

Retail Insurance Policy



www.ukgeneral.com

Welcome

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

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

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

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

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

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

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

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

www.ukgeneral.com

Notification of New Claims

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

Claims Line: 0844 209 0999

Open: Mon to Fri: 9am to 5pm

Retail Package Insurance Policy including Signatures Covers

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Part A - Retail Package Insurance Policy

Canceling Your Policy

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

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

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

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

Insurers' Rights to Cancel Your Policy

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

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

Non Payment of Premium and/or Insurance Premium Tax

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

Cancellation for other reasons

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

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

Details about the regulator and Insurers

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

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

Compensation Arrangements

UK General Insurance Limited and Ageas Insurance Limited are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if any of these companies cannot meet their insurance obligations. This depends on the type of business and the circumstances of the claim. For compulsory insurance You may be entitled to compensation up to 100% of the claim. For all other types of insurance You may be entitled to compensation up to 90% of the claim. Further information about Compensation Scheme arrangements is available from the FSCS at: <http://www.fscs.org.uk/> or You may write to the Financial Services Compensation Scheme, 7th Floor, Lloyd's Chambers, Portsofen Street, London E1 8BN. Their telephone number is 0207 8927300.

Complaints Procedure

(Not forming part of this Policy)

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

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

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

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

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

If You 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.

Part A - Retail Package Insurance Policy

Policy Information

(Not forming part of this Policy)

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

This Policy consists of:

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

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

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

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

Data Protection Act 1998

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

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

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

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

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

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

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

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

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

Sharing information to prevent fraud

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

Dealing with others on Your behalf

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

Sensitive information

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

Monitoring and recording

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

Interested parties

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

Further information

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

Disclosure

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

Duration of Cover

As stated in the Period of Insurance

Part A - Retail Package Insurance Policy

1. Introduction

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

2. The Insurers

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

All Sections

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

3. Choice of Law applicable to this contract

3.1 In the absence of any written agreement to the contrary, English law shall apply to this contract.

4. Use of Language

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



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

Registered in England (Company No. 4506493).

For and on behalf of the Insurer

General Policy Definitions

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

Bodily Injury means

- (i) death, illness, disease or injury; and
- (ii) mental injury, mental anguish or shock but not defamation.

Buildings shall mean building or buildings built mainly of brick, stone or concrete and roofed with slate, tile or concrete including landlords fixtures and fittings, walls, gates and fences the property of the Insured or for which the Insured is responsible at the Premises.

Business means the Insured's Business specified in the Schedule conducted solely from Great Britain, Northern Ireland, the Isle of Man or the Channel Islands and including

- a. The ownership, maintenance and repair of premises used in connection therewith
- b. The execution of private duties by Employees for any partner, director or senior official of the Insured.
- c. The provision and management of canteens clubs sports athletic and social welfare organizations for the benefit of the Insured's Employees.

Damage shall mean accidental physical loss or destruction of or damage to the property insured.

Excess means the first part of each and every claim as ascertained after all other terms of this Policy.

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

Keyholder means the Insured or any person or key holding company authorised by the Insured who is available at all times to accept notification of faults or alarm signals relating to the alarm system, attend and allow access to the Premises.

Outbuilding means any building:

- (i) at the Premises specified in the Schedule; and
- (ii) which does not incorporate permanent foundations below ground level; and/or
- (iii) which is not capable of being properly secured including but not limited to any stable, garage, shed, hut, lean-to, greenhouse, hay loft or barn.

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

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

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

- (ii) the presence existence or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

Premises means the Building or Buildings and any Outbuildings occupied by the Insured in connection with the Business including walls, gates and fences at the Premises specified in the Schedule to each Section.

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

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

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

Terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

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

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

These Definitions shall apply throughout the whole Policy. Definitions which apply for the purpose of a specific Section only appear in that Section and will apply to that Section.

2. In this Policy unless the context otherwise requires:
- (i) clause headings are inserted for convenience only and shall not affect the construction of this Policy and all references to Clauses, Sub-clauses, Sections, Schedules or Endorsements are to Clauses, Sub-clauses and Sections of, or Schedules and Endorsements to, this Agreement;
 - (ii) words denoting the singular number include the plural and vice versa;
 - (iii) references to persons include references to bodies corporate and unincorporate;
 - (iv) references to statutes or statutory instruments include references to any modification, extension or re-enactment thereof from time to time.

General Policy Exclusions

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

1. Radioactive Contamination

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

(a) loss or destruction of or Damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss

(b) legal liability of whatsoever nature

directly or indirectly caused by or contributed to, by or arising from

i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel

ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or component thereof

iii) any weapon or device -

dispensing radioactive material and/or ionising radiation or

employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

iv) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.

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

2. War and Similar Risks

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

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

3. Sonic Bangs

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

4. Terrorism

The Insurers will not provide indemnity under this Policy for Damage to any Property whatsoever or any loss or expense whatsoever resulting or arising from, or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from Terrorism except for accidental Injury sustained by any Employee of the Insured during the Period of Insurance and arising out of and in the course of their employment by the Insured in the Business described in the

Schedule and occasioned by or happening through or in consequence directly or indirectly of Terrorism up to a maximum of £5,000,000 for Compensation and claimant's costs and expenses in respect of any one occurrence or all occurrences of a series consequent upon or attributable to one source or original cause (inclusive of legal costs and solicitors fees) for which the Insured is legally liable.

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

5. Data Recognition

a) The Insurers shall not provide indemnity under this Policy in respect of any loss, destruction or Damage directly or indirectly caused by, contributed to, consisting of or arising from the failure of any:

(i) computer, data processing equipment or media microchip integrated circuit or similar device

(ii) other equipment or system for processing, storing or retrieving Data

(iii) computer software

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

· recognise correctly any date as its true calendar date

· capture, save, retain or correctly manipulate, interpret or process any Data, information, command or instruction as a result of treating any date otherwise than its true calendar date

· capture, save, retain or correctly process any Data as a result of the operation of any programmed command which causes the loss of Data or the inability to capture, save, retain or correctly to process such Data on or after any date.

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

(b) For the purpose of this General Policy Exclusion Defined Peril means fire, lightning, explosion, aircraft or other aerial device or article dropped therefrom, storm, storm or flood, earthquake or impact by any vehicle

(c) For the purpose of this General Policy Exclusion Data means all information which is

a) electronically stored, or

b) electronically represented, or

c) contained on any current and back-up disks, tapes or other materials or devices used for the storage of data,

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

6. Northern Ireland

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

(i) civil commotion

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

General Policy Exclusions

7 . Electronic Risks Exclusion

The Insurers shall not provide indemnity under this Policy in respect of any claim (other than in respect of Bodily Injury as covered under the Event 2 and 3 in section D) arising directly or indirectly from, or in connection with, or consisting of -

- (a) Loss of Data.

