

# Signatures

## 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 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](http://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 our 24 hour claims line.

**Claims Line: 0844 209 0999**

# Signatures Policy

This Policy wording accompanies Sections A-L of the UK General Commercial Combined Policy Wording with which it was issued, but is not part of said Policy wording.

It contains extensions in cover for Commercial Legal Protection, Key Person, and Equipment Breakdown. Each cover is underwritten by separate insurers detailed in each section of this document.

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# Signatures Policy

## Important Notice

### Applicable to all of the Signatures Covers:

#### **Making a claim**

To notify us of a new claim please follow the steps below:

1. Check the Policy and accompanying Schedule to ensure that you are covered.
2. Check the Claims conditions under the respective Section(s) of the Policy.
3. In all cases please call our dedicated claims line (0844 209 0999) to initially notify us of your claim.

Details of the individual Insurer's Claims Offices are given within the respective sections of this document.

#### **How to make a complaint**

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](mailto: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 write to the Chief Executive Officer of the Insurers who have underwritten this Policy and whose name and address is stated in the Schedule. If You then cannot settle Your complaint with the Insurers who have underwritten the Policy, You may be entitled to refer it to the Financial Ombudsman Service (FOS).

Further information is available at:

<http://www.financialombudsman.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.

#### **Upgrading your cover**

You can upgrade any of the Signatures Covers at any stage in the Period of Insurance.

#### **Cancellation rights**

Cancellation of these covers is only possible in the event that the cover provided under the main UK General Policy is also cancelled.

# Section M - Commercial Legal Protection

This Policy wording accompanies the UK General Policy Wording with which it was issued, but is not part of said Policy wording.

It contains extensions in cover for Commercial Legal Protection, Key Person, and Equipment Breakdown. Each cover is underwritten by separate insurers detailed in each section of this document.

## Important Notice Applicable to all of the Signatures Covers

### Making a claim

To notify us of a new claim please follow the steps below:

1. Check the Policy and accompanying Schedule to ensure that you are covered.
2. Check the Claims conditions under the respective Section(s) of the Policy.
3. In all cases please call our dedicated claims line (0844 209 0999) to initially notify us of your claim.

Details of the individual Insurer's Claims Offices are given within the respective sections of this document.

### How to make a complaint

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](mailto:customerrelations@ukgeneral.co.uk)

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

If You then 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.

### Upgrading your cover

You can upgrade your Commercial Legal Protection and Key Person Covers at any stage in the Period of Insurance.

### Cancellation rights

Cancellation of these covers is only possible in the event that the cover provided under the main UK General Policy is also cancelled.

# Section M - Commercial Legal Protection

## Important information relating to this section of the policy

(not forming part of the Policy)

The cover provided under this Policy is underwritten independently of the main UK General Insurance Limited Policy to which this Commercial Legal Protection Policy is attached. Please read this important notice concerning the operation of this section of the policy. Failure to comply with these terms could mean that we decline to pay your claim.

All potential claims must initially be reported to Our appropriate Claims Helpline Service (shown below), which operates 24 hours a day, 365 days a year in respect of legal and emergency assistance issues and the hours of 09.00 – 17.00 Monday to Friday excluding Bank Holidays for taxation issues. A legal and taxation advice service is also provided as below.

### Legal Claims Notification & Advice Helpline Service

0844 800 0129

**This Helpline Service is only in respect of legal issues and cannot assist with any other insurance matter.**

### Tax Advice Helpline Service

01455 852034

**This Helpline Service is only in respect of taxation issues and cannot assist with any other insurance matter.**

### Commercial Emergency Service

01977 781848

**This Service is in respect of Emergency Assistance only and cannot assist with any other matter. (Please note that any services utilised via this facility are the responsibility of, and must be paid for by, the Policyholder)**

### Online Access to

### Legal Resources Database

**Free unlimited access to our comprehensive library of commercial and personal legal information (including employment, health & safety and property matters) is available to you at [www.legalhelpline.irwinmitchell.com](http://www.legalhelpline.irwinmitchell.com) You should enter Scheme Code reference LIM01 to access the site. Please note that you will be required to register your personal details the first time to use this service.**

- This is a policy where You must notify us during the Period of Insurance and within 90 days of any circumstances which may give rise to any claim under this policy. Failure to do so could mean that We decline to pay a claim for Your Professional Fees.
- If You can convince Us that there are sensible prospects of being successful in Your claim and that it is reasonable for Professional Fees to be paid We will:
- take over the claim on Your behalf;
- appoint a specialist of Our choice to act on Your behalf.
- We may limit the Professional Fees that We will pay under the policy where:-
  1. We consider it is unlikely a reasonable settlement of Your claim will be obtained;
  2. there are insufficient prospects of obtaining recovery of any sums claimed; or
  3. the potential settlement amount of Your claim is disproportionate compared with the time and expense incurred in pursuing or defending Your claim.Where it may cost Us more to handle a claim than the amount in dispute We may at Our option pay to You the amount in dispute which will then constitute the end of the claim under this policy.
- If Legal Proceedings have been agreed by Us You may at this stage decide to nominate and use Your own solicitor or indeed, You may wish to continue to use Our own specialists. If You decide to nominate Your own professional We must agree this in advance and You will be responsible for any Professional Fees in excess of those which Our own specialists would normally charge Us (details are available upon request).
- At conclusion of Your claim if You are awarded any costs (not Your damages), these must be paid to Us.

Please note that if You engage the services of anyone prior to making contact with the Helpline or Notification Service and incur any costs without our prior written approval these costs will not be covered by this insurance.

# Section M - Commercial Legal Protection

## IMPORTANT POLICY INFORMATION

All potential claims must initially be reported to Our Claims Helpline Service, which operates 24 hours a day, 365 days a year in respect of the Legal Claims Notification and Advice Helpline Service and the Emergency Assistance Helpline Service and the hours of 09.00 – 17.00 Monday to Friday excluding Bank Holidays for Tax Claims Notification and Tax Advice Helpline Service.

In respect of a dispute involving an employment matter (action against an employee which could lead to dismissal, selection for redundancy, changing an employee's terms and conditions of employment, before accepting an employee's resignation or on becoming aware of any event or circumstance that may be deemed to be constructive dismissal including where an employee is absent from work following them walking out without providing written notice), You must ring the Legal Advice Helpline Service prior to taking any action or immediately you become aware of a potential problem and follow the advice and guidance provided with due diligence. Failure to do so may result in Us declining Your claim.

**The Legal Claims Notification & Advice Helpline Service telephone number is:  
0844 800 0129**

**The Tax Advice Helpline Service telephone number is:  
01455 852034**

**The Tax Claims Notification Service telephone number is:  
01384 377000**

**The Commercial Emergency Assistance Helpline number is:  
01977 781848**

Please note that the Claims Notification & Legal Helpline Service is not empowered to give advice on the admissibility of any claim under the policy.

If You wish to make a claim or You have a query relating to policy cover, then You should contact:

Claims Department  
Legal Insurance Management Ltd  
16-18 Hagley Road  
Stourbridge  
West Midlands  
DY8 1P

This is a 'Claims Made' policy. It only covers claims notified to Us during the Period of Insurance and within 90 days of any circumstance which may give rise to any claim. Failure to do so could lead Us to decline that claim.

## POLICY DEFINITIONS

### Agent

The Agent appointed by the Coverholder to transact this Insurance with You.

### Aspect Enquiry

An enquiry where the Inspector of Taxes enquires into one or more aspects of the self-assessment tax return which may involve clarification of particular entries to detailed consideration of whether those entries have been treated correctly for tax purposes. It may involve a check on the records upon which the particular entries were based.

### Authorised Professional

A solicitor, counsel, claims handler or mediator, accountant, firm of accountants or other appropriately qualified person appointed and approved by Us under the terms and conditions of this policy to represent Your or an Insured Person's interests.

### Business

The business detailed in the Schedule.

### Comprehensive Enquiry

A Comprehensive Enquiry is an extensive examination which considers all aspects of the self-assessment tax return. It will involve a comprehensive review by the Inspector of Taxes of all books and records underlying the entries made on the return.

### Director

A person duly registered at Companies House as a director of the Business.

### Event

The initial event, act or omission which sets off a natural and continuous sequence of events that subsequently gives rise to a claim for indemnity against Us.

### Excess

The first amount of each and every claim as detailed on the Schedule..

### In-Depth Investigations

A fundamental review of the accounts and the underlying records as signalled by the issue of the relevant departmental notification or as otherwise stated in writing.

### Insured Person

The Policyholder and the directors, partners, managers and all other employees of Your business.

### Insurer

UK General Insurance Ltd on behalf of: - Ageas Insurance Limited, registered in England No.354568. Registered Office: Ageas House, Tollgate, Eastleigh, Hampshire SO53 3YA.

