loss or damage caused other than by fire or explosion.

(vi) Buildings Temporarily Occupied

Clause 3(c)(4)(ii) shall not apply to liability for Damage to Buildings (including contents therein) which are not owned, leased or rented by the Insured but are temporarily occupied by the Insured for the purpose of maintenance, alteration, extension, installation or repair to the Premises

(vii) Overseas Personal Liability

The Insurers will indemnify

- (i) the Insured; and
- (ii) at the request of the Insured
 - (a) any director, partner or Employee of the Insured; and/or
 - (b) any spouse or child of the persons stated in Clause 3(d)(vii)(i) above who are accompanying such persons

in respect of liability incurred by such persons in a personal capacity in connection with an event occurring in a country outside of the Territorial Limits whilst on a temporary visit to such country in connection with the Business under the terms of Clause 3

Provided that

- (1) any person entitled to indemnity under this Clause shall, as though they were the Insured, be subject to the terms of this Policy insofar as they can apply
- (2) nothing in this Clause shall increase the liability of the Insurers to pay any amount exceeding the limit of indemnity specified in the Schedule in respect of this Section D regardless of the number of persons claiming to be indemnified
- (3) The Insurers shall not provide indemnity against
 - (i) Contractual Liability; or
 - (ii) liability for which indemnity is provided by any other insurance; or
 - (iii) liability in respect of Damage to property belonging to or in the custody or under the control of any person entitled to indemnity under this Clause ; or
 - (iv) liability in respect of Bodily Injury to any person entitled to indemnity under this Clause; or
 - (v) liability caused by or arising from
 - (a) the ownership or occupation of land or buildings; or

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(b) the carrying on of any business, profession, trade or employment; or

(c) the ownership, possession or use of animals other than horses or domestic dogs or cats.

4. Event 3 - Products Liability

(a) The Cover

The Insurers will indemnify the Insured in respect of Compensation arising out of accidental

- (1) Bodily Injury to any person
- (2) Damage

occurring during the Period of Insurance anywhere in the world and caused by any Product Supplied in connection with the Business.

The Insurers will also pay other costs and expenses as stated in the Section Extensions of this Section.

(b) Limit of Liability

- (1) The liability of the Insurers for Compensation shall not exceed the amount stated in the Schedule in respect of any one occurrence or series of occurrences arising out of one event and in any one Period of Insurance.
- (2) Unless otherwise stated herein or endorsed hereon any Costs and Expenses, in respect of which an indemnity is provided by Event 3 of Section D, will be payable in addition to the Limit of Indemnity but in respect of any judgement, award or settlement made against the Insured within countries which operate under the laws of the United States of America and/or Canada (or any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part) the total liability of the Insurers inclusive of all payments, costs charges and expenses shall not exceed the Limit of Indemnity in the Schedule, in respect of any one occurrence and in any one Period of Insurance.

(c) Event Exclusions

The Insurers shall not provide indemnity against liability

- (1) in respect of Bodily Injury to any Employee
- (2) in respect of Damage to or the costs or expenses of recalling, repairing, replacing, altering, removing or making any refund in respect of any Product Supplied caused by or arising from
 - (i) a defect in or the harmful nature of such Product Supplied
 - (ii) an error or fault in connection with the sale, supply or presentation of such Product Supplied
- (3) caused by or arising from any Product Supplied which to the Insured's knowledge is for the use in the braking, steering, suspension system or other critical systems of
 - (i) aircraft or aero spatial device or products intended for aviation or aero spatial purposes
 - (ii) marine vessels
 - (iii) motor vehicles

(iv) rail vehicles

unless agreed otherwise in writing with the Insurers

- (4) caused by or arising from any Product Supplied which to the Insured's knowledge is for the use in nuclear installations
- (5) caused by or arising from any action brought against the Insured in any country not being a member of the European Union where the Insured has a branch or a parent or subsidiary company or is represented by a person or company holding the Insured's power of attorney
- (6) caused by or arising from any Product Supplied which to the knowledge of the Insured is for use in or supply to the United States of America or Canada
- (7) caused by or arising from any Product Supplied whilst in the custody or under the control of the Insured or any Employee
- (8) for the Excess specified in the Schedule.

(d) Event Extension

Consumer Protection Act

The Insurers will provide indemnity to the Insured and at the request of the Insured any director partner or Employee of the Insured in respect of legal costs and expenses incurred with the Insurers' written consent in the defence of any criminal proceedings brought for a breach of Part II of the Consumer Protection Act 1987 or Section(s) 7, 8, 14 and/or 15 of the Food Safety Act 1990 including such legal costs and expenses incurred in an appeal against conviction arising from such proceedings and prosecution costs awarded in connection therewith

Provided that

- (1) the proceedings relate to an offence alleged to have been committed during the Period of Insurance and in the course of the Business
- (2) The Insurers shall not provide indemnity in respect of
 - (i) fines or penalties of any kind
 - (ii) any circumstances for which indemnity is provided by any other insurance
 - (iii) proceedings consequent upon a deliberate act by or omission of any person entitled to indemnity under this Clause if the result thereof could reasonably have been expected having regard to the nature and circumstances of such act or omission
 - (iv) proceedings which arise out of any activity or risk excluded from this Policy
- (3) the director, partner or Employee shall as though they were the Insured be subject to the terms of this Policy insofar as they can apply.

5. Section Exclusions

Insurers shall not provide indemnity

- (i) (a) under this Section against Contractual Liability unless the sole conduct and control of claims is vested in the Insurers but the Insurers shall not in any event provide indemnity in respect of liquidated, aggravated,

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restitutionary, punitive or exemplary damages or liability under any penalty clause

(b) under this Section against Contractual Liability for the performance of work outside the Great Britain, Northern Ireland, the Isle of Man or the Channel Islands

(c) under Event 3 of this Section against Contractual Liability other than liability arising out of a condition or warranty of goods implied by law

- (ii) under Events 2 or 3 of this Section against liability arising from Pollution and/or Contamination other than caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.

Provided that

1. all Pollution and/or Contamination which arises out of such incident shall be deemed to have occurred at the time such incident takes place
2. the liability of the Insurers for all Compensation payable in respect of all Pollution and/or Contamination which is deemed to have occurred during the Period of Insurance shall not exceed in the aggregate the Limit of Indemnity stated in the Schedule

- (iii) under this Section in respect of any liability arising out of work undertaken or operations located Offshore

- (iv) under Events 2 and 3 in respect of liability arising out of

- (a) exposure to
- (b) inhalation of
- (c) fears of the consequence of exposure to or inhalation of
- (d) the costs incurred by anyone in repairing, removing, replacing, rectifying, reinstating or managing (including those of any persons under any statutory duty to manage) any property arising out of the presence of

Asbestos, including any product containing Asbestos

- (v) under Events 2 and 3 in respect of liability for any judgement award or settlement made against the Insured within countries which operate under the laws of the United States of America and/or Canada (or any order made anywhere in the world to enforce such judgement award or settlement either in whole or in part) in respect of

- (a) claims for fines, penalties, punitive, liquidated, aggravated, restitutionary, multiple and/or exemplary damages except that if a suit shall have been brought against the Insured on a claim falling within the terms of this Policy seeking both compensatory and punitive, liquidated, aggravated, restitutionary, multiple and/or exemplary damages then while the claim for compensatory damage remains outstanding the Insurers will afford a defence of such action without liability for such punitive, liquidated, aggravated, restitutionary, multiple and/or exemplary damages. However where the sole claim remaining is for punitive, liquidated, aggravated, restitutionary, multiple and/or exemplary damages then the Insured shall accept the Insurers' tender of said

defence and assume all further costs and expenses

- (b) any claim based upon a penalty imposed by any Federal, State or Municipal law, statute or ordinance

- (c) any claim arising directly or indirectly from or caused by or alleged to have been caused by the discharge, dispersal, seepage, release or escape of any polluting or contaminating substances or for the cost of removing, nullifying or cleaning up such polluting or contaminating substance.

- (vi) in respect of the cost of making good, replacement or reinstatement of defective work carried out by or on behalf of the Insured.

- (vii) in respect of Liability arising

- i) Through the defective design, plan, formula or specification of Products Supplied given for a fee or for which a fee would normally be charged
- ii) Out of technical, professional or remedial instruction and advice given for a fee or for which a fee would normally be charged
- iii) Out of treatment given or administered by the Insured or Employees or any failure to give advice or treatment or any lack of professional skill
- iv) Arising from errors in connection with the sale, supply, making up or prescribing of any drug, medicine, medical cosmetic or toilet preparation.

- (viii) in respect of Liability for Property being worked upon where the Damage is a direct result of the work undertaken

6. Section Extensions

These Section Extensions are subject otherwise to the terms of this Policy.