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

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

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

- (i) Buildings
- (ii) Contents
- (iii) Business Interruption

Exclusions 7(a) and 7(b) do not apply to the following Sections, when insured by the Policy -

- Terrorism
- Employers' Liability

SPECIAL PROVISION

For the purposes of this Exclusion –

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

Data means all information which is -

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

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

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

Failure means any partial or complete reduction in the -

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

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

Malicious Contingency means -

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

Specified Contingency means the following Specified Perils

Fire, lightning, explosion, aircraft or other aerial device or article dropped therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any tank apparatus or pipe and leakage of fuel from any fixed oil or heating installation.

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

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

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

General Policy Conditions

This Policy and the Schedule shall be read together and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such meaning wherever it may appear.

1. Alteration in Risk or Interest

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

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

unless agreed by the Insurers in writing.

2. Arbitration

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

This Condition shall not apply to Section D Liability.

3. Claims

- a) The Insured shall in the event of any occurrence likely to give rise to a claim under this Policy report it immediately to the Insurers and provide in writing full details within 30 days (within seven days if caused by riot or civil commotion) and:
 - (i) in the event of Damage by malicious persons or theft notify the Police immediately and render all reasonable assistance in causing the discovery of any guilty person and in tracing and recovering the stolen property;
 - (ii) take immediate action to minimise loss and avoid interruption or interference with the Business and to prevent further Bodily Injury or Damage;
 - (iii) give all evidence information and assistance as the Insurers may require together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected with such claim;
 - (iv) forward to the Insurers immediately upon receipt every letter claim writ summons or legal process;
 - (v) notify the Insurers immediately when the Insured has knowledge of an impending prosecution coroner's inquest or fatal accident inquiry.

- b) No admission offer promise payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Insurers who shall be entitled at their discretion to take over and conduct in the name of the Insured the defence or settlement of any claim and to take proceedings at their own expense and for their own benefit in the name of the Insured to recover compensation or secure indemnity from any third party in respect of any event insured by this Policy and the Insured shall give all information and assistance in respect of such action.
- c) On the happening of any Damage to property insured the Insurers shall be entitled to enter any Buildings where the Damage has occurred and to take and keep possession of the property insured and to deal with the salvage in a reasonable manner and this Condition shall be proof of leave and licence for such purpose. No property may be abandoned to the Insurers.

4. Designation

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

5. Duties of the Insured

The Insured shall take all reasonable care:

- a) to prevent any event which may give rise to a claim under this Policy;
- b) to maintain the Premises machinery and equipment and everything used in the Business in efficient and safe working condition;
- c) in the selection and supervision of employees;
- d) to comply with all statutory and other obligations and regulations imposed by any authority;
- e) to make good or remedy any defect or danger which becomes apparent and take such additional precautions as circumstances may require.

6. Fraud

If any claim under this Policy shall be in any respect fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy all such benefit shall be forfeited. This Policy shall be voidable in the event of misrepresentation misdescription or non-disclosure in any material particular.

7. Inflation Protection Clause

The Insurers will adjust the Sums Insured in respect of Sections A – Buildings and Section B – Contents in line with suitable indices of costs and the renewal premium will be based on the adjusted Sums Insured.

8. Instalment Premiums

- (a) Where reference is made in this Policy to the payment of premium this includes the Insured having agreed to pay by instalments.
- (b) If UK General have agreed to accept payment of the first premium or any subsequent premium by instalment -
 - (i) this Policy remains a contract for the Period of Insurance stated in the Schedule
 - (ii) if any instalment of premium is not received by UK General on or before its due date all unpaid instalments of premium and any service fee shall immediately become payable. Should the full premium and service fee not be paid within 7 days of UK General giving written notice of non-payment of an instalment, this Policy shall be cancelled immediately on expiry of such notice.

General Policy Conditions

- (c) Following such cancellations UK General shall return to the Insured the balance of any instalment already paid after deduction of an appropriate charge for the Insurance cover to the date of cancellation except that if -
- (i) a claim has been made under the Policy for which the Insurers have made a payment
 - (ii) a claim has been made under the Policy which is still under consideration
 - (iii) an incident has occurred which is likely to give rise to a claim but is yet to be reported to the Insurers

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

9. Intruder Alarm Installation

- (i) Where the Premises are protected by an Intruder Alarm Installation:
 - (1) such installation must not be altered or amended in any way unless such amendment or alteration has been approved in writing by the Insurers; and
 - (2) such installation must be maintained under contract with the installers or as otherwise approved by the Insurers; and
 - (3) the Insured shall immediately notify the Insurers upon receipt of any communication giving notice that the level of response to the Intruder Alarm Installation has been (or will be) reduced or delayed; and
 - (4) the Premises shall not be left without at least one Responsible Person therein without the agreement of the Insurers:
 - (i) unless the Intruder Alarm Installation is set in its entirety with the means of communication used to transmit signals in full operation; or
 - (ii) where the level of response is reduced to no police attendance Keyholder response only; and
 - (5) the Insured shall appoint at least two Keyholders and lodge written details (which must be kept up to date) with the alarm company and Police; and
 - (6) in the event of notification of any activation of the Intruder Alarm Installation or interruption of the means of communication during any period that the Intruder Alarm Installation is set, a Keyholder shall attend the Premises as soon as reasonably possible.
- (ii) A Keyholder is appointed and can be the Insured or any person or keyholding company authorised by the Insured who is available at all times to accept notification of faults or alarm signals relating to the intruder alarm system and allow access to the Premises.
- (iii) It is a condition precedent to liability under this Policy that the Insured fulfils all of its obligations under this General Policy Condition and no claim under this Policy shall be payable unless all of the terms of this General Policy Condition have been complied with.

10. Misdescription

This Policy may be avoided with effect from inception in the event of misrepresentation, misdescription or non-disclosure of any material particular.

11. Notice

- a) In respect of claims under this Policy, the insured should contact the broker who arranged this policy for them, alternatively they can contact the UK General claims team direct on 0844 209 0999.
- b) In respect of any other information where the Insurers require the Insured to notify them under the terms of this Policy, the Insured should contact their insurance intermediary.

12. Observance

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

13. Other Insurance

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

14. Protective Measures

This Policy shall not cover Damage consequent upon access to the Premises having been effected during any time when the Premises are closed against customers and/or callers unless all locks bolts shutters and other protective measures operative at the inception date of this insurance or as subsequently stipulated or agreed by the Insurers are in operation.