Legal Insurance Management Ltd, UK General Insurance Ltd and Ageas Insurance Ltd are authorised and regulated by the Financial Services Authority (FSA). This can be checked on the FSA's register by visiting the FSA's website at [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register)

### Legal Proceedings

When formal legal proceedings are issued against an opponent in a Court of Law.

### Limit of Indemnity

The sums specified in the Schedule being the maximum We will pay including Insured Events related by time or cause.

### National Insurance Contributions (NIC) Dispute

A challenge in writing by HM Revenue & Customs of the accuracy or completeness of returns submitted in accordance with Social Security regulations.

### Partner

A person owning all or part of the Business.

### Pay As You Earn (PAYE) Dispute

A challenge in writing by HM Revenue & Customs of the accuracy or completeness of returns submitted in accordance with PAYE regulations.

# Section M - Commercial Legal Protection

## Period of Insurance

The Period of Insurance shown in the Schedule.

## Policyholder, You, Your

The person or company who has paid the premium and is named in the Schedule as the Policyholder.

## Professional Fees

Legal and accountancy fees including disbursements reasonably and properly incurred by the Authorised Professional, with Our prior written authority including costs incurred by another party for which You are made liable by Court Order, or may pay with Our consent in pursuit of a civil claim in the Territorial Limits arising from an Insured Event. Professional Fees will include VAT where it cannot be recovered.

## Schedule

The document which shows details of You and this Insurance and is attached to and forms part of this policy.

## Standard Professional Fees

The level of Professional Fees that would normally be incurred by Us in using a nominated Authorised Professional of Our choice.

## Territorial Limits

In relation Section 4 (excluding sub-section 4) and Section 10 only, the European Union, the Isle of Man, the Channel Islands, Albania, Andorra, Bosnia Herzegovina, Croatia, Gibraltar, Iceland, Liechtenstein, Macedonia, Monaco, Montenegro, Norway, San Marino, Serbia, Switzerland, Turkey. (West of the Bosphorus).

In relation to all other sections, The United Kingdom including the Channel Islands and Isle of Man.

## Time of Occurrence

Civil Cases	when the Event occurred or commenced whichever is the earlier.
Criminal Cases	when You or an Insured Person commenced or is alleged to have commenced to violate the criminal law in question.

## Value Added Tax (VAT) Dispute

A challenge in writing by HM Revenue & Customs of the accuracy or completeness of returns submitted.

## We, Us, Our

The Insurers and/or Legal Insurance Management Limited, the Coverholder or the Authorised Professional.

## COVER

We will indemnify You, and where requested by You, any other Insured Person up to the Limit of Indemnity subject to the terms, conditions and exclusions of this policy, against Professional Fees arising from an Insured Event within the Territorial Limits in connection with the Business where You notify Us during the Period of Insurance and within 90 days of the Time of Occurrence of the Event.

### 1. Employment Disputes

Defence of the Policyholder's legal rights:

1. prior to the issue of legal proceedings in a court or tribunal following the dismissal of an employee or resolution of unfair dismissal disputes under the ACAS Arbitration Scheme
2. in a dispute with an:-
  - i. employee, ex-employee or trade union acting on behalf of an employee or ex-employee arising from or relating to a contract of employment with You.
  - ii. employee, ex-employee or prospective employee alleging discrimination under current equality legislation.

2. Pursuit of the Policyholder's legal rights against an employee or ex-employee to recover possession of property owned by or for which the Policyholder is responsible.

#### What is not covered:

Excluding:-

1. Your failure to consult or follow Our advice/instructions and those of the Legal Advice Helpline Service.
2. any dispute where the Event arises within the first 30 days of the first Period of Insurance.
3. where any grievance dismissal or appeal being the subject of the dispute was not carried out in accordance with good HR practice and current employment legislation.
4. any dispute with an employee who was subject to:-
  - a) formal or informal written or verbal warnings within 180 days immediately before the first Period of Insurance.
  - b) redundancy, alleged redundancy or unfair selection for redundancy arising within the first 180 days of the first Period of Insurance.
5. any claim arising from or relating to any transfer of business which falls within the scope of the Transfer of Undertakings (Protection of Employment) Regulations 2006 or the Transfer of Employment (Pension Protection) Regulations 2005.

### 2. Employment Awards

We will also pay, subject to the Limit of Indemnity, the compensation or damages payable by You to an employee arising from the judgement of a court or tribunal or from a settlement agreed by Us (but not from a judgement by default) in any dispute accepted by Us as covered by Insured Events - Employment Disputes.

#### What is not covered:

Excluding any claim for indemnity where:-

1. any grievance dismissal or appeal being the subject of the dispute was not carried out in accordance with good HR practice and current employment legislation.
2. the Policyholder has incurred a compensation award by non-payment of money due under the relevant contract of employment or statutory provision relating thereto.
3. the award is in respect of a redundancy or any money contractually due to an employee.
4. the award is in respect of a breach by the Policyholder of a fixed term contract.
5. the award is in respect of a breach by the Policyholder in relation to pregnancy, maternity or paternity rights.
6. any compensation or damages or increase ordered by the court or tribunal for failure to comply with a recommendation made, including non-compliance with a reinstatement or re-engagement order.
7. the Policyholder has incurred a compensation award as a result of a finding of constructive dismissal and as a consequence unfair dismissal.
8. an award is made under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

### 3. Employee Restrictive Covenant

Any civil action against an employee or ex-employee where such person is in breach or is about to be in breach of a restrictive covenant in such person's contract of employment which restricts the employee or ex-employee from competing with You or enticing other employees to leave Your employment or approaching or enticing Your customers either during or after the termination of the contract of employment by either party.

# Section M - Commercial Legal Protection

## 4. Legal Defence – Insured Person

1. The defence of an Insured Person against prosecution in a court of criminal jurisdiction in respect of any act or omission or alleged act or omission:

### Preliminary Legal Representation

We will defend the Insured Person's legal rights prior to the issue of Legal Proceedings when dealing with the Police or any other statutory body with powers to investigate and bring a criminal prosecution.

### Police Station Representation

Professional Fees incurred in representing an Insured Person at a Police Station where they are being interviewed under caution in relation to an alleged criminal act.

### Magistrates' Court Representation

Professional Fees incurred in representing an Insured Person at a Magistrates' Court.

### Crown Court Representation

A sum equal to any assessed income based contribution payable by the Insured Person towards Professional Fees incurred under the Crown Court Means Testing scheme.

2. The defence of a civil action being taken against You for wrongful arrest in connection with an accusation of theft alleged to have been carried out during the Period of Insurance.
3. The defence of a civil action being taken against an Insured Person but not the Policyholder:-
  - i) under current equality legislation arising from that person's work as an employee.
  - ii) as a trustee of a pension fund set up for the benefit of Your employees.
4. Representation of the Insured Person in appealing against the imposition or terms of any Statutory Notice issued under legislation affecting the Policyholder's business.
5. The defence of the Policyholder against a prosecution brought under the Bribery Act 2010.
6. The defence of an Insured Person's legal rights following a claim being brought against them for discrimination under current equality legislation whilst acting in their capacity as an employee of the Policyholder.

### What is not covered:

Excluding: -

1. any matter where the Authorised Professional assesses that reasonable prospects of success do not exist.
2. any offence relating to a motor bike / vehicle.
3. Professional Fees required to be paid by an Insured Person in excess of the pre-conviction assessed income based contribution under the Crown Court Means Testing scheme following conviction.
4. assessed income based contributions payable by the Insured Person towards Professional Fees incurred under the Crown Court Means Testing scheme which exceed the Limit of Indemnity.
5. any Professional Fees where the Insured Person fails to:
  - a) apply for a Representation Order under the Crown Court Means Testing scheme.
  - b) submit any required information under the Crown Court Means Testing scheme.
  - c) comply with the terms of the Representation Order.
  - d) use a representative that can act under the terms of a Representation Order under the Crown Court Means Testing scheme.
6. the defence of any action, enforcement, or recovery of sums payable against an Insured Person under the terms of or for a breach of the terms and conditions of a Representation Order under the Crown Court Means Testing scheme.
7. any prosecution brought under the Bribery Act where the Policyholder does not have adequate policies and systems in place to prevent bribery.

## 5. Data Protection

Under the Data Protection Act 1998:-

1. The defence of a civil action for compensation under Section 13 of the 1998 Act. We will also, subject to the Limit of Indemnity, pay any compensation awarded against an Insured Person.
2. An Insured Person being served with enforcement, de-registration or transfer prohibition notice.
3. Your appeal against the refusal of the Information Commissioner to register Your application for registration.

Provided that for claims arising under Section 13 of the 1998 Act You have registered with the Information Commissioner.

## 6. Contract Dispute

A dispute with a customer or supplier in respect of a contract for the sale, hire, supply or the purchase of goods or services.