(a) Claimants' Costs and Expenses

The Insurers will provide indemnity against legal liability for all costs and expenses recoverable by any claimant in connection with any claim to which the indemnity expressed in Clauses 2, 3 or 4 applies.

(b) Defence Costs and Expenses

The Insurers will provide indemnity in respect of all

- (1) costs incurred with Insurers' written consent of legal representation at any
 - (i) coroner's inquest or other inquiry in respect of any death
 - (ii) proceedings in any court in respect of any act or omission causing or relating to any occurrence
- (2) other costs and expenses incurred with the Insurers' written consent in relation to any matter

which may be the subject of indemnity under Clauses 2, 3 or 4 of Section D.

(c) Health and Safety at Work Act

The Insurers will provide indemnity to the Insured (and at the request of the Insured any director, partner or Employee of the Insured) in respect of legal costs and expenses incurred with the Insurers' written consent in the defence of any criminal proceedings brought for a breach of the Health and Safety at Work etc. Act 1974 or the Health and Safety

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at Work (Northern Ireland) Order 1978 including such legal costs and expenses incurred in an appeal against conviction arising from such proceedings and prosecution costs awarded in connection therewith

Provided that

- (1) the proceedings relate to an offence alleged to have been committed during the Period of Insurance and in the course of the Business; and
- (2) Insurers shall not provide indemnity in respect of
 - (i) fines or penalties of any kind
 - (ii) any circumstances for which indemnity is provided by any other insurance
 - (iii) proceedings consequent upon a deliberate act by or omission of any person entitled to indemnity under this Clause if the result thereof could reasonably have been expected having regard to the nature and circumstances of such act or omission
 - (iv) proceedings which arise out of any activity or risk excluded from this Policy
 - (v) proceedings which relate to the health, safety or welfare of any Employee unless Clause 2 of Section D is operative at the time when the offence was committed
 - (vi) proceedings which relate other than to the health, safety or welfare of any Employee and other than to Products Supplied unless Clause 3 of Section D is operative at the time when the offence was committed
 - (vii) proceedings which relate to Products Supplied unless Clause 4 of Section D is operative at the time when the offence was committed
- (3) the director, partner or Employee shall as though they were the Insured be subject to the terms of this Policy insofar as they can apply.

(d) Costs of Court Attendance

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

- (1) any director or partner of the Insured: £250
- (2) any Employee: £150

(e) Indemnity to Other Persons

The Insurers will also indemnify as if a separate Policy had been issued to

- (1) legal personal representatives of the Insured or any other person entitled to indemnity under this Policy but only in respect of liability incurred by the Insured or such other person
- (2) under Clauses 2 and 3 of Section D any Principal but only to the extent required by the contract or agreement for work
- (3) any owner of plant hired to the Insured but only to the extent required by the conditions of the contract or agreement of hire

- (4) at the request of the Insured

- (i) any officer or member of the Insured's catering social, sports, educational, medical, dental and welfare organisations and fire, security, first aid and ambulance services in their respective capacity as such but not any medical or dental practitioner in respect of medical or dental services provided
- (ii) any director, partner or Employee of the Insured while acting in connection with the Business in respect of liability for which the Insured would be entitled to indemnity under this Policy if the claim for which indemnity is being sought had been made against the Insured

Provided that

- (a) any persons specified above will be subject to the terms of this Policy insofar as they can apply as though they were the Insured
- (b) nothing in this Clause shall increase the liability of the Insurers to pay any amount exceeding the Limit of Indemnity of the operative Clause(s) of Section D regardless of the number of persons claiming to be indemnified.

(f) Cross Liabilities

If the Insured comprises more than one party the Insurers will under Clauses 3 and 4 of Section D provide indemnity to each such Insured in the same manner and to the same extent as if a separate Policy had been issued to each of them

Provided that nothing in this Clause shall increase the liability of the Insurers to pay any amount exceeding the Limit of Indemnity of the operative Event(s) specified in the Schedule to Section D regardless of the number of persons claiming to be indemnified.

(g) Data Protection Act

The indemnity provided by this Event shall extend to apply in respect of Compensation arising out of any claim under Sections 13 of the Data Protection Act 1998 not otherwise insured hereunder and first made against the Insured during the Period of Insurance

Provided that

- (i) the liability of the Insurers for Compensation shall not exceed the amount stated as the Limit of Indemnity in the Schedule for this Section and notwithstanding anything stated in the said Schedule to the contrary the said Limit of Indemnity shall for the purpose of this Clause apply in respect of the total of all claims during any one Period of Insurance; and
- (ii) the Insured has registered in accordance with the terms of the said Act or has applied for such registration which has not been refused or withdrawn; and
- (iii) The Insurers shall not provide indemnity
 - (a) for 10 per cent of each claim subject to a minimum of £500 and a maximum of £5,000; and/or
 - (b) against liability caused by or arising from a deliberate act by or omission of any person entitled to indemnity under this Clause if the result thereof could reasonably have been expected having regard to the nature and circumstances of such act or omission; and/or

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- (c) for the costs of replacing, reinstating, rectifying or erasing any personal data; and/or
- (d) against liability caused by or arising from any incident or circumstances known to the Insured at inception of this Policy which may give rise to a claim; and/or
- (e) against liability caused by or arising from the recording, processing or provision of data for reward or the determining of the financial status of a person; and/or
- (f) against Contractual Liability regardless of whether the sole conduct and control of claims is vested in the Insurers; and/or
- (g) against liability in respect of Bodily Injury to any person or Damage

7. Section Conditions

(a) Compulsory insurance and rights of recovery

The indemnity provided under Clause 2 of Section D is deemed to be in accordance with such provisions of any law relating to the compulsory insurance of liability to employees in Great Britain, Northern Ireland, the Isle of Man the Channel Islands or off-shore installations within the Continental Shelf around those countries may require but the Insured shall repay to the Insurers all sums paid by the Insurers which the Insurers would not have been liable to pay but for the provisions of such law.

(b) Claims (Action by the Insured)

- (i) The Insured or their legal personal representatives shall give notice in writing to the Insurers as soon as possible after any event which may give rise to liability under this Policy with full particulars of such event.
- (ii) Every claim, notice, letter or writ or process or other document served on the Insured shall be forwarded to the Insurers immediately on receipt.
- (iii) Notice in writing shall also be given immediately to the Insurers by the Insured of any impending prosecution inquest or fatal inquiry in connection with any such event.

(c) Claims (Conduct and Control)

- (i) No admission, offer, promise, payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Insurers.
- (ii) The Insurers shall be entitled if it so desires to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute in the name of the Insured for its own benefit any claim for indemnity or damages or otherwise.
- (iii) The Insurers shall have full discretion in the conduct of any proceedings and in the settlement of any claim against the Insured and the Insured shall give all such information and assistance as the Insurers may require.

(d) Claims (Discharge of Liability)

The Insurers may at any time at its sole discretion

- (1) under Clause 2 of Section D pay to the Insured the Limit of Indemnity specified as applying in the Schedule (less any sum or sums already paid in respect of or in lieu of Compensation and less other costs and expenses

already paid or incurred prior to such payment) or any lesser sum for which the claim or claims against the Insured can be settled and the Insurers shall not be under any further liability in respect of such claim or claims; and or

- (2) under Clauses 3 and 4 of Section D pay to the Insured the Limit of Indemnity specified as applying to the relevant clause in the Schedule (less any sum or sums already paid in respect of or in lieu of Compensation) or any lesser sum for which the claim or claims against the Insured can be settled and the Insurers shall not be under any further liability in respect of such claim or claims except for other costs and expenses for which the Insurers may be responsible incurred prior to such payment

Provided that in the event of a claim or series of claims resulting in the liability of the Insured to pay a sum in excess of the Limit of Indemnity the Insurers' liability under Clauses 3 and 4 of Section D for costs and expenses shall not exceed an amount being in the same proportion as the Insurers' payment to the Insured bears to the total payment made by or on behalf of the Insured in settlement of the claim or claims.

(e) Premium Adjustment

- (i) If the premium for this Policy is based on estimates then an accurate record containing all particulars relative thereto shall be kept by the Insured.
- (ii) The Insured shall at all times allow the Insurers to inspect such record and shall supply such particulars as the Insurers may require within one month from the expiry of the Period of Insurance and the premium shall thereupon be adjusted by the Insurers (subject to the Minimum Premium chargeable for the risk being retained by the Insurers).
- (iii) At the request of the Insurers the Insured shall supply an auditors policy in support of such particulars.
- (iv) If the Insured fails to supply such particulars within the period stated the Insurers shall be entitled to make a reasonable estimate of such particulars and adjust the premium accordingly.

(f) Fire Precautions Condition

It is a Condition Precedent to liability under Clause 3 of Section D, that in respect of any claim arising from or in connection with the use of blow lamps, blow torches, flame guns, hot air guns, hot air strippers, asphalt, bitumen, tar or pitch heaters, electric, oxyacetylene or other welding or cutting equipment and grinding wheels or cutting discs (in circumstances where sparks are emitted), when such work has been agreed by the Insurers, elsewhere than on the Insured's Premises, the undernoted precautions are complied with on every occasion.