15. Subrogation

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

16. Notice of Property becoming Unoccupied / occupied

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

17. Survey Condition

1. If required by the Insurers, You must allow the Insurers access to the Premises, the Contract Sites and/or the Business to carry out survey(s) within 60 days of the inception or renewal date, unless the Insurers agree an extension of this period of time in writing. This date shall be called the Survey Deadline Date. Between inception or renewal date and the Survey Deadline Date the cover provided by this Insurance remains unaltered. If the survey is not carried out by the Survey Deadline Date because of You not allowing the Insurers access to the Premises the Insurers have the right to –
 - (a) cancel the contract by sending 14 days notice in writing in accordance with Policy Cancellation Condition
 - (b) modify Your premium
 - (c) issue a mid-term amendment to the Policy or Section Terms and Conditions
 - (d) leave this Policy or Section Terms and Conditions, and the premium unaltered.

General Policy Conditions

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

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

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

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

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

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

3. If the Survey identifies additional risk that was not evident in Your Proposal (without prejudice to any rights which the Insurers have to avoid) the Insurers have the right to -
 - (a) cancel the contract by sending 14 days notice in writing in accordance with Policy Cancellation Condition
 - (b) modify Your premium
 - (c) issue a mid-term amendment to the Policy or Section Terms and Conditions.
4. It is a Condition precedent to liability that all Risk Improvements, identified as Requirements, and that are confirmed by You or on Your behalf either in writing or verbally, to the Insurers or their representative as having been completed must continue to be complied with during the Period of Insurance.

The above Conditions do not affect the Insurers' right to void this Policy if Insurers discover information material to their acceptance of the risk. Please refer to the General Policy Conditions Number 10.

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

18. Subjectivity

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

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

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

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

- (i) modify Your premium
- (ii) issue a mid-term amendment to the Policy or Section Terms and Conditions
- (iii) require the Insured to make alterations to the Premises insured by the required date(s)

- (iv) exercise the right to cancel Your Policy

- (v) leave this Policy or Section Terms and Conditions, and the premium unaltered.

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

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

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

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

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

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

19. Unoccupancy Conditions

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

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

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

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

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

20. Contracts (Rights of Third Parties) Act 1999

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

General Policy Conditions

21. Minimum Physical Security Requirements

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

Specification

- A). The Final Exit Door of the Premises be fitted with either
 - 1) For timber or steel framed doors - a mortice deadlock which has 5 or more levers and/or conforms to BS3621 with matching boxed striking plate
 - or
 - 2) For aluminium or UPVC framed doors - a cylinder operated mortice deadlock or a deadlocking multi - point system
- B). All other external doors and all internal doors giving access to any part of the buildings not occupied by the Insured for the purpose of the Business be fitted with either
 - 1) Any of the locking arrangements as specified in A) 1 or 2 above in accordance with the construction of the door frame
 - or
 - 2) Two key - operated bolts for doors one fitted approximately 30cm from the top of the door and the other 30cm from the bottom
- C). All outward opening external doors and all internal doors giving access to any part of the buildings not occupied by the Insured for the purpose of the Business be fitted and secured with hinge bolts.
- D). All ground floor and basement opening windows/skylights and other opening windows/skylights accessible from roof decks balconies fire escapes canopies or down pipes are to be fitted with key - operated window locks. This requirement does not apply to windows/skylights which are protected by solid steel bars grilles lockable gates expanded metal or weld - mesh.

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

Section A - Buildings

1. Definitions

(For the purpose of this Section only)

Buildings – shall extend to include:

- a) **Fees** – architects surveyors consulting engineers legal and other fees necessarily incurred in the reinstatement of the Buildings with the consent of the Insurers. Fees incurred for the preparation of any claim are not included;
- b) **Removal of Debris** – costs and expenses necessarily incurred with the consent of the Insurers in removing debris dismantling or demolishing or shoring-up or propping the damaged portion or portions of the Buildings;
- c) **Additional Costs** – incurred in reinstatement to comply with Act of Parliament or Local Authority bye-law provided that notice under such Act or bye-law had not been served on the Insured before the Damage occurred.

Up to 10% of the sum insured on each Building the subject of Damage insured under this Section and this limit shall apply to Definitions a) b) and c) separately.

2. The Cover

The Insurers will indemnify the Insured for Damage occurring during the Period of Insurance to the Buildings caused by an Insured Event stated as operative in the Schedule.

Insured Events

(1) Specified Perils

- (a) Fire lightning explosion subterranean fire earthquake.
- (b) Aircraft or other aerial devices or articles dropped from them.
- (c) Riot civil commotion strikers locked out workers or persons taking part in labour disturbances or malicious persons.
- (d) Storm tempest or flood bursting or overflowing of fixed water tanks apparatus pipes or fixed oil fired heating installations.
- (e) Leakage of beer or other bulk supplied beverages from fixed tanks pipes and apparatus.
- (f) Impact by any road vehicle or animal.
- (g) Falling trees or parts thereof not resulting from any process of felling or lopping operation but not the cost of their removal and disposal nor any resulting Damage to hedges gates or fences.
- (h) Breakage or collapse of television or radio aerials dishes, fittings or masts.
- (i) Theft or attempted theft.

(2) **Accidental physical Damage** caused by any event not excluded in this Policy.

(3) **Subsidence** or ground heave of any part of the site on which the Premises stand or landslip excluding:

- (a) the amount of the Excess specified in the Schedule or as otherwise later specified in any Endorsement(s) in respect of each and every loss as ascertained after all other terms of this Policy (including but not limited to Clause 5 (iii) of this Section) have been applied.
- (b) Damage to yards car parks roads pavements swimming pool(s) gates and fences unless also affecting a Building insured under this Policy.
- (c) Damage caused by or consisting of:
 - (i) the normal settlement or bedding down of new structures;
 - (ii) the settlement or movement of made up ground;
 - (iii) coastal or river erosion;

- (iv) defective design or workmanship or the use of defective materials;
 - (v) fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe.
- (d) Damage which originated prior to the inception of this policy.
- (e) Damage resulting from groundworks or excavation at the Premises.

3. Limit of Liability

The liability of the Insurers under this Section A shall not exceed the Sum Insured by each item stated in the Schedule to Section A for the Period of Insurance or the limit specified in any extension under Clause 6 of Section A.

4. Basis of Claims Settlement

- (i) Where the Buildings are destroyed - the cost of rebuilding in a condition equal to but not better or more extensive than their condition when new.
- (ii) Where the Buildings are damaged - the cost of repair and restoration of the damaged portion of the Buildings to a condition substantially the same as but not better or more extensive than their condition when new.
- (iii) Where for any reason a payment cannot be made in accordance with (i) and (ii) above the liability of the Insurers will be arrived at as if this Basis of Claims Settlement had not been incorporated and shall be subject to the terms and conditions of this Section including Condition 5 (i) Average.
- (iv) The work of the rebuilding or restoration (which may be carried out upon another site and in any manner suitable to the Insured's requirements subject to the Insurers Limit of Liability not being increased) must be carried out within a reasonable amount of time.
- (v) No payments shall be made until rebuilding repair or restoration costs have actually been incurred unless otherwise agreed in writing by the Insurers.