### What is not covered:

Excluding any claim relating to:-

1. a sum in dispute of less than £5000.
2. a lease, licence or tenancy of land or buildings.
3. a contract of employment.
4. arbitration arising out of an arbitration clause in any contract.
5. a breach or alleged breach of professional duty by an Insured Person.
6. the recovery of money and interest due from another party other than disputes where the other party intimates that a defence exists.
7. the sale, purchase, hire or provision of computer hardware, software systems or services.

## 7. Tax, VAT, PAYE and NIC Investigations

Professional Fees incurred to represent and negotiate on Your behalf with HM Revenue & Customs in respect of a:-

1. Comprehensive or Aspect Enquiry.
2. In-Depth Investigation arising out of Your tax affairs.
3. VAT Dispute.
4. PAYE Dispute.
5. NIC Dispute.

As a result of a written enquiry received from HM Revenue & Customs issued in accordance with the relevant Act of Parliament.

Provided that in relation to an Aspect Enquiry, cover is limited to a maximum of £2000 and an excess of £200 applies.

Cover extends to investigations instigated by HM Revenue & Customs into the personal tax affairs of a Director.

### What is not covered:

Excluding any claims for Indemnity in respect of or arising out of:-

1. Professional Fees in any claim involving criminal proceedings, alleged fraudulent evasion of tax, misstatement with the intent to deceive, tax avoidance schemes and any case dealt with by a Special Compliance Office, Boards Investigations Office or any other special office of HM Revenue & Customs.
2. claims which originate from any enquiry, investigation or dispute which existed before the Period of Insurance including any dispute or enquiry where the accounts submitted are being investigated solely because earlier books, records or returns have been investigated or are already under query.
3. the costs of making good any deficiencies in books, records, accounts or returns including the costs of repairing a return.
4. costs of appeals which We have not approved.
5. fees and Disbursements payable to an accountant, firm of accountants or person not approved by Us.
6. technical or routine treatment of matters not connected with or arising out of an expression of dissatisfaction of Your affairs.
7. pre notification costs.
8. any dispute or enquiry where dishonesty, fraud or fraudulent intent is alleged.
9. normal reconciliation of the annual accounts and VAT returns.
10. any enquiry undertaken under the relevant section the Finance Act relating to VAT evasion.

# Section M - Commercial Legal Protection

## 8. Property Protection

1. Any civil action relating to material property, owned by You or for which You are responsible, arising out of an alleged or actual negligent act or omission or any nuisance, trespass or criminal damage by a third party which causes or could cause physical damage to such material property or pecuniary loss to You.
2. Any civil action between You and Your landlord under the terms of a lease or tenancy agreement applying to Your business premises.

### What is not covered:

Excluding:-

1. a contract made between You and a third party.
2. goods in transit or goods lent or hired to third parties.
3. goods at premises other than those occupied by You unless they are at such premises for the purpose of installation or use in work to be carried out by You.
4. mining subsidence.
5. disputes relating to rent and service charges and any relevant taxes.
6. compulsory purchase, confiscation, nationalisation, requisition or destruction of or restrictions or controls placed on, or damage to, any property.
7. disputes with local or government authorities.

## 9. Licence Protection

An appeal or representation to the relevant statutory or regulatory authority, court, tribunal or other mandatory body following an act, or omission or alleged act or omission which leads to the suspending, revoking, altering the terms of or refusing to renew any of Your licence(s) issued under statute or statutory instrument or by the government or local authority to You where such licence is necessary to engage in Your business or trade.

### What is not covered:

Excluding:-

1. an original application or application for renewal.
2. any licence in respect of which an appeal or representation was made in the twelve months immediately preceding the first Period of Insurance.
3. any motor vehicle or driving licence.

## 10. Personal Injury

Death of or bodily injury to an Insured Person and or their family members caused by negligence.

### What is not covered:

Excluding any claim relating to:-

1. any illness (including stress related conditions) naturally occurring condition or degenerative process which develops gradually and is not caused by a specific or sudden accident.
2. the defence of an Insured Person other than the defence of a counter-claim or an appeal against judgement.

## 11. Jury Service and Attendance Expenses

The actual loss of the salary or wages of an Insured Person for the time off work to attend:-

1. any court or tribunal hearing as requested by the Authorised Professional.
2. any court hearing as a defendant of an admitted claim under this insurance.
3. a court for jury service.

Provided that such salary or wages are not recoverable from the relevant court, tribunal or Insured Person's employer.

## 12. Motor Uninsured Loss recovery

A road accident which occurred in the Territorial Limit during the Period of Insurance involving a motor vehicle being driven by a Director of the Policyholder, or a Partner of the Business and resulting in:-

1. the death of or bodily injury to the Director/Partner.
2. uninsured losses being incurred by the Director/Partner.

### What is not covered:

Excluding:

1. any claim where an Insured Person (not being the Policyholder) is driving under a 'driving other cars' extension to their motor insurance policy.
2. claims arising out of the use of an Insured Vehicle by an Insured Person for racing, rallies, trials or competitions of any kind.
3. travelling expenses, subsistence allowance, or compensation for absence from work in pursuit of an Insured Person's claim.
4. any claim if an Insured Person has never held (or has been disqualified from holding or obtaining) a driving licence at the time of the Event.
5. any claim arising from a contractual relationship.
6. claims made by an Insured Person against any authorised passenger in the Vehicle.
7. claims for passengers where there is a conflict of interest between You or the authorised driver and any other passenger(s).

## GENERAL EXCLUSIONS WHICH APPLY TO THE WHOLE COMMERCIAL LEGAL PROTECTION POLICY

This Legal Protection insurance does not cover:-

### 1. Professional Fees incurred:-

- a) in respect of any Event where the Time of Occurrence commenced prior to the commencement of the Insurance.
- b) before Our written acceptance of a claim.
- c) before Our approval or beyond those for which We have given Our approval.
- d) where You fail to give proper instructions in due time to Us or to the Authorised Professional.
- e) where You are responsible for anything which in Our opinion prejudices Your case.
- f) if You withdraw instructions from the Authorised Professional, fail to respond to the Authorised Professional or withdraw from the legal proceedings or the Authorised Professional refuses to continue to act for You.
- g) where You decide that You no longer wish to pursue Your claim as a result of disinclination. All costs incurred up until this stage will become Your responsibility.
- h) in respect of the amount in excess of Our Standard Professional Fees where You have elected to use an Authorised Professional of Your own choice.

2. the pursuit, continued pursuit or defence of any claim if We consider it is unlikely a reasonable settlement will be obtained or where the likely settlement amount is disproportionate compared with the time and expense incurred.
3. claims which are conducted by You in a manner different from the advice or proper instructions of Us or the Authorised Representatives.
4. appeals unless You notify Us in writing of Your wish to appeal at least six working days before the deadline for giving notice of the appeal expires and We consider the appeal to have a reasonable chance of success.
5. any Professional Fees and expenses that can be recovered under any other insurance except beyond the amount which would be payable under such insurance had this policy not been effected.
6. damages, fines or other penalties You are ordered to pay by a court tribunal or arbitrator other than as insured under Insured Events - Employment Awards.
7. claims arising from an Event as a result of Your deliberate act, omission or misrepresentation.
8. claims arising from:-
  - a) ionising, radiations or contamination by radioactivity from irradiated nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

## Section M - Commercial Legal Protection

- b) any radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or component thereof.
- c) war, terrorism or any like or any associated risk.
- d) seepage, pollution or contamination of any kind.
- e) pressure waves caused by aircraft or other aerial devices.
9. any dispute relating to written or verbal remarks which damage Your reputation.
10. any Professional Fees relating to Your alleged dishonesty, criminal act, or violent behaviour.
11. Professional Fees arising directly or indirectly from computer software except operating systems and packaged software that have not been tailored by the supplier to Your own requirements.
12. Legal Proceedings outside the United Kingdom and proceedings in constitutional international or supranational courts or tribunals including the European Court of Justice and the Commission and Court of Human Rights.
13. a dispute which relates to any compensation or amount payable under a contract of insurance.
14. a dispute with Us not dealt with under the Arbitration Condition.
15. any dispute relating to patents, copyrights, trade or service marks, registered designs passing off intellectual property trade secrets or confidential information.
16. an application for judicial review.
17. claims which do not arise in connection with or from the conduct of the Business.
18. any Professional Fees incurred in defending or pursuing new areas of law or test cases.
19. any matter in respect of which an Insured Person is entitled to Legal Aid where Our liability shall be limited to the sum equal to any assessed income based contribution payable by the Insured Person towards Professional Fees incurred under the Crown Court Means Testing scheme.
20. any claim directly or indirectly arising from an allegation of mis-selling or mismanagement of financial services or products.

### POLICY CONDITIONS WHICH APPLY TO THE WHOLE COMMERCIAL LEGAL PROTECTION POLICY

#### Observance

Our liability to make any payment under this policy will be conditional on You complying with the terms and conditions of this insurance.