(a) Before starting work:

- (i) all the Insured's Employees on each site shall be aware of the location of the site's fire alarms and fire fighting equipment
- (ii) the Insured or an Employee of the Insured shall so far as is practicable examine all Property in the vicinity including the area on the other side of any wall or partition to ensure that no combustible material is in danger of ignition either directly or by conducted heat
- (iii) the area shall be cleared of all movable combustible materials to a distance of no less than:

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- (a) 10 metres from the point of use of electric, oxy-acetylene or similar welding or cutting equipment, grinding wheels or cutting discs
- (b) 1 metre from the point of use of blow lamps, blow torches, hot compressed air blowers, hot air guns, hot air strippers, asphalt, bitumen, tar or pitch heaters

Combustible materials within the areas specified above which cannot be moved must be covered and fully protected by overlapping sheets or screens of non-combustible material.

(b) During the progress of work:

- (i) the work will be carried out only by or under the supervision of trained personnel
- (ii) suitable fire extinguishing appliances will be kept available for immediate use at the scene of operations
- (iii) the lighting of all equipment shall be carried out strictly in accordance with the manufacturer's instructions and no piece of lighted equipment shall be left unattended
- (iv) gas cylinders not required for immediate use shall be kept outside the building in which the work is taking place and in any event shall be removed beyond the area specified in paragraph (a)(iii) above

(c) After ceasing work:

The Insured or Employee of the Insured shall undertake a thorough examination of:

- (i) the immediate vicinity of the work, ie within the distances specified in paragraph (a)(iii) above
- (ii) in so far as is practicable, the area on the other side of any wall or partition to ensure that there is no risk of fire

(d) Additional Condition:

The following additional condition shall apply when electric, oxy-acetylene or similar cutting equipment, grinding wheels or cutting discs are used:

- (i) the Insured shall arrange for a competent person to act as a firewatcher during the progress of work and to remain in attendance at all times until the work ceases and all lighted flame equipment is extinguished

Section E - Glass

(Only operative if specified on the Schedule)

1. Section Definitions

Whenever the following words or phrases occur they shall have the meaning set out below for the purpose of this Section E.

Glass shall mean all fixed, plain sheet or plain plate glass in windows, doors, fanlights, skylights, partitions, furniture display and show cases, counters or shelves and fixed sanitary ware owned by the Insured, or for which the Insured is legally responsible.

Breakage shall mean fracture extending through the entire thickness of the Glass.

2. The Cover

The Insurers shall indemnify the Insured in respect of Breakage occurring during the Period of Insurance.

3. Limit of Liability

The liability of the Insurers under this Section shall not exceed the Limit of Value by each item stated in the Schedule to Section E or the limit specified in any Extension to this Section

4. Basis of Claims Settlement

Claims under this Section shall be settled either on the basis of an amount equal to the value of Glass at the time of Breakage or, at the Insurers' option its repair, replacement or reinstatement.

5. Section Exclusions

The Insurers shall not indemnify the Insured for

- (i) Breakage arising from
 - (1) fire, lightning, explosion
 - (2) repairs or alterations to the Premises
 - (3) defects in frames, framework and or other fitting.
- (ii) superficial Damage to Glass
- (iii) consequential loss of any kind
- (iv) Breakage in respect of any Unoccupied Building
- (v) Breakage caused by or arising from
 - (1) inherent vice, latent defect, gradual deterioration, wear and tear, frost, the Insured's own faulty or defective design or materials
 - (2) faulty or defective workmanship on the part of the Insured or any of their employees
 - (3) changes in temperature or atmospheric or climatic conditions
- (vi) damage to any lettering, embossing, beading silvering or ornamental work unless specifically detailed in the Schedule
- (vii) Breakage of fixed sanitary ware except where such Breakage renders such articles wholly unserviceable
- (viii) the amount of the Excess stated in the Schedule as ascertained after all other terms and the Policy have been applied.

6. Section Extension

This Extension is subject otherwise to the terms of this Policy.

As a direct result of Breakage of Glass the Insurers will also pay for

- (i) the reasonable cost of
 - (1) boarding up and
 - (2) repair or replacement of window frames, framework, security fittings and or alarm foil for an amount not exceeding £500 any one occurrence.
- (ii) damage to goods displayed for an amount not exceeding £250 any one occurrence provided such damage was not a direct result of theft or attempted theft.

7. Section Conditions

(a) Claims (Action by the Insured)

- (i) In the event of Breakage the Insured shall
 - (1) notify Insurers immediately or at the latest within 5 days; and
 - (2) notify the police authority immediately it becomes evident that any Breakage has been caused by theft or malicious persons and take all practical steps to discover any guilty person; and
 - (3) carry out and permit to be taken any action which may be reasonably practicable to prevent further Breakage.
- (ii) It is a Condition Precedent to liability under this Policy that the Insured fulfils all of its obligations under this Clause and no claim under Section E shall be payable unless all of the terms of this Clause have been complied with.

(b) Claims (Reinstatement)

If any property is to be reinstated or replaced by the Insurers the Insured shall at their own expense provide all such plans, documents, books and information as may be reasonably required. The Insurers shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than its limit of value.

(c) Claims (Rights of Insurers)

- (i) On the happening of Breakage in respect of which a claim is made the Insurers and any person authorised by the Insurers may without incurring any liability or diminishing any of the Insurers' rights under this Section
 - (1) enter, take or keep possession of the Premises where such Breakage has occurred; and
 - (2) take possession of or require to be delivered to the Insurers any Property Insured and deal with such property for all reasonable purposes and in any reasonable manner.
- (ii) No claim under this Section shall be payable unless the terms of this Clause have been complied with.
- (iii) No property may be abandoned to the Insurers whether taken possession of by the Insurers or not.

Section F - Money

(Only operative if specified on the Schedule)

1. Section Definitions

Whenever the following words or phrases occur they shall have the meaning set out below for the purpose of this Section

Bodily Injury for the purpose of this Section only means injury (including multiple injuries sustained in one incident) to the Insured Person caused solely and directly by violent external and visible means. Bodily Injury shall not include sickness, disease or mental illness or shock.

Business Hours means the period during which the Premises are occupied for Business purposes and during which the Insured or any partner, director or employee of the Insured entrusted with Money is in the Premises or at the sites of contract.

Compensation means the respective amounts described as compensation in the Schedule in relation to Death, Loss of Limbs/Loss of Sight, Permanent Total Disablement and Temporary Total Disablement

Insured Person means the Insured or any partner, director or employee of the Insured

Loss of Limbs means total loss of use or loss by physical separation at or above the ankle or wrist of one or more limbs

Loss of Sight means total, irredeemable and irrecoverable loss of sight of one or both eyes

Permanent Total Disablement means a Bodily Injury preventing the Insured Person from engaging in or attending to business of any kind

Temporary Total Disablement means Bodily Injury preventing the Insured Person from attending to his or her usual business or occupation

2. The Cover

The Insurers will indemnify the Insured in respect of loss of Money which belongs to the Insured or for which they are responsible in connection with the Business.

3. Limits of Liability

The liability of the Insurers under this Section shall not exceed the limits specified in the Schedule or as otherwise stated in any Extension to this Section.

4. Basis of Claims Settlement

Claims under this Section shall be settled either on the basis of an amount equal to the value of the Money or other property insured under Clause 6 of this Section at the time of the loss or damage or, at the Insurers' option, the reinstatement or replacement of such other property or any part of it.

5. Section Exclusions

The Insurers shall not indemnify the Insured for

- (i) depreciation in value, dishonoured cheques or the use of counterfeit Money
- (ii) any shortage of Money arising from error or omission
- (iii) loss from

(1) gaming and amusement machines in excess of £100

(2) any automated teller machine or cash dispensing machine

unless specifically insured by Endorsement to this Section

- (iv) loss of Money during transit by unregistered post
- (v) loss of Money from any unattended Vehicle
- (vi) consequential loss of any kind
- (vii) loss of Money more specifically insured elsewhere
- (viii) loss of Money arising from fraud or dishonesty of any of the Insureds' partners, directors or employees.
- (ix) the amount of the Excess stated in the Schedule

6. Section Extensions

These Section Extensions are subject otherwise to the terms of this Policy.

(a) Fidelity - The indemnity provided under this Section will extend to include theft of Money arising from any act of fraud or dishonesty by any partner, director or employee of the Insured up to the amount specified under Item (a) of the Schedule of Limits in the Schedule to Section F.