5. Conditions

- (i) **Average**
If at the time of Damage the cost of rebuilding the property insured be collectively greater than the Sum Insured detailed in the Schedule then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the Damage accordingly.
- (ii) **Frying and Cooking Equipment Condition**
It is a Condition precedent to liability that in respect of Frying and Cooking Equipment installations: -
 1. the Frying and Cooking Equipment and the ducted extraction system is at least 150mm clear of any combustible materials including but not limited to elements of the Building
 2. Frying Equipment is fitted with the following operational devices:-
 - (i) a thermostat designed to prevent the temperature of the fat or oil exceeding 205 Degrees C or alarm bells that operate when the temperature of the fat or oil exceeds 205 Degrees C. This device to have been fitted at the time of manufacture or afterwards in accordance with the manufacturer's instructions
 - (ii) a separate high temperature limit control of a non self-resetting type to shut off the energy source should the temperature of the fat exceed 230 Degrees C. This high temperature limit device is not to operate the same gas supply device as any automatic temperature control
 3. all Frying and Cooking Equipment is installed, operated and maintained according to the manufacturer's instructions
 4. whilst frying and/or cooking and/or whilst the heat source is operational no equipment is left unattended

Section A - Buildings

5. Frying Ranges are equipped with tight fitting lids or pull down covers
6. sump boxes and drip trays are emptied at least once every seven days
7. extraction hoods, canopies, fat/grease collectors and filters are cleaned at least once every seven days
8. extraction motor, ducts and flues are inspected internally and all internal surfaces throughout the entire length of the ductwork and flues including the fan and fan motors are thoroughly cleaned, by the removal of all greasy and oily deposits, at least once every year (this shall mean once during the calendar year preceding the inception of this Period of Insurance and again, on or before the anniversary date of this previous inspection and cleaning, within the Period of Insurance) by a specialist contractor
9. Frying Ranges are serviced and cleaned at least once a year by a specialist contractor
10. a full record is kept of the servicing and cleaning as required by this Condition and such records are kept elsewhere than at the Premises and are available to Insurers upon request
11. the following equipment is provided in the vicinity of the equipment, within the cooking area, in a clearly accessible position:-
 - (i) a minimum of two portable fire extinguishers carrying a BAFE or Loss Prevention Certification Board mark
 - (ii) where a Frying Range is in operation the fire extinguishers should be of the type as specified in BS7937 for use on cooking oil fires (Class F), each with a fire rating of numerical value equal to the volume of cooking fat or oil in the largest pan
 - (iii) where Deep Fat Fryers are in use one of the two fire extinguishers should be of Type F as defined in BS7937
 - (iv) other appropriate portable fire extinguishers where electrical equipment is in use
 - (v) a fire blanket.

Otherwise **no claim** shall be payable in respect of Damage caused by Specified Peril (a) Fire.

For the purpose of this Condition all **Frying and Cooking Equipment including Frying Ranges and Deep Fat Fryers** shall mean equipment that is powered or heated by electricity, gas or oil.

6. Extensions

Cover under this Section is extended to include:

- (1) **Underground Services** - accidental physical Damage to underground pipes services and cables at the Premises for which the Insured is responsible.
- (2) **Transfer of interest** - if at the time of Damage to the Buildings insured by this Section the Insured shall have contracted to sell his interest in such Buildings and the purchase has not been but shall thereafter be completed the purchaser on completion of the purchase if and so far as the property is not otherwise insured by or on behalf of the purchaser against such Damage shall be entitled to the benefit of this Section so far as it relates to such Damage without prejudice to the rights and liabilities of the Insured or the Insurers under this Section up to the date of completion.
- (3) **Automatic Reinstatement** - in the absence of written notice by the Insured or the Insurers to the contrary the Sum Insured reducing following Damage will be automatically reinstated as from the date of the occurrence the Insured undertaking to pay the appropriate additional premium.
- (4) **Sanitary Ware** - accidental breakage of sanitary fixtures and fittings for which the Insured is responsible.
- (5) **Trace and Access** - the reasonable costs necessarily incurred by the Insured in locating the source and subsequent making good

Damage resulting from:

- (a) the escape of water from any tank apparatus or pipe;
- (b) accidental physical Damage to cables underground pipes or drains serving the Premises.

The liability of Insurers in respect of any one Period of Insurance shall not exceed £25,000.

7. Exclusions (Applying to Insured Events (1) and (2) only)

The Insurers shall not indemnify the Insured for:

- (1) the amount of the Excess specified in the Schedule or as otherwise later specified in any Endorsement(s) in respect of each and every loss as ascertained after all other terms of this Policy (including but not limited to Clause 5 (iii) of this Section) have been applied unless arising from Insured Event (1) Specified Perils (a) or (b) unless otherwise stated herein;
- (2) costs and expenses arising from Damage caused by pollution or contamination except (unless otherwise excluded) Damage to the property insured caused by pollution or contamination resulting from Insured Event (1) Specified Perils (a), (b), (c), (d) or (f).
- (3) Damage caused by:
 - (a) frost;
 - (b) wear, tear, gradual deterioration, depreciation, rust or corrosion inherent vice or defect vermin insect infestation extremes or changes in temperature or humidity wet or dry rot damp or mildew or seepage below ground level;
 - (c) collapse, cracking, settling, shrinkage or expansion of foundations, walls, floors, ceilings or roofs;
 - (d) subsidence, heave or landslip of the site on which the insured property stands;
 - (e) disappearance or shortages disclosed only at the time of inventory or not traceable to a specific event;
 - (f) mechanical or electrical breakdown of lifts or any other plant or equipment.
- (4) Damage to:
 - (a) boilers caused by cracking or fracturing;
 - (b) hedges, gates or fences caused by storm or flood;
 - (c) television or radio aerial dishes fittings or masts as a result of erection, fitting, dismantling, repair or maintenance operations;
 - (d) any fixed glass, signs, blinds or canopies;
 - (e) buildings caused by their own collapse unless resulting from Insured Event (1). Specified Perils (a) to (e) inclusive.
- (5) Damage attributable solely to changes in the water table level.
- (6) Damage in respect of any Building or part of a Building that is Unoccupied
 - (a) for up to 30 consecutive days
 - (i) caused by
 - escape of water from any tank apparatus or pipe or fuel oil or heating installation
 - escape of water from a fixed sprinkler installation
 - malicious persons
 - theft or attempted theft
 - freezing
 - (ii) or caused to
 - glass or sanitaryware
 - (b) for more than 30 consecutive days