#### Claims

You must tell Us in writing within 90 days about any matter which could result in a claim being made under this policy, and must obtain in writing Our consent to incur Professional Fees.

We will give such consent if You can satisfy Us that there are sufficient prospects of success in pursuing or defending Your claim and that it is reasonable for Professional Fees to be paid and You have paid the Excess.

We may require (at Our discretion) You at Your expense, to obtain the opinion of an expert or counsel on the merits or continued merits of a claim or legal proceedings. If We subsequently agree to accept or continue with the claim, the costs of such opinion will be covered.

If after receiving a claim or during the course of a claim We decide that:-

1. Your prospects of success are insufficient;
2. It would be better for You to take a different course of action;
3. We cannot agree to the claim

We will write to You giving Our reasons and We will not then be bound to pay any further Professional Fees for this claim.

We may limit any Professional Fees that We will pay under the policy in the pursuit, continued pursuit or defence of any claim: -

1. if We consider it is unlikely a reasonable settlement will be obtained; or
2. where there is insufficient prospects of obtaining recovery of any sums claimed; or
3. where the likely settlement amount is disproportionate to the time and expense necessary to achieve a settlement.

Alternatively where it may cost Us more to handle a claim than the amount in dispute We may at Our option pay to You the amount in dispute which shall be deemed to represent full and final settlement under this policy.

In the event that You make a claim under this policy which You subsequently discontinue due to Your own disinclination to proceed, any legal costs incurred to date will become Your own responsibility and will be required to be repaid to the Insurer.

UK General Insurance Ltd is an Insurer's agent and in the matters of a claim act on behalf of the Insurer.

#### Representation

We will take over and conduct in Your name the prosecution, pursuit, defence or settlement of any claim. The Authorised Professional nominated and appointed by Us will act on Your behalf and You must accept Our nomination.

If Legal Proceedings have been agreed by Us, You may nominate Your own Authorised Professional whose name and address You must submit to Us. In selecting Your Authorised Professional You shall have regard to the common law duty to minimise the cost for Your claim. Any dispute arising from this shall be referred to Arbitration in accordance with the Policy Conditions.

Where You have elected to use Your own nominated Authorised Professional You will be responsible for any Professional Fees in excess of Our Standard Professional Fees.

#### Conduct of Claim

1. You shall at all times co-operate with Us and give to Us and the Authorised Professional evidence, documents and information of all material developments and shall attend upon the Authorised Professional when so requested at Your own expense.
2. We shall have direct access at all times to and shall be entitled to obtain from the Authorised Professional any information, form, report, copy of documents, advice computation, account or correspondence relating to the matter whether or not privileged, and You shall give any instructions to the Authorised Professional which may be required for this purpose. You or Your Authorised Professional shall notify Us immediately in writing of any offer or payment into Court made with a view to settlement.
3. We will not be bound by any promise or undertaking given by You to the Authorised Professional or by either of You to any court, witness, expert or agent or other Person without Our agreement.

#### Recovery of Costs

You should take all reasonable steps to recover costs and expenses. If another person is ordered, or agrees, to pay You all or any costs and expenses, charges or compensation You will do everything possible (subject to Our directions) to recover the money and hold it on Our behalf. If payment is made by instalments these will be paid to Us until We have recovered the total amount that the other person was ordered, or agreed to pay by way of costs.

## Section M - Commercial Legal Protection

### Arbitration

If there is a dispute between You and Us, which is not resolved by the policy, either side may refer it to the arbitration of an independent arbitrator who will be either a solicitor or barrister, to be agreed by the two sides. If no agreement can be reached the Law Society shall name an arbitrator. The arbitrator's decision will be final and binding on both sides. The arbitration will be governed by the rules set out in the Arbitration Acts then in force.

### Fraud

We have the right to refuse to pay a claim or to void this insurance in its entirety if You make a claim which is in any respect false or fraudulent.

### Reasonable Care

You must take all reasonable steps to prevent incidents that may give rise to a claim and to minimise the amount payable by Us.

### Acts of Parliament

Any reference to any Act of Parliament within this policy shall include an amending or replacing Act and shall also include where applicable equivalent legislation in Scotland, Northern Ireland, the Isle of Man, the Channel Islands and under European Law where applied in the United Kingdom.

### Data Protection Act 1998

The data supplied by You will only be used for the purposes of processing Your policy of insurance, including underwriting, administration and handling any claim which may arise. The data supplied will not be passed to any other parties other than those which We have mentioned herein.

It is important that the data You have supplied is kept up to date. You should therefore notify Us promptly of any changes. You are entitled upon the payment of an administration fee to inspect the personal data which We are holding about You. If You wish to make such an inspection, You should contact Legal Insurance Management Ltd, 16-18 Hagley Road, Stourbridge, West Midlands DY8 1PS.

We may respond to enquiries by the Police concerning Your policy in the normal course of their investigations. Where it is necessary to administer Your policy effectively, to protect Your interests, or for fraud prevention and detection purposes, We may disclose data You have supplied to other third parties such as solicitors, other insurers, law enforcement agencies, etc.

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

Unless expressly stated nothing in this insurance contract will create rights pursuant to the Contracts (Rights of Third Parties) Act 1999 in favour of anyone other than the parties to the insurance contract.

### Notices

Any letter or notice concerning this insurance will be properly issued if it is sent to the last known address of the person intended to receive it.

### Helpline Service

The Legal and Tax Helpline Service provides advice on any problem affecting the Policyholder. All potential claims must be reported initially to the appropriate Claims Helpline Service for advice and support.

**Legal Claims Notification & Advice Helpline: 0844 800 0129**

**Tax Helpline Service: - 01455 852034**

**Tax Claims Notification Service: - 01384 377000**

**Commercial Emergency Assistance Helpline – 01977 781848**

**(Please note that any services utilised via this facility are the responsibility of, and must be paid for by, the Policyholder)**

We will not accept responsibility if the Helpline Services fail for reasons beyond Our control.

### IMPORTANT

**You must consult the Legal Advice Helpline Service immediately You are aware of an employment dispute or potential dispute or when any action that You may take could lead to a dispute. If You are in any doubt contact should be made with the Helpline – 0844 800 0129 - for advice and guidance prior to taking any action. Failure to comply with this requirement may lead Us to decline a claim under this policy.**

### Law

This policy shall be governed by and construed in accordance with the Law of England and Wales unless the Policyholder's habitual residence (in the case of an individual) or central administration and/or place of establishment is located in Scotland in which case the law of Scotland shall apply.

### Complaints Procedure

In the event of a complaint arising under this insurance, You should in the first instance write to the Agent who arranged this insurance and if the matter still remains unresolved thereafter You should write to: -

**The Managing Director, Legal Insurance Management Ltd,  
16-18 Hagley Road, Stourbridge, West Midlands DY8 1PS**

Please ensure Your policy number is quoted in all correspondence to assist a quick and efficient response.

In the event You remain dissatisfied and wish to make a complaint, You can do so by contacting the following:-

**Customer Relations Manager, UK General Insurance Ltd  
Cast House, Old Mill Business Park, Gibraltar Island Road, Leeds  
LS10 1RJ  
Tel: 0845 218 2685 • Email:customerrelations@ukgeneral.co.uk**

If it is not possible to reach an agreement, You have the right to make an appeal to the Financial Ombudsman Service.

This applies if You are insured in a business capacity but have a group annual turnover of less than £1 million, or are a charity with an annual income of less than £1 million, or are a trustee of a trust with a net asset value of less than £1 million. You may contact the Financial Ombudsman Service at:

Financial Ombudsman Service

South Quay Plaza

183 Marsh Wall

London

E14 9SR

Tel: 0845 080 1800

This does not affect Your statutory rights.

### Compensation Scheme

Ageas Insurance Ltd is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme, if it cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Most insurance contracts are covered for 90% of the claim with no upper limit. You can get more information about Compensation Scheme arrangements from the FSCS or visit [www.fscs.org.uk](http://www.fscs.org.uk).

# Section N - Key Person

## Policy Information

(not forming part of the Policy)

The cover provided under this Policy is underwritten independently of the main UK General Policy to which this Key Person Policy is attached.

This insurance is provided and underwritten by UK General Insurance (Ireland) Limited who are only responsible for the Key Person protection up to the limits defined on the Schedule and are not responsible, or in any way liable, for any other insurance contained on the Schedule.

## Details about our Regulator

UK General Insurance (Ireland) Limited is authorised and regulated by the Irish Financial Regulator.

UK General Insurance (Ireland) Limited registered office is Alexandra House, The Sweepstakes, Ballsbridge, Dublin 4. Registered in Ireland, company number 340407.

## Compensation Arrangements

UK General Insurance (Ireland) Limited are covered by the Financial Service Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if they cannot meet their financial obligations. This depends on the type of business and the circumstances of the claim. Most insurance contracts are covered for 100% of the first £2,000 and 90% of the remainder of the claims costs.