Provided that

the theft is discovered by the Insured within 7 days of such act of fraud or dishonesty having first been committed by such partner, director or employee whether acting solely or in collusion

(b) Containers - The indemnity provided under this Section will extend to include loss of or damage to

- (i) cases, bags, belts or waistcoats whilst being used for the transit of Money
- (ii) safes, strongrooms and stamp franking machines
- (iii) cash registers provided they are left open outside of Business Hours

which are the property of the Insured or for which they are responsible and where such loss or damage is caused directly by theft or attempted theft of Money up to a limit of £1,000 any one occurrence.

(c) Keys - The Section will also indemnify the Insured for the cost of replacement keys or lock mechanisms of safes or strongrooms with the consent of the Insurers following theft of keys by force or violence up to a limit of £1,000 any one occurrence.

(d) Non-negotiable Money - The indemnity provided under this Section includes cheques, Giro cheques, travellers cheques, postal or money orders, bankers' drafts, current postage and revenue stamps, unused units in postage stamp franking machines, National Insurance stamps, stamped or franked National Insurance cards, National Savings stamps, National Savings certificates, Premium Bonds, Holiday-with-Pay stamps, bills of exchange, credit and debit card sales' vouchers, luncheon vouchers, consumer redemption vouchers, trading stamps, gift tokens and VAT purchase invoices all pertaining to the Business and belonging to or the responsibility of the Insured up to £250,000 any one loss.

Section F - Money

(Only operative if specified on the Schedule)

- (e) Personal Accident (Assault)** – The Insurers will pay Compensation as specified in respect of each item in the Schedule in respect of any Bodily Injury sustained by an Insured Person in the course of the Business where such Bodily Injury arises directly from assault for the purposes of theft or attempted theft and results in death, Loss of Limbs, Loss of Sight, Permanent Total Disablement or Temporary Total Disablement within 12 months of its occurrence

Provided that

- (i) Compensation shall be payable only under one of the Items 1, 2 or 3 set out in the Schedule and weekly compensation shall become payable only when the total amount of Compensation for any one event shall have been ascertained and agreed
- (ii) Compensation shall not be payable in respect of death or injury caused by or arising wholly or in part from pre-existing illness, disease, physical or mental defect or infirmity
- (iii) Compensation shall not be payable to any person whose age is less than 16 years or more than 65 years

- (f) Personal Effects** – This Section will also indemnify the Insured for loss of or damage to clothing or personal effects of any Insured Person caused by robbery or attempted robbery up to a limit of £500 per person.

7. Section Conditions

(a) Claims (Action by the Insured)

- (i) In the event of loss or damage the Insured shall
 - (1) notify the Insurers of loss of money immediately or at the latest within 5 days; and
 - (2) notify the police authority immediately and take all practical steps to discover any guilty person and to trace and recover the Money and or property; and
 - (3) carry out and permit to be taken any action which may be reasonably practicable to prevent further loss or damage; and
 - (4) deliver to the Insurers at their own expense within 30 days after such loss or damage or such further time as the Insurers may allow
 - (i) full information in writing of the Money lost or damaged and of the amount of the loss; and
 - (ii) details of any other insurances on any Money insured under this Section; and
 - (iii) all such proofs and information relating to the claim as may be reasonably required; and
 - (iv) if demanded a statutory declaration of the truth of the claim and of any matters connected with it
- (ii) It is a Condition Precedent to liability under this Section that the Insured fulfils all of its obligations under this Clause and no claim under this Section shall be payable unless all of the terms of this Clause have been complied with.

(b) Claims (Personal Accident (Assault))

- (i) Action by the Insured

In the event of any Bodily Injury likely to give rise to a claim under Clause 6(e) of this Section notice must be given in writing to the Insurers as soon as reasonably possible and the Insured Person must place himself and or herself under the care of a registered medical practitioner whose advice he and/or she shall follow.

- (ii) Evidence, Medical Examination and Post-mortem

All certificates, information and evidence to support a claim shall be provided at the expense of the Insured or Insured Person and must be in a form as required by the Insurers. The Insured Person must submit to medical examination as often as required by the Insurers, such examination to be at the Insurers' expense. In the event of death of an Insured Person the Insurers shall be entitled to have a post-mortem examination at the Insurers' expense.

- (iii) Assignment and Discharge of Liability

The Insurers will not be bound to accept or be affected by notice of any trust, charge or consignment relating to Clause 6 (e) and the receipt of the Insured shall be a valid discharge of the Insurers' liability.

(c) Claims (Rights of Insurers)

- (i) On the happening of loss or damage in respect of which a claim is made the Insurers, and any person authorised by the Insurers, may without thereby incurring any liability or diminishing any of the Insurers' rights under this Section
 - (1) enter take or keep possession of the Premises where such loss or damage has occurred; and
 - (2) take possession of or require to be delivered to the Insurers any Property Insured and deal with such property for all reasonable purposes and in any reasonable manner.
- (ii) No claim under this Section shall be payable unless the terms of this Clause have been complied with.
- (iii) No property may be abandoned to the Insurers whether taken possession of by the Insurers or not.

(d) Reasonable Precautions

The Insured shall take all reasonable precautions

- (1) for the security of Money and maintain a record of all Money in transit or at the Premises such record to be kept in a place other than the safe or strongroom containing the Money; and
- (2) in the selection and supervision of employees; and
- (3) to monitor and control the custody of keys to the Premises or any part of the Premises or any security device which protects the Premises or Money and to prevent the possession of keys to the Premises or security device by any person unauthorised to enter the Premises.

Section F - Money

(Only operative if specified on the Schedule)

(e) Money Carrying Conditions

It is a Condition Precedent to liability under this Section that Money in transit shall be accompanied by the undernoted until disbursement:

Amount in Transit	Minimum Escort
Up to £3,000	1 employee
Between £3,001 and £5,000	2 employees
Between £5,001 and £7,500	3 employees
Between £7,501 and £10,000	4 employees

Over £10,000 to be carried by a professional security company.

The Insurers liability will not exceed the amount specified in the Schedule.

(f) Premium Adjustment

- (i) If the premium for this Section is based (in whole or in part) on an estimate of the total amount of Money paid into and drawn from the Bank or Post Office in the Period of Insurance the Insured shall declare to the Insurers the actual total sum of such payments and withdrawals within one month from the expiry of the Period of Insurance.
- (ii) The actual premium shall be calculated and any difference paid by or allowed to the Insured, subject to the minimum premium set by the Insurers being retained.

Section G - Goods in Transit

(Only operative if specified on the Schedule)

1. Section Definitions

Whenever the following words or phrases occur they shall have the meaning set out below for the purpose of this Section.

Clothing and Personal Effects means items owned by a director, partner or Employee and worn or carried by the director, partner or Employee during the transit

Consignment means goods and/or merchandise and/or Stock transported at the Insured's request as one shipment, whether or not such shipment is transported by one or more vehicles

Damage means loss of or damage to Property Insured caused by any external and accidental means

In Transit means

- (1) being carried from the time the Property Insured is loaded upon or in a Vehicle to the time it is unloaded from a Vehicle at its destination including
 - (i) loading and unloading; and
 - (ii) the use of recognised "roll-on roll-off" vehicle ferries provided no unloading or re-loading of the Vehicle is involved
- (2) whilst the Property Insured is in the custody or control of the carrier until delivered to the consignee's premises and receipt acknowledged or in the case of return transit placed at the Insured's Premises. This shall include a period of temporary garaging not exceeding 3 days during the journey

Overnight means from 21.00 hours or whenever the Vehicle was last occupied (whichever is the earlier) to 06.00 hours or until the Vehicle is first used whichever is the later

Property Insured means goods pertaining to the Business belonging to the Insured or for which they have accepted responsibility

2. The Cover

The Insurers will indemnify the Insured in respect of Damage occurring during the Period of Insurance whilst In Transit anywhere within or between Great Britain, Northern Ireland, the Isle of Man and the Channel Islands.

3. Limit of Liability

The liability of the Insurers under this Section shall not exceed the limits specified in the Schedule or limit specified in any Extension or Endorsement to this Section.

4. Basis of Claims Settlement

Claims under this Section shall be settled either on the basis of an amount equal to the value of the Property Insured at the time of its Damage or, at the Insurers' option, the reinstatement or replacement of such property or any part of it.

5. Section Exclusions

The Insurers shall not indemnify the Insured for

- (i) Damage caused by
 - (1) inherent vice, latent defect, gradual deterioration, wear and tear, frost, faulty or defective design or materials

- (2) faulty or defective workmanship, operational error or omission on the part of the Insured or any of their employees

- (3) disappearance shortage or unexplained or inventory shortage.