Section B - Contents

1. Definitions

(For the purpose of this Section only)

- (1) **Trade Contents** – shall mean all contents other than Stock but including office equipment decorations and improvements fixtures and fittings and landlords fixtures and fittings for which the Insured is responsible and insofar as they are not otherwise insured including:
 - a) personal effects and pedal cycles belonging to the Insured, their partners directors or employees up to an amount not exceeding £750 any one person;
 - b) documents, plans, manuscripts, design and business books but only for the value as stationery together with the cost of clerical labour expended in their reproduction up to an amount not exceeding £10,000 or 15% of the Trade Contents sum insured whichever is the less;
 - c) computer system records but only for the value of materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding the cost of reproducing the information on such records) up to an amount not exceeding £10,000 or 15% of the Trade Contents sum insured whichever is the less.
- (2) **Stock** – shall mean stock in trade and goods in trust the property of the Insured or for which the Insured is responsible.
- (3) **Household Goods** – shall mean household goods and personal effects the property of the Insured or resident manager or any member of their family permanently residing with them or for which they are responsible provided such property has been included in the Proposal on which this insurance is based.
- (4) **Property Insured** – shall mean Trade Contents, Stock and Household Goods and other property as defined under this Section B in the Schedule.

2. The Cover

The Insurers will indemnify the Insured for Damage to Property Insured during the Period of Insurance whilst contained within the Buildings caused by an Insured Event stated as operative in the Schedule.

Insured Events

- (1) **Specified Perils**
 - (a) Fire lightning explosion subterranean fire, earthquake.
 - (b) Aircraft or other aerial devices or articles dropped from them.
 - (c) Riot civil commotion strikers locked out workers or persons taking part in labour disturbances or malicious persons.
 - (d) Storm flood escape of water from fixed water tanks apparatus pipes or fixed oil fired heating installations.
 - (e) Leakage of beer or other bulk supplied beverages from fixed tanks pipes and apparatus.
 - (f) Impact by any vehicle or animal.
 - (g) Falling trees or parts thereof not resulting from any process of felling or lopping operation but not the cost of their removal and disposal nor any resulting Damage to hedges gates or fences.
 - (h) Breakage or collapse of television or radio aerials dishes fittings or masts.
 - (i) Theft or attempted theft involving forcible and violent entry to or exit from the Buildings at the Premises.
 - (j) Theft or attempted theft following assault or violence or threat of violence to the Insured or any partner director employee or their family(s) on the Premises.

- (2) **Accidental physical Damage** caused by any event not excluded in this Policy.
- (3) **Subsidence** or ground heave of any part of the site on which the Premises stand or landslip excluding:
 - (a) the amount of the Excess specified in the Schedule or as otherwise later specified in any Endorsement(s) in respect of each and every loss as ascertained after all other terms of this Policy (including but not limited to Clause 5 of this Section) have been applied.
 - (b) Damage to yards car parks roads pavements swimming pool(s) gates and fences unless also affecting a Building insured under this Policy.
 - (c) Damage caused by or consisting of:
 - (i) the normal settlement or bedding down of new structures;
 - (ii) the settlement or movement of made up ground;
 - (iii) coastal or river erosion;
 - (iv) defective design or workmanship or the use of defective materials;
 - (v) fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe.
 - (d) Damage which originated prior to the inception of this policy.
 - (e) Damage resulting from:
 - (i) demolition construction structural alteration or repair of any property or;
 - (ii) groundworks or excavation at the Premises.

3. Limit of Liability

The liability of the Insurers under this Section B shall not exceed the Sum Insured by each item stated in the Schedule to Section B for the Period of Insurance or limit specified in any Extension under this Section.

4. Basis of Claims Settlement

- (i) **Trade Contents** - the cost of repair or replacement as new no deduction being made for wear and tear or depreciation other than for clothing.
- (ii) **Stock** - the cost price of the goods.
- (iii) **Household Goods** - the cost of repair or replacement as new no deduction being made for wear and tear or depreciation other than for clothing.
- (iv) Where for any reason a payment cannot be made in accordance with (i) (ii) and (iii) above, the liability of the Insurers will be arrived at as if this Basis of Claims Settlement had not been incorporated and shall be subject to the terms and Conditions of this Section including Condition 5 (i) Average.

5. Conditions

- (i) **Average**

If at the time of Damage the value of Property Insured by each item be collectively greater than the Sum Insured detailed in the Schedule then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the Damage accordingly.
- (ii) **Frying and Cooking Equipment Condition**

It is a Condition precedent to liability that in respect of Frying and Cooking Equipment installations: -

 1. the Frying and Cooking Equipment and the ducted

Section B - Contents

extraction system is at least 150mm clear of any combustible materials including but not limited to elements of the Building

2. Frying Equipment is fitted with the following operational devices:-
 - (i) a thermostat designed to prevent the temperature of the fat or oil exceeding 205 Degrees C or alarm bells that operate when the temperature of the fat or oil exceeds 205 Degrees C. This device to have been fitted at the time of manufacture or afterwards in accordance with the manufacturer's instructions
 - (ii) a separate high temperature limit control of a non self-resetting type to shut off the energy source should the temperature of the fat exceed 230 Degrees C. This high temperature limit device is not to operate the same gas supply device as any automatic temperature control
3. all Frying and Cooking Equipment is installed, operated and maintained according to the manufacturer's instructions
4. whilst frying and/or cooking and/or whilst the heat source is operational no equipment is left unattended
5. Frying Ranges are equipped with tight fitting lids or pull down covers
6. sump boxes and drip trays are emptied at least once every seven days
7. extraction hoods, canopies, fat/grease collectors and filters are cleaned at least once every seven days
8. extraction motor, ducts and flues are inspected internally and all internal surfaces throughout the entire length of the ductwork and flues including the fan and fan motors are thoroughly cleaned, by the removal of all greasy and oily deposits, at least once every year (this shall mean once during the calendar year preceding the inception of this Period of Insurance and again, on or before the anniversary date of this previous inspection and cleaning, within the Period of Insurance) by a specialist contractor
9. Frying Ranges are serviced and cleaned at least once a year by a specialist contractor
10. a full record is kept of the servicing and cleaning as required by this Condition and such records are kept elsewhere than at the Premises and are available to Insurers upon request
11. the following equipment is provided in the vicinity of the equipment, within the cooking area, in a clearly accessible position:-
 - (i) a minimum of two portable fire extinguishers carrying a BAFE or Loss Prevention Certification Board mark
 - (ii) where a Frying Range is in operation the fire extinguishers should be of the type as specified in BS7937 for use on cooking oil fires (Class F), each with a fire rating of numerical value equal to the volume of cooking fat or oil in the largest pan
 - (iii) where Deep Fat Fryers are in use one of the two fire extinguishers should be of Type F as defined in BS7937
 - (iv) other appropriate portable fire extinguishers where electrical equipment is in use
 - (v) a fire blanket.