You can get more information about the compensation scheme arrangements from the FSCS at: <http://www.fscs.org.uk/> or by writing to The Financial Services Compensation Scheme, 7th Floor Lloyds Chambers, Portsofen Street, London E1 8BN

## ABOUT YOUR KEY PERSON PROTECTION

This cover will provide a benefit to the Policyholder should the Owner, Senior Partner, Chief Executive Officer and/or Managing Director and/or major shareholder (first Insured Person) suffer Sickness or injury resulting in them being unable to perform their normal duties. The Policy coverage will reimburse the Policyholder for costs incurred associated with recruiting a temporary replacement for this Insured Person. The limits of Coverage will be detailed on the Schedule. Three additional senior Directors/Managers can also be included within the Policy for an appropriate additional premium. Any additional persons or additional limits of coverage will be detailed on the Schedule; you should read the Policy and Schedule carefully to ensure that the Policy provides the level of cover you require.

# Section N - Key Person

## PART 1 - DEFINITIONS

THE FOLLOWING WORDS HAVE SPECIAL MEANINGS. THEY ARE IMPORTANT IN DESCRIBING THE POLICYHOLDER'S RIGHTS AND OUR RIGHTS UNDER THIS POLICY.

**'Accident'** means a sudden, unexpected, unusual, specific event which occurs at an identifiable time and place during the Policy Period. Accident shall also include:

- a) exposure resulting from a mishap to a conveyance in which the Insured Person is travelling; and
- b) disappearance during the Policy Period. If the Insured Person is not found within twelve months of disappearing, and sufficient evidence is produced satisfactory to the Claims Administrator that leads inevitably to the conclusion that the Insured Person has sustained Injury and that such Injury has caused the Insured Person's death, then We shall forthwith pay any death benefit, where applicable, under this Policy, provided that the Policyholder to whom such sum is paid shall sign an undertaking to refund such sum to Us if the Insured Person is subsequently found to be living.

**'Accidental Death'** means the death of an Insured Person caused by an Accident, such death must occur within twelve months following the date of the Accident.

**'Additional Limits of Coverage'**: The Policyholder may purchase additional limits of coverage for the Insured Person as long as the Insured Person, at the time the additional limits are purchased:

- a) is not over the age of 65; and
- b) works at least 25 hours per week; and
- c) does not engage in manual labour as a normal duty of daily responsibility.

**'Business Overhead Expenses'** means the Policyholder's share of the usual and customary business expenses incurred by the Policyholder on a regular basis which are necessary to the Policyholder's established business operation and which are incurred after the Insured Person has satisfied the Waiting Period. Any Business Overhead Expenses which are payable at intervals greater than monthly shall be deemed to apply proportionately over the period that they cover. Business Overhead Expenses shall be limited to:

- a) Rent
- b) Utilities
- c) Telephone rental
- d) Employee Wages
- e) Leased equipment
- f) Rental equipment.

**'Claims Administrator'** means UK General's claims department or such alternative claims administrator as We may approve.

**'Covered Expenses'** are those business expenses defined further in Part 2 which are actually incurred and paid by the Policyholder and are eligible for reimbursement up to the limits set forth in Part 2.

**'Date of Issue'** means the first Inception Date from when this cover was bought.

**'Disability'** or **'Disabled'** refers to continuing periods of Total Disability.

**'Doctor'** means any currently registered / licensed Medical General Practitioner or Consultant who is currently licensed or registered in the UK by the BMA or other appropriate medical body and who is practising in the United Kingdom; such Doctor cannot be a member of the immediate family of any Insured Person

**'Doctor's Care'** means the regular and personal care of a Doctor which, under prevailing medical standards, is appropriate for the condition causing the Disability. Such care must be:

1. consistent with the nature of the disabling condition; and
2. intended to return the Insured Person to gainful employment. We may waive this second requirement, based solely on our judgment, depending on the severity of the Insured Person's disabling condition and prospects of recovery.

We may require a written plan of care from the Insured Person's Doctor.

**'Inception Date'** means the date that the Policy becomes effective. It is the beginning of the Policy Period (or period of insurance as shown on the Schedule.)

**'Injury'** means accidental bodily injury sustained during the Policy Period.

### **'Insured Person'**

The Insured Person is covered for the **Maximum Policy Benefit** unless the Policyholder purchases Additional Limits of Coverage in compliance with terms of this Policy.

The Insured Person is the highest-ranking executive official of the Policyholder. In the absence of an Insured Person Designation Form that has been accepted by Us, the Insured Person is defined as follows:

1. If the Policyholder is a corporation, the Insured Person shall be the individual occupying the following office:
  - a) Chief Executive Officer;
  - b) If the office of Chief Executive Officer does not exist, the Managing Director;
  - c) If the offices of Chief Executive Officer or Managing Director do not exist, then the person who is the largest holder of individually owned shares of the corporation and holds ongoing active (wage-earning) employment with the corporation.

In all such cases, the corporation will be required to show by pre-existing corporate records, such as corporate resolutions, board of directors minutes, or other appropriate authentic documentation, that such person held such office or had attained such a level of shareholdings (and active employment) prior to the advent of the Disability which provides the basis for the claim. If there is no such person who holds any of the positions described above, then the Policyholder may designate by name an employee of like standing in the corporation provided the same is submitted in writing and approved by Us prior to the advent of a Disability claim. Where no such designation by name is made and there are two (2) or more persons at the highest executive level, then the policy limits and benefits hereunder shall be reduced pro rata among such individuals.

2. If the Policyholder is a partnership: the Insured Person shall be the individual occupying the following office:
  - a) General Partner;
  - b) If no such office exists, or if the General Partner is not an individual person, then the Chief Executive of the partnership;

## Section N - Key Person

- c) If the office of Chief Executive of the partnership does not exist, then the Managing Partner of the partnership;
- d) If the above described offices do not exist, then the individual person who owns the largest share of the partnership and holds ongoing active (wage-earning) employment with the partnership.

In all such cases, the Policyholder will be required to show, by pre-existing records, such as resolutions, partnership meeting minutes, or other appropriate authentic documentation that such person held such office or had attained such a level of partnership interest (and active employment) prior to the advent of the Disability which provides the basis for the claim. If there is no such person who holds any of the positions described above, then the Policyholder may designate by name an Insured Person of like standing in the partnership provided same is submitted in writing and approved by Us prior to the advent of a Disability claim. Where no such designation by name is made and there are two (2) or more persons at the highest executive level, then the Policy limits and benefits hereunder shall be reduced pro rata among such individuals.

- 3. If the Policyholder is an individual or sole proprietor: the Insured Person is that individual or sole proprietor.

We may agree to cover up to three additional employees of the Policyholder as additional Insured Persons in respect of any Policyholder at Our sole discretion. Such cover will be subject to prior submission by the Policyholder and agreement by Us of an Insured Person Designation Form in respect of each additional Insured Person. The Policyholder may add coverage at limits not exceeding those limits pertaining to the Policyholder for the Insured Persons, as long as each additional Insured Person, named in the Schedule as an "Additional Insured Person":

- a) is not over the age of 65 at the effective date; and
- b) works at least 25 hours per week; and
- c) does not engage in manual labour as a normal duty of daily responsibility.

**'Maximum Benefit Period'** is the longest aggregate period of time for which We will pay benefits for all periods of Disability, including all concurrent and recurrent Disabilities. The Maximum Benefit Period is 12 months.

**'Maximum Policy Benefit'** is the most We will pay per person for Accidental Death and all periods of Disability combined, including all concurrent and recurrent Disabilities and for covered expenses in total. It is shown on the Schedule.

**'Mental Disorder and/or Substance Abuse Disorder'** shall mean any disorder classified in the Diagnostic and Statistical Manual of Mental Disorders (ICD - 10 or any replacement to such manual nominated by the Royal College of Psychiatrists), whether psychotic, emotional, behavioural or related to drug abuse, and dependency.

**'Monthly Benefit'** shall mean 1/12th, per month, of the Maximum Policy Benefit.

**'Permanent Total Disability'** means that the Insured Person has suffered continuous Total Disability for the duration of the twelve month Permanent Total Disablement Waiting Period and will be wholly prevented for the remainder of his or her life from performing the normal duties pertaining to his or her occupation.

**'Permanent Total Disablement Waiting Period'** means the period of twelve months beyond the initial Waiting Period of 60 days and during which the Insured Person must be continuously Totally Disabled before any claim for Permanent Total Disability will be considered.

**'Policy'** means the legal contract between the Policyholder and Us. The Policy consists of this Key Person Protection Policy document, the Schedule and any riders, amendments, or endorsements that make up the entire Policy between the Policyholder and Us.

**'Policyholder'** means the business entity, shown on Schedule as the Insured. If there is a dispute of legal control of the Policyholder, the Policyholder will be determined by Us using applicable commercial law.

**'Policy Period'** means the period of time for which this Policy is issued. The Policy Period is shown on the Schedule as the Period of Insurance.