(ii) Damage caused by

- (1) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness marring, scratching, vermin or insects

- (2) Pollution and/or Contamination

- (3) the deterioration of Property Insured whilst In Transit in frozen, chilled or insulated condition due to variations in temperature

unless directly consequent upon fire, theft or attempted theft or overturning or collision of the carrying Vehicle

(iii) Damage caused by theft or attempted theft

- (1) by, or with the connivance of, the Insured or any partner, director or Employee of the Insured

- (2) from any Unattended Vehicle owned or operated by the Insured or in the care, custody or control of the Insured

- (i) unless all doors and the boot are locked and the keys removed from the Vehicle and the windows and other means of access adequately secured and audible alarms and immobilisers (where fitted) set for operation

- (ii) Overnight or on days when the Vehicle is not in use in connection with the Business unless

- (1) garaged at the time in a fully enclosed building which is securely locked or under constant supervision; or

- (2) in a Vehicle security park which is permanently attended; or

- (3) under constant surveillance by the driver or by another responsible person authorised by the Insured.

- (iv) Damage due to insufficient or faulty packing, loading or stowing or wrongful addressing, labelling or delivery

- (v) Damage due to delay, loss of market or other consequential loss of any kind or description

(vi) Damage to

- (1) jewellery or watches

- (2) precious metals, precious stones or articles composed of such materials

- (3) wines, spirits, perfumes, tobacco products or furs

- (4) deeds, documents, manuscripts or plans

- (5) Computer Equipment

unless specifically mentioned as insured by this Section in the Schedule.

Section G - Goods in Transit

(Only operative if specified on the Schedule)

(vii) Damage to

- (1) china, glass, earthenware
- (2) pictures, paintings, works of art, plasterwork or statuary marble or statuary marble
- (3) scientific instruments of any kind

unless caused by fire, theft or attempted theft, actual collision or overturning of the conveying Vehicle or an object falling onto the conveying Vehicle

(viii) Damage to

- (1) livestock
- (2) explosive goods of a dangerous nature
- (3) bullion
- (4) cash, stamps, bank notes, bills of exchange, or securities of any description.

(ix) Damage to

- (1) property temporarily housed whilst In Transit for the purpose of storage, making up or processing
- (2) property in or on soft-topped, open-topped, open-sided or curtain sided vehicles or trailers owned or operated by the Insured or in the care, custody or control of the Insured if caused by
 - (i) storm, or flood; and/or
 - (ii) theft or attempted theft unless the Vehicle is stolen at the same time; and/or
 - (iii) malicious persons in respect of an Unattended Vehicle.

6. The Excess

The Insurers shall not indemnify the Insured for the amount of the Excess specified in the Schedule.

7. Section Extensions

These Section Extensions are subject otherwise to the terms of this Policy.

- (a) The Insurers will indemnify the Insured for additional expenses reasonably incurred in connection with
 - (i) the transfer of Property Insured to any other Vehicle or delivering such property to its original destination or returning it to its place of despatch consequent upon collision or overturning of the conveying Vehicle
 - (ii) the reloading of Property Insured to the conveying Vehicle following accidental discharge
 - (iii) the removal of debris and site clearance following Damage

for an amount not exceeding £1,000.

- (b) The Insurers will indemnify the Insured for Damage to Clothing and Personal Effects caused by or following an accident to the conveying Vehicle whilst going about the Business of the Insured for an amount not exceeding £500 any one event.

(c) Tarpaulins, Sheets, Ropes

The Insurers will indemnify the Insured for Damage to tarpaulins, sheets, ropes, securing chains, packing materials, dunnage and toggles owned by the Insured or for which the Insured is responsible for an amount not exceeding £500 any one event

Provided that

such Damage is caused whilst such property is in use on Vehicles owned or operated by the Insured.

(d) Tools and Travellers Samples

The Insurers will indemnify the Insured for Damage to directors', partners' or employees' tools and samples on the Vehicle for an amount not exceeding £250 any one event unless otherwise specified by this Section.

(e) Property Removed from Vehicles

The Insurers will indemnify the Insured in respect of Damage to Property Insured whilst contained in secure private dwellings, hotels or other secure buildings provided that Damage caused by theft or any attempted theft is consequent upon forcible and violent entry or exit only.

8. Section Conditions

(a) Average (Underinsurance)

If the value of the Property Insured on any one Vehicle on any one Consignment shall at the time of the Damage be collectively greater than the limit for any one Vehicle or Consignment shown in the Schedule, then the Insured will be considered self insured for the difference and shall bear a rateable share of the Damage accordingly.

(b) Claims (Action by the Insured)

- (i) In the event of Damage the Insured shall
 - (1) notify the Insurers of the Damage immediately or at the latest 5 days; and
 - (2) notify the police authority immediately it becomes evident that any Damage has been caused by theft or malicious persons and take all practical steps to discover any guilty person and to trace and recover the Property Insured; and
 - (3) carry out and permit to be taken any action which may be reasonably practicable to prevent further Damage; and
 - (4) in the case of Property Insured carried by road or rail carrier or post take all practicable steps to notify the carrier concerned of the Damage within the time limits for notification of claims stipulated in the applicable conditions of carriage or contract; and
 - (5) in the case of Damage to a package or consignment retain the Property Insured and packaging in the same state as delivered for inspection by the Insurers; and
 - (6) deliver to the Insurers at their own expense within 30 days after such Damage (7 days in the case of Damage caused by riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons) or such further time as the Insurers may allow

Section G - Goods in Transit

(Only operative if specified on the Schedule)

- (i) full information in writing of the property lost or damaged; and
 - (ii) details of any other insurances on any Property Insured as specified in the Schedule; and
 - (iii) all such proofs and information relating to the claim as may be reasonably required; and
 - (iv) if demanded a statutory declaration of the truth of the claim and of any matters connected with it.
- (ii) It is a Condition Precedent to liability under this Section that the Insured fulfils all of its obligations under this Clause and no claim under this Section shall be payable unless all of the terms of this Clause have been complied with.

(c) Claims (Reinstatement)

If any Insured Property is to be reinstated or replaced by the Insurers the Insured shall (at their own expense) provide all such plans, documents, books and information as may be reasonably required. The Insurers shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than its limit of liability.

(d) Claims (Rights of Insurers)

- (i) On the happening of Damage in respect of which a claim is made the Insurers and any person authorised by the Insurers may without incurring any liability or diminishing any of the Insurers' rights under this Section
 - (1) enter take or keep possession of the premises where such Damage has occurred; and
 - (2) take possession of or require to be delivered to the Insurers any Property Insured and deal with such property for all reasonable purposes and in any reasonable manner
- (ii) No claim under this Section shall be payable unless the terms of this Clause have been complied with.
- (iii) No property may be abandoned to the Insurers whether taken possession of by the Insurers or not.

(e) Reasonable Care

The Insured shall take all reasonable measures to ensure their Vehicles

- (i) are maintained in a roadworthy condition; and
- (ii) security locks and other security devices are maintained in efficient working conditions.

(f) Security Precautions

The Insured shall take all reasonable measures to ensure that

- (i) Property Insured is kept in the boot or secure compartment of an Unattended Vehicle
- (ii) Property Insured contained in Vehicles with no boot is covered over and hidden from view whenever the Vehicle is left Unattended.

(g) Premium Adjustment

- (i) If the Premium for this Section is based on estimates provided by the Insured the Insured shall keep an accurate record containing all particulars relative thereto.
- (ii) The Insured shall at all times allow the Insurers to inspect such record and shall supply such particulars and information as the Insurers may require within one month from the expiry of each Period of Insurance and the Premium shall thereupon be adjusted by the Insurers (subject to the minimum premium chargeable for the risk being retained by the Insurers).

Section H - All Risks (Specified Items)

(Only operative if specified on the Schedule)

1. Section Definitions

Whenever the following words or phrases occur they shall have the meaning set out below for the purpose of this Section.

Damage means accidental physical loss of or damage to Property Insured

Defined Peril means fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, escape of water from any tank, apparatus or pipe, impact by any vehicle or animal, theft or attempted theft

Geographical Area means the area specified under this heading in the Schedule in respect of each item.

2. The Cover

The Insurers will indemnify the Insured in respect of Damage occurring during the Period of Insurance to the Property Insured described in the Schedule provided the Damage occurs in the Geographical Area.

3. Limit of Liability

The liability of the Insurers under this Section shall not exceed the relevant Sum Insured shown against each item in the Schedule less the Excess.

4. Basis of Claims Settlement

Claims under this Section will be settled on the basis of an amount equal to the cost of repair, reinstatement or replacement of the property as new without deduction for wear and tear to a condition equivalent to or substantially the same but not better or more extensive than its condition when new, subject to any relevant monetary limit specified in the Schedule to this Section.

Provided that

repair, reinstatement or replacement has been effected.