Otherwise **no claim** shall be payable in respect of Damage caused by Specified Peril (a) Fire.

For the purpose of this Condition all **Frying and Cooking Equipment including Frying Ranges and Deep Fat Fryers** shall mean equipment that is powered or heated by electricity, gas or oil.

6. Extensions

Cover under this Section is extended to include:

- (1) **Removal of Debris** - costs and expenses necessarily incurred in the removal of debris following Damage insured by this Section to the Property Insured provided the amount payable by the Insurers under this Extension shall not exceed £25,000.
- (2) **Locks and Keys** - costs of replacement locks or lock mechanisms and keys necessary to maintain the security of the Premises following theft of keys by force or violence subject to a maximum of £1,000 any one claim.
- (3) **Architects Surveyors Legal and Other Fees** - costs of architects surveyors consulting engineers legal and other fees necessarily incurred in the reinstatement of the Trade Contents following Damage insured by this Section provided the amount payable by the Insurers under this Extension shall not exceed £25,000. Fees for the preparation of any claim are not included.
- (4) **Public Authorities Costs** - costs incurred following Damage insured by this Section to the Trade Contents where reinstatement is required solely to comply with any Act of Parliament or Local Authority bye-law provided that notice under such Act or bye-law had not been served on the Insured before such Damage.
- (5) **Automatic Reinstatement** - in the absence of written notice by the Insured or by the Insurers to the contrary the Sum Insured reducing following Damage insured will be automatically reinstated as from the date of the occurrence the Insured undertaking to pay the appropriate additional premium.
- (6) **Seasonal Increase** - During the months of November and December and for 30 days prior to and during Easter Bank Holiday the Sum Insured on Stock is increased by 25%.
- (7) **Temporary Removal** - Trade Contents temporarily removed for cleaning renovation or repair within Buildings anywhere in the United Kingdom subject to the liability of the Insurers not exceeding 10% of the Sum Insured for Trade Contents.
- (8) **Sanitary Ware** - accidental breakage of sanitary fixtures and fittings for which the Insured is responsible.
- (9) **Fixed Glass Signs Blinds and Canopies** - accidental Damage to fixed glass signs blinds or canopies occurring at the Premises including:
 - (a) costs involved in necessary boarding up pending replacement of glass;
 - (b) any lettering ornamentation or alarm foil;
 - (c) damage to contents of display windows showcases or counters.Provided that the Insurers shall not indemnify the Insured for:
 - (i) more than £1,000 any one claim under 9(a) 9(b) 9(c) above in the aggregate and £1,000 any one sign blind or canopy unless otherwise stated herein;
 - (ii) damage to frames or framework unless the glass therein is broken at the same time;
 - (iii) superficial cracks or chipping.
- (10) **Underground Services** - accidental physical Damage to underground pipes services and cables at the Premises for which the Insured is responsible provided the amount payable by the Insurers under this Extension shall not exceed £25,000.
- (11) **Goods in Transit** - Damage to Stock under Section B whilst in transit anywhere in the United Kingdom including:
 - (a) damage arising from loading and unloading of vehicles;
 - (b) the costs of removal of debris and site clearance following Damage insured;

Section B - Contents

- (c) the cost of the transfer of property to another vehicle following Damage insured.

Provided that:

- (i) vehicles are maintained in a roadworthy condition;
 - (ii) security locks alarms and other security devices are maintained in an efficient working condition;
 - (iii) all doors be locked windows and other openings closed and securely fastened and all alarms and other security devices be made operative whenever the vehicles are left unattended;
 - (iv) vehicles are contained in a securely locked building if left unattended overnight (for the purpose of this extension overnight shall mean from 9.00pm or whenever the vehicle was last occupied whichever is the earlier to 6.00am or until the vehicle is first used whichever is the later);
 - (v) the Insurers liability under this Extension shall not exceed £5,000 any one claim;
 - (vi) the Insurers shall not be liable for the first £100 of each and every claim.
- (12) **Loss of Metered Water** – the unit cost of metered water at the current rate per cubic metre consumed as a direct result of Damage arising from any accidental cause up to an amount not exceeding £2,500 in respect of any one claim.
- (13) **Rent Payable** – the Insured's legal liability as tenant to pay rent for the period not exceeding two years during which the accommodation is untenable as a result of any Insured Event stated as operative in the Schedule up to a maximum of 25% of the Sum Insured by this Section.
- (14) **Damage to Landscaped Gardens** – the cost of restoring any damage done to landscaped gardens for which the Insured is responsible by the Emergency Services in attending the Premises as a result of any Insured Event stated as operative in the Schedule up to a maximum of £1,000 in any one Period of Insurance.
- (15) **National Lottery Equipment** – Trade Contents is extended to include National Lottery equipment the property of Camelot or whichever company, corporation or entity is responsible for it at the time, for which the Insured is responsible and provided such property has been included in the Sum Insured by this item.
- (16) **Theft Damage to Buildings** - Damage to the Buildings for which the Insured is responsible caused by theft or any attempt thereat provided that the Insurers shall not indemnify the Insured for more than 10% of the Trade Contents sum insured.

7. Exclusions (Applying to Insured Events (1) and (2) only)

The Insurers shall not indemnify the Insured for:

- (1) the amount of the Excess specified in the Schedule or as otherwise later specified in any Endorsement(s) in respect of each and every loss as ascertained after all other terms of this Policy (including but not limited to Clause 5 of this Section) have been applied unless arising from Insured Event (1) Specified Perils (a) or (b) unless otherwise stated herein;
- (2) costs and expenses arising from Damage caused by pollution or contamination except (unless otherwise excluded) Damage to the property insured caused by pollution or contamination resulting from Insured Event (1) Specified Perils (a) (b) (c) (d) or (f).
- (3) Damage caused by:
 - (a) frost;
 - (b) wear, tear, gradual deterioration, depreciation, rust or corrosion inherent vice or defect vermin insect infestation extremes or changes in temperature or humidity wet or dry rot damp or mildew or seepage below ground level;

- (c) collapse cracking settling shrinkage or expansion of foundations walls floors ceilings or roofs;
- (d) subsidence heave or landslip of the site on which the insured property stands;
- (e) any testing or repairing cleaning restoration renovation servicing or maintenance operation;
- (f) shrinkage evaporation loss of weight cracking bruising scratching exposure to light or change in colour texture or flavour;
- (g) mechanical or electrical breakdown derangement of machinery or equipment overloading or faulty materials design or workmanship (other than Damage to property insured not forming part of the same machine or equipment) electrical or magnetic disturbance or erasure of electronic recordings;
- (h) disappearance or shortage disclosed only at the time of inventory or stocktaking or not traceable to a specific event or misplacing or misfiling of information;
- (i) acts of fraud or dishonesty on the part of the Insured any director partner or employee of the Insured or any person to whom property insured has been entrusted;
- (j) theft or attempted theft from Outbuildings;
- (k) delay loss of market loss of use or consequential loss of any kind.