**'Regular Occupation'** means the occupation or occupations in which the Insured Person is regularly engaged at the time he or she becomes Disabled.

**'Schedule'** means the UK General Policy Schedule including the Key Person Section.

**'Sickness'** means the physical sickness or disease which first manifests itself during the Policy Period. It does not include Total Disability due to normal pregnancy, childbirth, miscarriage or abortion, or due to complications of pregnancy, childbirth, miscarriage or abortion. It does not include a Mental Disorder and/or Substance Abuse Disorder.

**'Total Disability' or 'Totally Disabled'** means that, because of Accident, Injury or Sickness, the Insured Person:

1. is not able to perform the normal duties of his or her Regular Occupation; and
2. is receiving appropriate medical care, under the care of a Doctor. We will waive this requirement if We receive written proof acceptable to Us that the Total Disability is reasonably expected to continue without interruption until the Insured Person dies.

In no event will the loss of a professional or occupational license, in itself, constitute disability.

**'Waiting Period'** means the length of time the Insured Person must be Totally Disabled before the benefits of the Policy will be paid. The Waiting Period is 60 days.

**'We', 'Us', and 'Our'** refer to UK General Insurance (Ireland) Limited. Our registered address and business office is located at Alexandra House, The Sweepstakes, Ballsbridge, Dublin 4, Ireland.

# Section N - Key Person

## PART 2 - BENEFIT PROVISIONS

### Total Disability Benefit

If the Insured Person becomes Totally Disabled as a result of Injury or Sickness, We will reimburse the Policyholder for the Covered Expenses defined below. After calculating the benefits the Monthly Benefit will be paid for each month the Insured Person remains Totally Disabled, but not beyond the Maximum Benefit Period detailed above. The most We will reimburse the Policyholder for all periods of Total Disability is the Maximum Policy Benefit shown on the Schedule.

We will reimburse the Policyholder by paying the benefits of the Policy when the Waiting Period has expired. Except as otherwise provided in this Part 2, We will reimburse Covered Expenses incurred during the Waiting Period. Benefits will continue while the Insured Person remains Totally Disabled and if proof of continued Disability is given to Us.

### Covered Expenses

We will reimburse the Policyholder for the actual costs for the Covered Expenses listed below incurred to find, hire and pay a person to replace the Insured Person and to perform the duties of the Insured Person at the percentages shown below. The Policyholder may decide to replace the Insured Person with a person who is one of the Policyholder's staff members. If so, Covered Expenses will apply to the costs of replacing that staff member.

We will not reimburse the Policyholder for any expense of any person contracted or hired to replace the Insured Person if such person is related to the Insured Person by blood, marriage or adoption. To be reimbursed:

1. the Covered Expense must be generally accepted as a tax deductible business expense; and
2. the Policyholder must submit proof that the Covered Expense was both incurred and paid by the Policyholder.

Covered Expenses reimbursed by the Policy are limited to the following:

1. 100% of fees paid pursuant to a written agreement with an executive recruiter or a search firm retained to locate a person to replace the Insured Person, provided the agreement between the Policyholder and the executive recruiter or search firm:
  - a) is on a contingent basis;
  - b) conforms to employment industry standards; and
  - c) is subject to prior written approval by Us.

The selection of the executive recruiter or search firm will be at the sole discretion of the Policyholder.

2. 100% of reasonable legal fees to negotiate and finalize an employment contract with the person hired to replace the Insured Person. Such fees are subject to prior written approval by Us.
3. After the Waiting Period, the percentage of the gross salary that has been paid to the person contracted or hired to replace the Insured Person as follows:
  - a) 90% for the period during which the Insured Person is Totally Disabled and
  - b). 85% for the period, if any, after the Insured Person ceases to be Totally Disabled;

Subject to the Maximum Benefit Period and Maximum Policy Benefit.

In the event that the Policyholder elects to contract or hire a person to replace the Insured Person then the Policyholder shall be entitled to reimbursement in respect of the contract or hire of a person for a period or periods equal to a minimum aggregate period of six months under subparagraphs 3.a and 3.b above combined.

Salary for the purpose of this paragraph does not include bonus, overtime or other special compensation. It does include all income and employee and employer National Insurance Contributions, and applicable employee benefit costs as agreed to by the Policyholder and Us. In no event will the amount We reimburse each month be more than the Monthly Benefit. Any benefit payable hereunder for a period of less than a full month will be determined on a pro rata basis and will be payable at the daily rate of 1/30th of the Monthly Benefit.

4. 100% of actual advertising charges incurred by the Policyholder to find a replacement person. We will not reimburse the Policyholder if an executive recruiter or a search firm makes a separate charge for these expenses.
5. 100% of travel, food and lodging costs incurred by persons who interview to replace the Insured Person. In no event will the amount We reimburse for travel, food and lodging be more than £5,000 in the aggregate.
6. 100% of moving expenses of the person hired to replace the Insured Person, if the move is deemed necessary by Us and such expenses can be included on the replacement individual's income tax return. In no event will the amount we reimburse be more than £5,000.
7. The Policyholder is permitted to use a portion of the Monthly Benefit to obtain reimbursement for Business Overhead Expenses incurred after the expiration of the Waiting Period and prior to a replacement commencing his or her duties. The amount recoverable for Business Overhead Expenses per month shall not exceed 15% of the Monthly Benefit amount or £4,500, whichever is the lesser, and shall be payable for a maximum period of 12 months in all.

All benefits payable under provision 7 above shall be paid monthly and will reduce the amount of the Maximum Policy Benefit that remains available to pay any other form of benefit under this Policy.

### Permanent Total Disability Benefit

If an Insured Person suffers Permanent Total Disability as a result of Injury or Sickness, We will pay a lump sum benefit as set forth herein. To be eligible, the Insured Person must satisfy the Permanent Total Disablement Waiting Period. The Permanent Total Disability Benefit shall be equal to fifty percent (50%) of the unused portion (if any) of the Maximum Policy Benefit that remains under this Policy at the time of the expiration of the Permanent Total Disablement Waiting Period.

### Accidental Death

We will pay the Policyholder the lump sum payment stated in the Schedule in the event of the Accidental Death of the Insured Person.

# Section N - Key Person

## End of Benefits

No benefits will be provided by the Policy after the Maximum Policy Benefit has been reached, or for all periods of Total Disability, after the Maximum Benefit Period has been reached other than the Permanent Total Disability Benefit if applicable.

If the Insured Person dies or no longer meets the definition of Total Disability, benefits will end, except as described in subparagraph 3(b) of this Part 2 above.

Benefits will also end on the earliest of:

1. the date the Insured Person is no longer employed by the Policyholder; or
2. the date there is a change in more than 50% of the ownership of the Policyholder; or
3. the date the Policyholder ceases active operation; or
4. the date the person hired to replace the Insured Person has ceased his or her employment with the Policyholder in such capacity prior to the Insured Person's recovery from Total Disability.

## End of Coverage

Coverage under this Policy will end on the earliest of:

1. the last day of the period for which premium has been paid; or
2. the date the Insured Person is no longer employed by the Policyholder; or
3. the date there is a change in more than 50% of the ownership of the Policyholder; or
4. the date the Policyholder ceases active operation (except for Permanent Total Disablement benefit); or
5. the end of the Policy Period, provided the Policy is not renewed.

## PART 3 - EXCLUSIONS AND LIMITATIONS

### Exclusions

We will not pay benefits for any Total Disability which, directly or indirectly, is:

1. caused by an act or accident of war, whether declared or undeclared; or
2. caused by normal pregnancy, childbirth, miscarriage or abortion, or due to complications of pregnancy, childbirth, miscarriage or abortion; or
3. for any period for which the Insured Person is imprisoned; or
4. caused by an Injury which occurs while the Insured Person is committing a crime or attempting to commit a crime, or while the Insured Person is taking part in an illegal activity; or
5. caused by a Mental Disorder and/or a Substance Abuse Disorder; or
6. caused by the Insured Person's active participation in a riot, demonstration or any other act which offends the public order; or
7. caused by an intentionally self-inflicted Injury or attempted suicide; or
8. for a condition which We have excluded by name or specific description on the Schedule or by rider; or
9. caused by a Pre-Existing condition (see below).

### Pre-Existing Condition Limitation

We will not pay benefits for Total Disability which is caused by a Pre-Existing Condition. A Pre-Existing Condition means a physical Injury or Sickness or other condition which caused the Insured Person, within 36 months prior to the Inception Date:

1. to seek diagnosis, advice, or to consult a Doctor;
2. to receive Doctor's care, medical care, treatment, services or supplies from a Doctor or other licensed or registered health care provider; or
3. to take legally prescribed drugs or medicine.

A Pre-Existing Condition also means a Injury or Sickness, or a physical condition for which, prior to the Inception Date, symptoms existed that would cause an ordinarily prudent person to seek medical attention.