5. Section Exclusions

The Insurers shall not indemnify the Insured for

- (i) consequential loss of any kind or description.
- (ii) Damage caused by
 - (1) inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, the Insured's own faulty or defective design or materials; or
 - (2) faulty or defective workmanship, operational error or omission on the part of the Insured or any of their employees

but this shall not exclude subsequent Damage which itself results from a cause not being an excepted cause under this Section or otherwise excluded

(iii) Damage caused by

- (1) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects; or

- (2) change in temperature or atmospheric or climatic conditions; or
- (3) mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which such breakdown or derangement originates

but this shall not exclude

- (i) such Damage which itself results from a Defined Peril or from any other cause not being an excepted cause under this Section or otherwise excluded
- (ii) subsequent Damage which itself results from a cause not being an excepted cause under this Section or otherwise excluded

(iv) any loss from an Unattended Vehicle

(v) Damage caused by

- (1) acts of fraud or dishonesty by the Insured's employees; or
- (2) unexplained disappearance, unexplained or inventory shortage, misfiling or misplacing of information; or
- (3) any process of fitting, testing, servicing, repair, renovation or adjustment.

(vi) Damage caused by Pollution and/or Contamination

but this shall not exclude

such Damage caused by

- (1) Pollution and/or Contamination which itself results from a Defined Peril
- (2) a Defined Peril which itself results from Pollution and/or Contamination

unless resulting from an Excluded cause under Clause 5 of this Section or otherwise excluded.

6. The Excess

The Insurers shall not indemnify the Insured for the amount of the Excess specified in the Schedule

7. Section Conditions

(a) Claims (Action by the Insured)

- (i) In the event of Damage the Insured shall
 - (1) notify the Insurers of the Damage immediately or at the latest within 5 days
 - (2) notify the police authority immediately it becomes evident that any Damage has been caused by theft or malicious persons and take all practical steps to discover any guilty person and to trace and recover the Property Insured
 - (3) carry out and permit to be taken any action which may be reasonably practicable to prevent further Damage
 - (4) deliver to the Insurers at their own expense within 30 days after such Damage (7 days in the case of Damage caused by riot, civil commotion, strikers,

Section H - All Risks (Specified Items)

(Only operative if specified on the Schedule)

locked-out workers or persons taking part in labour disturbances or malicious persons) or such further time as the Insurers may allow

- (i) full information in writing of the property damaged or lost
 - (ii) details of any other insurances on any Property Insured
 - (iii) all such proofs and information relating to the claim as may be reasonably required
 - (iv) if demanded a statutory declaration of the truth of the claim and of any matters connected with it.
- (ii) It is a Condition Precedent to liability under this Section that the Insured fulfils all of its obligations under this Clause and no claim under this Section shall be payable unless all of the terms of this Clause have been complied with.

(b) Claims (Reinstatement)

If any property is to be reinstated or replaced by the Insurers the Insured shall (at their own expense) provide all such plans, documents, books and information as may be reasonably required. The Insurers shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than its Sum Insured.

(c) Claims (Rights of Insurers)

- (i) On the happening of Damage in respect of which a claim is made the Insurers and any person authorised by the Insurers may without incurring any liability or diminishing any of the Insurers' rights under this Section
 - (1) enter take or keep possession of the Premises where such Damage has occurred; and
 - (2) take possession of or require to be delivered to the Insurers any Property Insured and deal with such property for all reasonable purposes and in any reasonable manner.
- (ii) No claim under this Section shall be payable unless the terms of this Clause have been complied with.
- (iii) No property may be abandoned to the Insurers whether taken possession of by the Insurers or not.

(d) Average (Underinsurance)

- (i) Each of the amounts set out under Sums Insured in the Schedule is declared to be separately subject to Average.
- (ii) Whenever a Sum Insured is declared to be subject to Average if such amount at the time of the Damage of the item be less than the full replacement value as new of the property covered by such item then the Insured will be considered self insured for the difference and the amount payable by the Insurers in respect of such Damage shall be proportionately reduced.

(e) Reasonable Precautions

The Insured shall take all reasonable precautions for the safety of the Property Insured, the securing of the Premises and in the selection and supervision of Employees.

Section I - Frozen Food

(Only operative if specified on the Schedule)

1. Section Definitions

Whenever the following words or phrases occur they shall have the meaning set out below for the purpose of this Section

Damage shall mean accidental physical loss or damage to the Property Insured by deterioration or putrefaction

Defined Peril shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, escape of water from any tank, apparatus or pipe, impact by any vehicle or animal or theft or attempted theft

Property Insured shall mean stock of foodstuffs whilst in the cold chamber of any deep freeze described in the Schedule belonging to the Insured or for which they are responsible

2. The Cover

The Insurers shall indemnify the Insured for Damage at the Premises occurring during the Period of Insurance caused by or arising from

- (i) a rise or fall in temperature owing to a failure of the cold chamber or deep freeze to function properly.
- (ii) accidental escape or leakage of refrigerant or refrigerant fumes.
- (iii) accidental failure of the public or private supply of electricity.

3. Limit of Liability

The liability of the Insurers shall not exceed the Sum Insured specified by each item for the Period of Insurance in the Schedule.

4. Basis of Claims Settlement

Claims under this Section will be settled either on the basis of an amount equal to the cost price of the Property Insured at the time of Damage or, at the Insurers option, its replacement.

5. Section Exclusions

The Insurers shall not indemnify the Insured for

- (i) Damage caused by
 - (1) the wilful act or neglect of the Insured, any partner, director or employee of the Insured or their families
 - (2) the deliberate act of any electricity supply authority or the exercise by any such authority to withhold or restrict supply
 - (3) the failure of any cold chamber or deep freeze which is
 - (i) over 10 years old
 - (ii) over 5 years old and not the subject of an annual maintenance contract with a competent refrigeration engineer or company
 - (4) any Defined Peril
 - (5) moth, vermin or insects

- (6) wear and tear, deterioration or gradually developing flaws or defects in refrigerating plant or faulty packaging of Property Insured

- (7) the incorrect setting of thermostats or automatic controls

- (ii) loss of or damage to Property Insured which has passed the date set by the manufacturers for consumption

- (iii) consequential loss of any kind or description

- (iv) the amount of the Excess specified in the Policy Schedule.

6. Section Conditions

(a) Automatic Reinstatement

In the absence of written notice by the Insurers to the contrary the amount of Sum Insured by this Section shall not be reduced by the amount of loss and in return the Insured undertakes to pay the appropriate extra premium at a rate to be agreed on the amount of the loss from the date the Damage occurs

(b) Average (Underinsurance)

- (i) Each of the amounts set out under Sums Insured in the Schedule to Section I in respect of this Section I is declared to be separately subject to Average.

- (ii) Whenever a Sum Insured is declared to be subject to Average if such amount shall at the commencement of any Damage be less than the value of the Property Insured then the Insured will be considered self insured for the difference and the amount payable by the Insurers in respect of such Damage shall be proportionately reduced.

(c) Claims (Action by the Insured)

- (i) In the event of Damage the Insured shall

- (1) notify the Insurers of the Damage immediately or at the latest within 5 days; and

- (2) carry out and permit to be taken any action which may be reasonably practicable to prevent further damage; and

- (3) deliver to the Insurers at their own expense within 30 days after such Damage or such further time as the Insurers may allow

- (i) full information in writing of the property lost, destroyed or damaged; and

- (ii) details of any other insurances on any Property Insured; and

- (iii) all such proofs and information relating to the claim as may be reasonably required

- (iv) if demanded a statutory declaration of the truth of the claim or of any matters connected with it.

- (ii) It is a Condition Precedent to liability under this Section that the Insured fulfils all of its obligations under this Clause and no claim under this Section shall be payable unless all of the terms of this Clause have been complied with.

Section I - Frozen Food

(Only operative if specified on the Schedule)

(d) Claims (Reinstatement)

If any property is to be reinstated or replaced by the Insurers the Insured shall at their own expense provide all such documents books and information as may be reasonably required. the Insurers shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the amount stated as the Sum Insured in the Schedule.

(e) Claims (Rights of Insurers)

- (i) On the happening of Damage in respect of which a claim is made the Insurers, and any person authorised by the Insurers, may without incurring any liability or diminishing any of the Insurers' rights under this Section.
 - (1) enter take or keep possession of the Premises where such Damage has occurred; and
 - (2) take possession of or require to be delivered to the Insurers any Property Insured and deal with such property for all reasonable purposes and in reasonable manner. .
- (ii) No claim under this Section shall be payable unless the terms of this Clause have been complied with.
- (iii) No property may be abandoned to the Insurers whether taken possession of by the Insurers or not.

Section J - Theft by Employee

(Only operative if specified on the Schedule)

1. Section Definitions

Wherever the following words and phrases occur they shall have the meaning described below for the purpose of this Section.

Acting in Collusion means all circumstances where two or more Employees are concerned or implicated together or materially assist each other in committing the acts of Theft.

Date of Acceptance means

- (i) the commencement date of the first period of insurance under this Policy; or
- (ii) the date on which the Employee enters into a contract of service or apprenticeship with the Insured

whichever is the latest.