(4) Damage to:

- (a) motor vehicles their contents or accessories bonds bills of exchange deeds promissory notes cheques securities money stamps;
- (b) medals coins furs gold and silver articles precious metals precious stones or livestock unless agreed in writing by the Insurers and stated on the Schedule as being insured by this Policy;
- (c) cash registers caused directly by theft or attempted theft of money;
- (d) paintings prints and works of art with an individual value exceeding £500 unless specified herein;
- (e) electrical appliances or installation caused by self-ignition, short-circuiting, over-running or excessive pressure;
- (f) television or radio aerial dishes, fittings or masts as a result of erection fitting dismantling repair or maintenance operations;
- (g) Stock in any basement or cellar caused by water unless such Stock is raised at least 15 centimetres above the floor.

(5) Damage attributable solely to changes in the water table level.

(6) Damage in respect of any Building or part of a Building that is Unoccupied

- (a) for up to 30 consecutive days
 - (i) caused by
 - escape of water from any tank apparatus or pipe or fuel oil or heating installation
 - escape of water from a fixed sprinkler installation
 - malicious persons
 - theft or attempted theft
 - freezing
 - (ii) or caused to
 - glass or sanitaryware
- (b) for more than 30 consecutive days

Section C - Business Interruption

1. Definitions

(For the purpose of this Section only)

1. **Net Revenue** - shall mean the money paid or payable to the Insured for goods sold and services rendered in the Business at the Premises less the cost of purchases relative thereto.
2. **Loss of Net Revenue** - shall mean the shortage in the Net Revenue during the Indemnity Period compared with the corresponding period in the twelve months immediately before the date of the Damage to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or special circumstances affecting it either before or after the Damage or which would have affected it had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the Indemnity Period after the Damage.
3. **Increased Cost of Working** - shall mean the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing Loss of Net Revenue which but for such expenditure would have taken place during the Indemnity Period but not exceeding the loss of Net Revenue thereby avoided.
4. **Savings** - shall mean such charges and expenses of the Business (normally payable out of Net Revenue) as may cease or be reduced during the Indemnity Period in consequence of the Damage.
5. **Indemnity Period** - shall mean the period beginning when the Damage occurs and ending when the Business ceases to be affected by the Damage not exceeding the Maximum Indemnity Period (shown in the Schedule)

2. The Cover

The Insurers will indemnify the Insured for Loss of Net Revenue or Increased Cost of Working resulting from Damage by any of the Insured Events set out under Clause 2 of Section B and stated in the Schedule as being operative occurring at the Premises during the Period of Insurance to property used by the Insured for the purpose of the Business which causes interruption of or interference with the Insured's Business at the Premises.

Provided that:

- a) payment has been made or liability admitted for the Damage under an insurance covering the interest of the Insured in the property; or
- b) payment would have been made or liability admitted for the Damage but for the operation of a provision in such insurance excluding liability for losses below a specified amount.

3. Limit of Liability

The Insurer's liability in any one Period of Insurance shall not exceed in the whole the Sum Insured by each item or any other stated limit of liability.

4. Basis of Claims Settlement

Loss of Net Revenue or Increased Cost of Working less any Savings.

5. Conditions

- a) **Average** - if at the time of the loss the Net Revenue as adjusted for the trend of the Business and the Maximum Indemnity Period shall be greater than the Sum Insured stated in the Schedule then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly.
- b) **VAT** - To the extent that the Insured is accountable to the tax authorities for Value Added Tax all terms in this Section shall be exclusive of such tax.
- c) **Goods Sold Elsewhere** - if during the Indemnity Period goods shall be sold or services rendered elsewhere than at the Premises for the benefit of the Business the money paid or payable in respect of such sales or services shall be brought into account in determining the Loss of Net Revenue.
- d) **Liquidation** - This Section shall be void if the Business be wound up or carried on by a liquidator or receiver or permanently discontinued at any time after the commencement of this insurance.

6. Extensions

Cover under this Section is extended to include:

1. Loss of Net Revenue or Increased Cost of Working directly as a result of:
 - a) **Denial of Access** - caused as a result of Damage insured by Insured Event (1) under Section B of this Policy to property in the vicinity of the Premises which prevents or hinders the use of or access to the Premises whether the Premises or property of the Insured in the Premises is damaged or not but excluding Damage to property of any supply undertaking from which the Insured obtains electricity gas water or telecommunications services which prevents or hinders the supply of such services.
 - b) **Loss of Utilities** - in consequence of Damage to the premises of any public or private supply undertaking from whom the Insured obtains electricity gas water or telecommunications service by an event insured by Insured Event (1) under Section B of this Policy but excluding:
 - (i) where such failure is for a period of less than 60 minutes;
 - (ii) in consequence of the deliberate act of any supply undertaking or by the exercise by any such undertaking of its power to withhold or restrict supply as a result of drought or any other reason;
 - (iii) in consequence of a fault in any part of the installation belonging to the Insured.
 - c) **Suppliers** - Damage to the Insured's supplier's premises by an event insured under Insured Event (1) under Section B of this Policy situated within Great Britain or Northern Ireland but excluding the premises of any public or private supply undertaking from whom the Insured obtains electricity gas water or telecommunication services.

The Insurers limit of liability under this Extension shall be 10% of the Sum Insured on Loss of Net Revenue.

Section C - Business Interruption

- d) **Closure** - of the Premises by the Authorities following:
- (i) an outbreak of any notifiable human infectious or contagious disease;
 - (ii) murder or suicide;
 - (iii) food poisoning or drink poisoning;
 - (iv) defective sanitary arrangements or vermin or pests other than the deliberate act of any supply undertaking to withhold the supply of water.

The Insurers liability under this extension shall only apply for the period beginning with the occurrence of the loss and ending no later than three months thereafter during which the results of the Business shall be affected in consequence of the Damage.