### Air Travel Limitation

We will not pay benefits if the Insured Person becomes Totally Disabled while operating, learning to operate or serving as a pilot or crew member of any aircraft. We will not pay benefits if the Insured Person is riding in an aircraft used for crop-dusting, seeding, skywriting, racing, exploration, or any purpose other than transportation.

# Section N - Key Person

## PART 4 - RECURRENT AND CONCURRENT DISABILITY

### Recurrent Disability

If, after the end of Total Disability, the Insured Person becomes Totally Disabled again, the later period of Total Disability will be deemed a continuation of the prior period of Total Disability unless:

1. the Insured Person has returned to work full time at his or her occupation and performed all the primary duties of that occupation; and either
2. the later period of Total Disability begins more than 6 months after the end of the prior period of Total Disability; or
3. the new Total Disability is due to a different and unrelated cause,

in which case the later period of Total Disability will be considered a new period of Total Disability for determining a Waiting Period.

In no event will We reimburse the Policyholder for more than the Maximum Policy Benefit or for longer than the Maximum Benefit Period for all periods of Total Disability.

### Concurrent Disability

If a Total Disability is caused by more than one Injury or Sickness, or from both, We will reimburse the Policyholder for only one Total Disability. We will not pay:

1. more than one benefit for any period of Total Disability; or
2. longer than the Maximum Benefit Period for any period of Total Disability; or
3. more than the Maximum Policy Benefit for any period of Total Disability.

## PART 5 - CLAIMS

### Time of Disability

To be eligible for payment under this Policy, all Total Disabilities must start while the Policy is in force.

### Written Notice of Claim

Written notice of claim must be given to the Claims Administrator by the Policyholder within 30 days after the date Total Disability starts or disappearance is discovered. If this cannot reasonably be done, then notice of claim must be given as soon as is reasonably possible.

The written notice of claim will be sufficient if it identifies the Policyholder, the Insured Person and the Injury or Sickness and is sent to the Claims Administrator. If you wish to notify Us of a claim or require assistance in presenting your claim you can phone (0844 209 0999) or write to the Claims Administrator at (PO Box 4220, Manchester, M60 3DH).

### Claim Forms

After the Claims Administrator receives the written notice of claim, they will send the Policyholder Our proof of Total Disability forms within 15 days. If they do not, the Policyholder will meet the written proof of Disability requirements if the Policyholder sends Us, within the time set forth below, a written statement of the nature and extent of the Total Disability.

### Written Proof of Total Disability

Written proof of Total Disability must be sent to the Claims Administrator within 30 days after the end of the Waiting Period. If that is not reasonably possible, the claim will not be affected provided proof is furnished as soon as reasonably possible. The Policyholder must provide the Claims Administrator with written proof within six months of the date it was required.

We and/or the Claims Administrator can also periodically require proof from the Policyholder that the Total Disability is continuing. This proof must be given to Us and/or Our Claims Administrator as often as We and/or the Claims Administrator may reasonably request. Failure to cooperate in the claims process or provide such proof, including submission to a physical examination, may result in loss of benefits.

### Physical Examinations

At Our expense, We can have a Doctor of Our choice examine the Insured Person as often as We may reasonably require while the Total Disability claim is pending or continuing. A representative of Ours and/or the Claims Administrator may also conduct a personal interview with the Insured Person as often as We deem it reasonably necessary.

### Choice of Doctor

The Insured Person is free to choose any Doctor.

### Time of Claims Payment

After We receive satisfactory written proof of Total Disability, and after the applicable Waiting Period, We will reimburse the Policyholder for any Covered Expenses, with the exception of those expenses in Part 2, Benefits Provisions, item number 3 which will be paid at the end of each month.

### Payment of Claims

All benefits will be paid to the Policyholder.

# Section N - Key Person

## PART 6 - GENERAL PROVISIONS

### Assignment

We will not be bound by an assignment of the Policy.

### Loss Payee

At our discretion We may pay the benefits of this Policy to a third party as the Policyholder may direct.

### Entire Contract

This Policy is the entire contract between the Policyholder and Us.

### Incontestability

We will not be able to reduce or deny any claim for Total Disability which starts after two years from the Date of Issue because the Sickness or physical condition existed before the Inception Date. There is one exception. We will reduce or deny the claim if the Sickness or physical condition is specifically excluded from coverage when the loss occurs.

### Law

This Policy shall be governed and construed in accordance with the laws of England and Wales. Each party agrees to submit to the exclusive jurisdiction of the Courts of England and Wales.

### Legal Action

No person may bring legal action against Us earlier than 60 days from the date written proof of Total Disability is given to Us. No person may bring legal action more than 3 years from the date. Written proof of Total Disability is required by the Policy.

### Additional Conditions

- A. This cover shall be void in the event of misrepresentation in any material circumstance
- B. All benefits under this Policy shall be forfeit in the event of a claim being submitted which is exaggerated or fraudulent
- C. Regardless of any contributory cause(s), this insurance does not cover any claim(s) in any way caused or contributed to by an act of terrorism involving the use or release or the threat thereof of any nuclear weapon or device or chemical or biological agent.

For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear.

- D. This policy does not cover any loss directly or indirectly caused by or contributed to by or arising from:
  - 1. Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
  - 2. The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

# Section O - Equipment Breakdown

## Policy Information

(not forming part of the Policy)

Cover under this Policy is underwritten by HSB Engineering Insurance Limited (under Contract Number H1Z101174) and for the purpose of this Policy they are deemed to be the Insurers.

The Equipment Breakdown section detailed below is a section forming part of the UK General Policy to which this document is attached.

## Details about the Regulator

HSB Engineering Insurance Limited is authorised and regulated by the Financial Services Authority. Their FSA register number is 202738. You can check this on the FSA's Register by visiting the FSA's website [www.fsa.gov.uk/register/](http://www.fsa.gov.uk/register/) or by contacting the FSA on 0845 606 1234.

HSB Engineering Insurance Limited Head and Registered Office is 33 Aldgate High Street, London EC3N 1EN. Registered in England and Wales, number 2396114.

## How to Claim

To claim under this Policy, please phone Us on 0844 209 0999 or alternatively send Your claims details To HSB Engineering Insurance Limited, Cairo House, Greenacres Road, Waterhead, Oldham OL3 3JA. (T) 0161 621 5638, (F) 0161 621 5507 or (E) [Claims@HSBEIL.com](mailto:Claims@HSBEIL.com)

## Definitions

- Accident** means direct physical loss as follows:
  - electrical or mechanical Breakdown, including rupture or bursting caused by centrifugal force;
  - artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
  - Explosion or Collapse of steam boilers, steam pipes, steam engines or steam turbines owned or leased by the Insured, or operated under the Insured's control;
  - loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event (not otherwise excluded) inside such boilers or equipment; or
  - loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event (not otherwise excluded) inside such equipment.
  - operator error
  - damage caused by materials being processedIf an initial Accident causes other Accidents, all will be considered one Accident. All Accidents that are the result of the same event will be considered one Accident.
- Breakdown** means:
  - The actual breaking failure distortion or burning out of any part of the Covered Equipment whilst in ordinary use arising from defects in the Covered Equipment causing its sudden stoppage and necessitating repair or replacement before it can resume work.
  - Fracturing of any part of the Covered Equipment by frost when such fracture renders the Covered Equipment inoperative.
  - The actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary.
- Collapse** means :

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

Equipment or Machinery that is electronic, computer or other data processing equipment, including media and peripherals used in conjunction with such equipment.

## Section O - Equipment Breakdown

5. **Covered Equipment** means:

Equipment or Machinery built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilisation of energy including but not limited to:

- (a) Heating systems and hot water heaters;
- (b) Air circulation, ventilation, air conditioning and non-process refrigeration systems;
- (c) Electrical panels, emergency generators, and electrical distribution systems;
- (d) Security, alarm and sound systems;
- (e) Lifts and escalators;
- (f) Office equipment including personal computers, telephone systems, fax machines, copiers and printers;
- (g) Retail equipment, bar-code scanners, credit and debit card payment systems and cash registers; or
- (h) Forklift trucks at the Premises.

**None of the following is Covered Equipment:**

- (a) structure, foundation, masonry, brickwork, cabinet, compartment or air supported structure or building;
  - (b) insulating or refractory material;
  - (c) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
  - (d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
  - (e) vehicles, aircraft, floating vessels or any equipment mounted on such vehicle (other than vehicle recovery cranes or equipment);
  - (f) mobile plant and equipment (other than fork lift trucks used by the Insured at their premises) dragline, excavation or construction equipment;
  - (g) equipment manufactured by the Insured for sale;
  - (h) tools, dies, cutting edges, crushing surfaces, trailing cables, non metallic linings, driving belts or bands or any part requiring periodic renewal;
  - (i) unless otherwise specified in the Equipment Breakdown section of the Policy Schedule:
    - 1. any Specialised Electronic Equipment, other than Computer Equipment, used for research, medical diagnostic, treatment, experimental or other medical or scientific purposes.
    - 2. any Production or Process Equipment
- Insurers' Liability under 1. and 2. above shall not in total exceed the Limit of Liability shown in the Schedule.