Employee means any person

- (i) under a contract of service or apprenticeship with the Insured
- (ii) undergoing training under any Government approved training scheme under the control of the Insured in connection with the Business whilst in the service of the Insured
- (iii) any director of the Insured if such person -
 - (1) is also employed by the Insured under a contract of service
 - (2) controls no more than 5 per cent of the issued share capital of the insured company or of any subsidiary of the insured company
- (iv) any person retired from full-time employment with the Insured who is working for the Insured as a consultant under the control or direction of the Insured.

Provided that person is normally resident within the Geographical Limits

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

Insured's Contribution means the first part of any One Claim borne by the Insured as specified in the Schedule or as otherwise provided for by this Section..

One Claim means all acts of Theft throughout the continuation of this insurance (or any insurance issued in substitution therefore or for which this insurance is substituted) committed by one individual Employee or by two or more Employees Acting in Collusion.

Theft includes any act of fraud or dishonesty by any Employee committed with the clear intent of obtaining an improper financial gain for themselves or for any other person or organisation intended by the Employee to receive such gain other than salaries, fees commission or other Employee benefit earned in the normal course of employment.

2. The Cover

The Insurers will indemnify the Insured in respect of loss of Money or goods belonging to the Insured or for which they are legally responsible caused by any act of Theft committed by any Employee specified in the Schedule whilst engaged in the position of employment discovered and notified to the Insurers not later than 24 months after

- (i) the expiry of any Period of Insurance in which the act of Theft was committed; or
- (ii) the termination of this insurance; or
- (iii) the termination of the insurance in respect of any Employee specified by name or position

whichever occurs first.

3. Limit of Liability

The liability of the Insurers under this Section

(i) In respect of any One Claim

- (1) if caused by one Employee shall not exceed the Limit of Guarantee specified in the Schedule as applicable to that Employee; or
- (2) if caused by two or more Employees Acting in Collusion shall not exceed the greater of the individual Limits of Guarantee specified in the Schedule as applicable to the Employees involved.

Provided that if the Insurers shall be liable to indemnify more than one party the aggregate amount of indemnity to all parties shall not exceed the Limit of Guarantee noted in the Schedule; and

- (ii) **In respect of any one Period of Insurance** shall not exceed the Aggregate Limit of Guarantee specified in the Schedule.

4. Basis of Claims Settlement

The amount payable shall be the value of the money or goods at the time of the loss or, at the Insurers' option, the replacement or reinstatement of the goods.

5. Section Exclusions

The Insurers shall not indemnify the Insured

- (i) for loss of interest or consequential loss of any kind
- (ii) for loss caused by any act of any Employee committed prior to the Date of Acceptance specified in the Schedule as applicable to that Employee
- (iii) for loss where the Insured continues to entrust the defaulting Employee with money or goods after becoming aware of any material fact bearing on the honesty of the said Employee
- (iv) if there is any change
 - (1) in the nature of the Business; or
 - (2) to the system of check specified in the Proposal for this Section and accepted and agreed by the Insurers; or
 - (3) in the position of employment of the defaulting Employee specified in the Schedule

unless such change is agreed by Insurers in writing

- (v) for any unexplained shortages
- (vi) for the amount of the Excess as stated in the Schedule.

Section J - Theft by Employee

(Only operative if specified on the Schedule)

6. Section Extensions

(a) Auditors Fees Rewriting of System Records

Where there is a direct loss of money or goods resulting in a valid claim under this Section the Insurers will also pay for

- (1) auditors fees incurred with the Insurers' written consent solely to substantiate the amount of the claim
- (2) the reasonable cost of rewriting or amending the software programs or systems where such re-writing or amending is necessary to correct the programs or amend the security codes following the fraudulent use of computer hardware or software programs or computer systems the subject of a claim for which liability is admitted under this Section.

Provided that

the total liability of the Insurers including any amount payable under the provisions of this Clause shall in no case exceed the Aggregate Limit of Guarantee specified in the Schedule.

(b) Non-contribution - Legal Liability

If at the time of loss of money or goods for which the Insured is legally responsible or at the time a claim for such property arises the Insured is (or would be but for the existence of this insurance) entitled to indemnity under any other insurance or to recover under any guarantee or indemnity fund the Insurers shall not be liable except in respect of any excess beyond the amount which would have been payable under such other insurance, guarantee or fund had this insurance not been effected.

(c) Pension Fund Trustees

- (i) At the request of the Insured, the Insurers will indemnify the trustees of any pension fund or other Employee benefit scheme set up to provide benefit to the Insured's Employees in respect of any loss of money or goods which the trust may incur as a result of any act of Theft as otherwise insured by this Section J committed by any Employee of the Insured.
- (ii) For the purpose of this Clause all persons nominated as trustees shall be deemed Employees.

(d) Temporary Agency Staff

The term Employee shall include any person furnished by a staff or employment agency who by arrangement with such agency is working for the Insured on a temporary or part-time basis in connection with the Business to perform the function and duties of an Employee under the control or direction of the Insured but not including persons employed as drivers or in connection with warehouse duties or with computer operations or computer programming unless specifically stated as insured herein

Provided that

- (1) the Insurers shall not be liable for any loss caused by any such person if such loss is also covered for the benefit of the Insured by any insurance or guarantee held by the staff or employment agency furnishing the person concerned; and
- (2) the amount of wages and salaries declared shall include the total amount of fees paid to staff and employment agencies in respect of temporary agency staff described above; and

- (3) the references condition shall not apply to the temporary agency staff described above.

7. Section Conditions

(a) Cessation of Cover

Immediately following the discovery by the Insured of any act of Theft by an Employee all liability for further acts of Theft by that Employee shall cease.

(b) Claims (Action by the Insured)

- (i) On the discovery of any act which may give rise to a claim the Insured shall
 - (1) notify the Insurers immediately or at the latest within 5 days; and
 - (2) notify the police authority immediately and take all practical steps to discover any guilty person and to trace and recover the money and goods; and
 - (3) carry out and permit to be taken any action which may be reasonably practicable to prevent further loss; and
 - (4) deliver to the Insurers at their own expense within 30 days after such act or such further time as the Insurers may allow
 - (i) full information in writing of the money or goods lost; and
 - (ii) details of any other insurances on any money or goods insured under this Section J; and
 - (iii) all such proofs and information relating to the claim as may be reasonably required; and
 - (iv) if demanded a statutory declaration of the truth of the claim and of any matters connected with it.
- (ii) It is a Condition Precedent to liability under this Section that the Insured fulfils all of its obligations under this Clause and no claim under this Section shall be payable unless all of the terms of this Clause have been complied with.

(c) Employee's Money

Any money of the Employee in the Insured's hands upon discovery of any loss and any money which but for the Employee's Theft would have been due to the Employee from the Insured shall be deducted from the amount of the loss before a claim is made under this insurance.

(d) Recoveries of further Monies

Any recoveries effected by the Insured less any costs incurred in recovery shall accrue

- (i) in the event that the Insured's claim has exceeded the Limit of Guarantee applicable to that claim firstly to the benefit of the Insured to reduce or extinguish the amount of the Insured's loss (but not to reduce any contribution that must be made by the Insured under the general conditions of this Policy)
- (ii) thereafter to the benefit of the Insurers to the extent of the claim paid or payable

Section J - Theft by Employee

(Only operative if specified on the Schedule)

- (iii) and finally to the benefit of the Insured where the Insured's contribution under the general conditions of this Policy had been deducted from the claim.

(e) Termination of Service

Upon the termination of service of any Employee the Insured shall take all reasonable security precautions to prevent Theft by that Employee.

(f) Minimum Standards of Control

It is a Condition Precedent to liability under this Section that the Insured shall observe and comply with the following Minimum Standards of Control otherwise no claim under Section J shall be payable.

(i) Auditors

The accounts of the Insured including all subsidiary companies shall be examined by external auditors every twelve months. All recommendations or alternatives acceptable to the auditors shall be implemented without delay.

(ii) Cheque signing

All cheques or other bank instruments for more than £2,500 shall require two manually applied signatures to be added after the amount has been inserted. No cheque or instrument must be signed until one signatory has examined the supporting documentation. The Insured's bankers shall be advised of the above requirements as to signatures.

(iii) Payroll

In respect of Employees not paid by crossed cheque or credit transfer the cost of the payroll will be subject to an independent check before payment to ensure that the total amount drawn is correct. At least quarterly and independently of persons responsible the payroll will be checked to minimise the possibility that fictitious names and enhanced payments have been included.

(iv) Stocktaking

There will be a physical check of all Stock held against verified Stock records, independent of Employees who are responsible, at least every 12 months.

(v) Ordering Stock

Different Employees, acting independently, shall be responsible for the ordering of Stock, the recording of receipt of such and the authorising of payment for it.

(vi) Computer Security

Security checks will be built into all computer functions with reconciliations made as necessary. Responsibilities for authorisation of transactions, processing of transactions and handling of output shall be exercised by different Employees..

(g) Premium Adjustment

- (i) If the premium for this Section is based on estimates provided by the Insured the Insured shall keep an accurate record containing all relevant particulars and shall at all times allow the Insurers to inspect such record.

- (ii) Within one month of the expiry of the Period of Insurance the Insured shall supply such particulars as the Insurers may require and the premium shall thereupon be adjusted by the Insurers and any difference paid by or to the Insured subject to

- (1) any return of premium not exceeding 50 per cent of the premium paid on the estimated figures
- (2) retention of the Insurers' standard minimum premium for this Section.

(h) Employee References

The Insured shall obtain satisfactory references to confirm the honesty of each Employee who will be responsible for Money, material property, accounts, computer operations or computer programming. Such references shall be obtained directly from former employers for the three years immediately preceding engagement and before the Employee is entrusted without supervision. Such references need not be obtained in respect of Employees who have satisfactorily and continuously served the Insured for at least 3 years in another capacity before being entrusted with the duties referred to in the paragraph above.

In respect of Employees joining directly from school, colleges, universities, government sponsored youth training schemes or are returning to work after a gap of more than three years, one character reference shall be obtained.

It is a Condition Precedent to liability under this Section that the Insured fulfils all of their obligations under this Clause and no claim under this Section shall be payable unless all of the terms of this Clause have been complied with.

Section K - Loss of Premises Licence

(Only operative if specified on the Schedule)

1. Section Definitions

Wherever the following words or phrases occur they shall have the meaning set out below for the purpose of this Section

Damage means the depreciation in value of the interest of the Insured in the Premises and any costs and expenses incurred by the Insured with the written consent of the Insurers in connection with an appeal in respect of forfeiture of or refusal to renew such Premises Licence as a consequence of loss of Premises Licence;

Insured means the person, persons or corporate body named as such (for the purposes of this Section) in the Schedule and third parties whose interest is noted in the Schedule. Each of the parties comprising the Insured shall be considered as a separate legal entity and cover will operate as if a separate policy had been issued to each of the said parties subject to the Limit of Liability

Premises Licence means the licence granted to the Insured under the Licensing Act 2003 in respect of the sale and supply of alcohol and/or provision of regulated entertainment and/or the provision of late night refreshments.

2. The Cover

The Insurers will indemnify the Insured in respect of Damage arising solely from

- (i) forfeiture under the provisions of the appropriate legislation covering the issue of such Premises Licence or
- (ii) refusal to renew the Premises Licence after due and proper application for renewal thereof.

3. Limit of Liability

The Insurers will indemnify the Insured up to but not exceeding the Limit of Liability specified in the Schedule in respect of any one Period of Insurance

Provided that if the Insurers shall be liable to indemnify more than one Insured the aggregate amount of indemnity to all parties shall not exceed the Limit of Liability specified in the Schedule for the Period of Insurance.

4. Basis of Claims Settlement

Claims under Section K will be settled on the basis of an amount equal to

- (i) the depreciation in value of the interest of the Insured in the Premises; and
- (ii) costs and expenses incurred by the Insured with the written consent of the Insurers in connection with an appeal in respect of forfeiture of or refusal to renew such Premises Licence.

5. Section Exclusions

The Insurers shall not indemnify the Insured

- (i) in the event that compensation is payable to the Insured by virtue of any legislation relating to the Premises Licence
- (ii) if forfeiture or non-renewal of the Premises Licence is caused

- (1) directly or indirectly by the misconduct, procurement, connivance, neglect or omission of the Insured or failure by them to take any step necessary for keeping the Licence in force; or
 - (2) by alteration of the Premises without the consent of the appropriate local or governmental body
 - (3) by the Premises
 - (i) being closed for any period which is not required by law; or
 - (ii) not being maintained in a sanitary condition or satisfactory state of repair;
 - (iii) being required for any public purposes or affected by any scheme of Town and Country planning or redevelopment
 - (4) by alteration of the law affecting the issue of Licences.
 - (5) by reduction or redistribution of Premises Licences
- (iii) for the loss of any extension to the normal opening hours.

6. Section Conditions

(a) Claims (Action by the Insured)

- (i) In the event of the Premises Licence being forfeited or renewal being refused the Insured shall
 - (1) give notice in writing to the Insurers within 24 hours of becoming aware of such event stating the grounds upon which the decision was made; and
 - (2) deliver as soon as possible thereafter a written statement substantiating any claim together with such documents statements and accounts as may be required to verify such claim and if required by the Insurers make a Statutory Declaration as to the truth of such claims and give the Insurers free access to the Premises and the books and accounts thereof as may be necessary for ascertaining the value of the Premises and the goodwill in relation to the Premises Licence;
 - (3) give all such assistance as the Insurers may require for the purpose of an appeal against such forfeiture or refusal to renew
 - (4) apply if practicable and if required by the Insurers for the grant of a new Premises Licence for the same or alternative Premises as may enable the Insured to continue the Business in similar or alternative form.
- (ii) It is be a Condition Precedent to liability under this Section that the Insured fulfils all of its obligations under this Clause and no claim under this Section shall be payable unless all of the terms of this Clause have been complied with.

(b) Notification

The Insured shall immediately notify the Insurers

- (1) on becoming aware of any circumstance which may result in a claim under this Section
- (2) of any complaint prosecution or intended prosecution

Section K - Loss of Premises Licence

(Only operative if specified on the Schedule)

- (i) in respect of the Premises or the conduct or control thereof
- (ii) in relation to the honesty or moral standing of the licence-holder, manager, tenant or occupier of the Premises
- (3) of any transfer or proposed transfer of the Premises Licence, tenancy or management of the Premises
- (4) of any objection to renewal of the Premises Licence or any other matter affecting the issue of such Premises Licence.

(c) Replacement

In the event of

- (1) the death bankruptcy or incapacity of; or
- (2) the conviction of; or
- (3) the desertion of the Premises by

the licence-holder, manager, tenant or occupier of the Premises in consequence of which the Premises Licence or its renewal may be endangered the Insured shall at the request of the Insurers take all practicable steps to secure the replacement of such person by a person who will be acceptable to the Justices or other authority for the transfer to or renewal of the Premises Licence to that person.

Section L - Terrorism

(Only operative if specified on the Schedule)

Definitions – for the purposes of this Section

Terrorism

Any act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence

Virus or Similar Mechanism

Program code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations, whether involving self-replication or not. This definition includes but is not limited to Trojan Horses and Logic Bombs.

Hacking

Unauthorised access to any computer or other equipment or component or system or item which processes stores, transmits or retrieves data.

Denial of Service Attack

Any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems. Denial of Service Attacks include, but are not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks.

Cover

The insurance by the Property Damage Section and the Loss of Rent Section is extended to include any act of Terrorism but not Damage occurring outside Great Britain (meaning England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man nor the Channel Islands).

The Insurers liability in respect of all losses arising out of any one occurrence and in the aggregate in any one Period of Insurance shall not exceed the limits as otherwise specified in the Policy.

Provided always that

1. in any action suit or other proceedings where the Insurers alleges that any Damage or loss resulting from Damage is not covered by this Extension the burden of proving that such Damage is covered shall be upon the Insured
2. this Section is not subject to any of the Exclusions specified in this Policy other than those applying specifically in respect of this Extension as stated in provisos 4 to 6 below
3. this Section is subject to all the terms and conditions of the Policy except as expressly varied hereby
4. this Section is subject to the exclusion of chemical biological or radioactive contamination defined as any loss whatsoever or any expenditure resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from

- (a) the radioactive toxic explosive or other hazardous

properties of any explosive nuclear assembly or nuclear assembly or nuclear component thereof

- (b) ionising radiation or contamination by radioactivity or from the combustion of any radioactive material
- (c) chemical and/or biological and/or radiological irritants contaminants or pollutants

in respect only of residential property houses blocks of flats and other dwellings insured in the name of a private individual

5. this Section is subject to the exclusion of war and allied risks defined as war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
6. this Section is subject to the exclusion of digital or cyber risks, that is any loss whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned or resulting from Damage to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part thereof whether tangible or intangible (including but not without limitation any information or programs or software) and whether the property of the Insured or not, where such Damage is caused by Virus or Similar Mechanism or Hacking or Denial of Service Attack

or

Consequential loss directly or indirectly caused by or arising from Virus or Similar Mechanism or Hacking or Denial of Service Attack

Section Conditions

This Section shall not apply to any

- (a) Long Term Agreement/Undertaking to which this insurance is subject
- (b) terms in this insurance that provide for adjustments of premium based upon declarations on expiry or during the Period of Insurance
- (c) aggregate limit contained in this insurance regarding the amount to be borne by the Insured as the result of an Excess.



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