- (j) domestic laundry, kitchen, audio visual and home entertainment equipment when such equipment is used in private living quarters.
- (k) equipment owned by tenants of the Insured.

6. **Explosion** means:

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

7. **Media** means:

All forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment.

8. **Verified** means:

Checked for accuracy and integrity to ensure a precise match with the source data and capable of restoration

9. **Specialised Electronic Equipment** means:

Any electronic equipment, other than Computer Equipment, used for research, Medical diagnostic, treatment, experimental or other medical or scientific purposes.

**The Cover**

Subject to all of the provisions stated herein and in the UK General Policy (herein called the Policy) of which this Section is part, not in conflict herewith, the Insurers agree to provide insurance for Damage, as defined in the Material Damage or Office Contents or Contents and Business Interruption Sections of the Policy, occurring during the Period of Insurance caused by or resulting from an Accident to Covered Equipment. The Insurers indemnity under this Section is stated in the Material Damage, Business Interruption or Office Contents or Contents or Sections of the Policy Schedule as the Total Sum Insured, subject to a maximum liability of £5,000,000 any one Accident unless otherwise stated in the Equipment Breakdown section of the Policy Schedule.

# Section O - Equipment Breakdown

## Exclusions

The following exclusions are in addition to those in the Policy to which this Section is attached.

1. The Insurers will not be liable for loss or damage caused by or resulting from:
  - (a) a hydrostatic, pneumatic, or gas pressure test of any boiler or pressure vessel; or an insulation breakdown test of any type of electrical equipment;
  - (b) any defect, virus, loss of data (other than as specifically provided for under Extension 2) or other situation within media; or
  - (c) depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if loss or damage from an Accident results, the Insurers shall be liable for that resulting loss or damage.
  - (d) loss due to solidification, biological activity or spontaneous chemical reaction in the contents of tanks.
2. The Insurers will not be liable for loss or damage recoverable under the maintenance agreement or any warranty or guarantee, or which would be recoverable but for breach of the Insured's obligations under the agreement.
3. With respect to Business Interruption, the Insurers will not be liable for delay in resuming operations due to the need to reconstruct or re-input data or programs on Media.
4. The first £250 (or the Policy excess detailed under the Material Damage or Contents Section of the main UK General Policy, whichever is the higher) in respect of each and every loss.

## Section Extensions

The following Extensions also apply to Damage caused by or resulting from an Accident to Covered Equipment. These Extensions do not provide additional amounts of insurance.

### 1. Hazardous Substances

The Insurers shall be liable for the additional cost to repair or replace covered property because of contamination by a hazardous substance. This includes the additional expenses to clean up or dispose of such property. Hazardous substance means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency. Additional costs mean those beyond what would have been required had no hazardous substance been involved. The Insurers shall not be liable for more than £10,000 in any one Period of Insurance for loss or damage under this Extension, including, if shown as covered, actual loss of Business Interruption sustained.

### 2. Computer Equipment, Reinstatement of Data and Increased Costs of Working

- A) The Insurers shall be liable for loss or damage caused by or resulting from an Accident to Computer Equipment.
- B) In addition the Insurers shall be liable for costs incurred in reinstating data lost or damaged in consequence of an Accident to Computer Equipment. Provided that:
  - (a) liability is limited solely to the cost of reinstating data onto Media;
  - (b) the Insurers shall not be liable for any losses discovered later than six months after the loss was initiated;
  - (c) the liability of the Insurers shall not exceed £25,000 in respect of such costs;

- (d) the Insurers shall not be liable for loss of or damage to software;
  - (e) the Insurers shall not be liable under this Extension 2.B) for costs more specifically described under Extension 2.C)
- C) In addition the Insurers will pay reasonable costs necessarily incurred in minimising or preventing the resulting interruption or interference to the computer operations of the Insured. The total liability of the Insurers in any one Period of Insurance shall not exceed £25,000 in respect of such additional costs.

The Insurers shall not be liable for more than £100,000 in aggregate, in any one Period of Insurance for loss or damage under this Extension, including, if shown as covered, actual loss of Business Interruption sustained.

### 3. Business Interruption

Liability of the Insurers for loss as described under the Business Interruption section of the Policy that is caused by an Accident to Covered Equipment shall not exceed £30,000 in any one Period of Insurance.

### 4. Public Authorities/Law or Ordinance

If an Accident to Covered Equipment damages a building that is covered under the Policy; and the loss is increased by enforcement of any public authority, ordinance or law in force at the time of the Accident that regulates the construction or repair of buildings, or establishes zoning or land use requirements, the Insurers shall be liable for the following additional costs to comply with such ordinance or law:

- (a) the Insured's actual expenditures for the cost to demolish and clear the site of undamaged parts.
- (b) the Insured's actual expenditures for increased costs to repair, rebuild or construct the building. If the building is repaired or rebuilt, it must be intended for similar use or occupancy as the current building, unless otherwise required by zoning or land use ordinance or law.
- (c) loss as described under the Business Interruption section of the Policy caused by loss covered in (a) or (b) above.

The Insurers shall not be liable for:

- (a) any fine;
- (b) any liability to a third party;
- (c) any increase in loss due to a hazardous substance (other than as specifically insured under additional Extension 1); or
- (d) increased construction costs until the building is actually repaired or replaced.

**This Extension is within and does not increase the Limit of Indemnity shown in the Schedule.**

### 5. Expediting Expenses

With respect to damaged covered property, the Insurers shall be liable for the reasonable extra cost to make temporary repairs and expedite permanent repairs or permanent replacement. The Insurers shall not be liable for more than £20,000 in any one Period of Insurance for loss or damage under this Extension.

### 6. Hire of Substitute Item

If Covered Equipment is damaged as a result of an Accident the Insurers will also indemnify the Insured against the cost of hire charges actually incurred by the Insured during the Period of Insurance for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item lost or damaged. The Insurers shall not be liable for more than £5,000 in any one Period of Insurance under this Extension.

## Section O - Equipment Breakdown

### 7. Loss of Contents

The insurance under this Section extends to include loss of the contents of oil storage tanks belonging to the Insured or for which the Insured is responsible at the Premises by

- a) leakage discharge or overflow from the oil storage tanks caused by or resulting from an Accident;
- b) contamination of the contents of the oil storage tanks caused by or resulting from an Accident; including cleaning costs incurred as a result of such loss.

This Extension excludes

- 1) loss caused by fire howsoever the fire may have been caused;
- 2) loss resulting from corrosion erosion or wasting;
- 3) contamination of the contents resulting from:
  - a) the natural settling separation or accumulation of fluids or materials constituting the normal contents;
  - b) the deliberate use of fluids or materials in the oil storage for cleaning flushing or similar purposes;
- 4) loss sustained whilst oil storage tanks are in transit between premises;
- 5) costs or expenses arising from pollution or contamination of property not covered by this Extension.

The Insurers shall not be liable for more than £5,000 under this Extension in respect of any one Period of Insurance.

### 8. Loss Avoidance Measures

Reasonable costs necessarily incurred by the Insured to take exceptional measures to prevent or mitigate impending damage to Covered Equipment as a result of an Accident provided that:

- a) Damage would be reasonably be expected if such measures were not implemented;
- b) the Insurers are satisfied that Damage, Business Interruption has been avoided or mitigated by means of the exceptional measures;
- c) the amount payable will be limited to the cost of Damage which would have otherwise occurred;
- d) the terms conditions and exclusions of this Section and the Policy apply as if Damage has occurred;
- e) if Damage had occurred it would have resulted in a claim that would have been accepted by the Insurers under this Section of the Policy;

The Insurers shall not be liable for more than £5,000 in any one Period of Insurance.

### 9. Damage to Own Surrounding Property

The Insurers shall be liable for Damage to property belonging to or in the custody and control of the Insured and for which the Insured is responsible directly resulting from Explosion or Collapse of any steam boiler, steam generator, economiser, superheater, steam pipework or steam vessel.

Subject to a maximum liability of £1,000,000 for any one Accident.

## Additional Conditions

### 1. Precautions

The Insured shall exercise due diligence in:

- (a) complying with any statute or order;
- (b) ensuring that insured items are properly maintained and used in accordance with manufacturers recommendations and in taking reasonable precautions to prevent loss or damage.

### 2. Back Up Records

Notwithstanding anything contained to the contrary in the Policy, the Insured shall maintain a minimum of two generations of verified back-up computer records taken at intervals no less frequently than 48 hours, one copy as a minimum being held off site, and take all reasonable precautions to store and maintain records in accordance with the makers recommendations.



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