2. **Accountants Fees** - the reasonable fees payable by the Insured to their professional accountants for producing such information or evidence as may be required by the Insurers in connection with any claim under this Section up to 10% of the Sum Insured on Loss of Net Revenue.
3. **Automatic Reinstatement** - in the absence of written notice by the Insured or the Insurers to the contrary the Sum Insured reducing following the loss will be automatically reinstated as from the date of the occurrence the Insured undertaking to pay the appropriate additional premium.
4. **Alternative Domestic Expenditure** – any reasonable additional expenditure incurred during the Indemnity Period for the provision of alternative domestic accommodation including incidental costs and expenses for the Insured, members of the Insured's family and any employees normally living at the Premises.

Section D - Liability

1. Definitions

(For the purpose of this Section only).

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

while working for the Insured in connection with the Business.

2. **Bodily Injury** - shall include:
 1. Bodily injury, death, disease, illness, mental injury, mental anguish or nervous shock
 2. Invasion of the right to privacy, false arrest, false imprisonment, false eviction or malicious prosecution of any person.
3. **Property** - shall mean material property.
4. **Product Supplied** - shall mean any product or thing sold supplied erected repaired altered treated installed tested serviced or delivered by or through the Insured in the course of the Business in or from Great Britain Northern Ireland the Isle of Man or the Channel Islands.
5. **Territorial Limits** - shall mean:
 - a) Great Britain Northern Ireland the Isle of Man or the Channel Islands;
 - b) elsewhere in the world where directors partners or Employees of the Insured who are ordinarily resident in 6 a) above are on a temporary visit for the purpose of non-manual work on the Business of the Insured.

Provided that the Insurers shall not be liable to indemnify the Insured in respect of any amount payable under Workmen's Compensation Social Security or Health insurance legislation.
6. **Contractual Liability** - shall mean liability which attaches by virtue of a contract or agreement but which would not have attached in the absence of such contract or agreement.
7. **Asbestos** - shall mean:
asbestos, asbestos fibres and any derivatives of asbestos.

2. The Cover

Insurers will indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay as compensation in respect of an Event occurring within the Territorial Limits unless otherwise stated.

Event 1 - Employers' Liability

Bodily Injury caused to an Employee.

Event 2 - Public Liability

Accidental Bodily Injury to any person or accidental Damage to Property or obstruction trespass or nuisance.

Event 3 - Products Liability

Accidental Bodily Injury to any person or accidental Damage to Property occurring anywhere in the world caused by any Product Supplied.

3. Limit of Liability

1. Event 1 - Employers' Liability – The liability of the Insurers shall not exceed the amount stated in the Schedule for compensation costs and expenses for any one occurrence or series of occurrences arising out of any one event.
2. Event 2 - Public Liability - The liability of the Insurers shall not exceed the amount stated in the Schedule for any one occurrence or series of occurrence arising out of any one event.
3. Event 3 - Products Liability - The liability of the Insurers shall not exceed the amount stated in the Schedule for any one occurrence or series of occurrences arising out of any one event and in any one Period of Insurance.

4. Extensions

This Section is extended to include:

1. **Defective Premises Act 1972** - liability arising under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in respect of the disposal of any premises which were occupied or owned by the Insured in connection with the Business. Provided that the Insurers shall not be liable for the cost of remedying any defect or alleged defect in such premises. The Insurers shall not provide indemnity against liability for which indemnity is provided by any other insurance.
2. **Leased or Rented Premises** - Exception 4. b) shall not apply to Damage to premises leased or rented to the Insured. Provided that the Insurers shall not indemnify the Insured against:
 - a) Contractual Liability;
 - b) the first £250 of Damage caused otherwise than by fire or explosion.
3. **Motor Contingent Liability** - notwithstanding Exclusion 2. c) the Insurers will indemnify the Insured within the terms of this Section in respect of liability for Bodily Injury or Damage to Property caused by or through or in connection with any motor vehicle or trailer attached thereto (not belonging to or provided by the Insured) being used in the course of the Business.
Provided that the Insurers shall not be liable for:
 - a) Damage to any such vehicle or trailer;
 - b) any claim arising whilst the vehicle or trailer is:
 - (i) engaged in racing pace-making reliability trials or speed testing;
 - (ii) being driven by the Insured;
 - (iii) being driven with the general consent of the Insured or his representative by any person who to the knowledge of the Insured or other such representatives does not hold a licence to drive such a vehicle unless such a person has held and is not disqualified from holding or obtaining such a licence;
 - (iv) used elsewhere than in Great Britain Northern Ireland the Isle of Man or the Channel Islands.
4. **Costs** - the Insurers will in addition to the indemnity granted by each Event pay:
 - a) for all costs and expenses recoverable by any claimant from the Insured.
 - b) the solicitors fees incurred with the written consent of the Insurers for representation of the Insured at:
 - (i) any coroner's inquest or fatal accident inquiry;
 - (ii) proceedings in any Court arising out of any alleged breach of a statutory duty resulting in Bodily Injury or Damage to Property.

Section D - Liability

- c) all costs and expenses incurred with the written consent of the Insurers in respect of a claim against the Insured to which the indemnity expressed in this Policy applies.

5. **Indemnity to Other Persons** - the Insurers will indemnify the following as if a separate Policy had been issued to each:
- a) in the event of the death of the Insured the personal representatives of the Insured in respect of liability incurred by the Insured;
 - b) at the request of the Insured:
 - (i) any officer or member of the Insured's canteen clubs sports athletic social or welfare organisations and first aid fire security and ambulance services in their respective capacity as such;
 - (ii) any director partner or Employee of the Insured while acting in connection with the Business in respect of liability for which the Insured would be entitled to indemnity under this Policy if the claim for which indemnity is being sought had been made against the Insured.

Provided that:

- (a) any persons specified above shall as though they were the Insured be subject to the terms Exclusions and conditions of this Policy in so far as they can apply;
 - (b) nothing in this Extension shall increase the liability of the Insurers to pay any amount exceeding the Limit of Indemnity of the operative Event(s) regardless of the number of persons claiming to be indemnified.
6. **Legal Defence** - irrespective of whether any person has sustained Bodily Injury the Insurers will at the request of the Insured also pay the costs and expenses incurred in defending any director manager partner or Employee of the Insured in the event of such a person being prosecuted for an offence under the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978. The Insurers will also pay the costs incurred with their written consent in appealing against any judgment given.

Provided that:

- a) the offence was committed during the Period of Insurance;
 - b) the indemnity granted hereunder does not:
 - (i) provide for the payment of fines or penalties;
 - (ii) apply to prosecutions which arise out of any activity or risk excluded from this Policy;
 - (iii) apply to prosecutions consequent upon any deliberate act or omission;
 - (iv) apply to prosecutions which relate to the health, safety or welfare of any Employee unless Event 1 is operative at the time when the offence was committed;
 - (v) apply to prosecutions which relate to the health, safety or welfare of any person not being an Employee unless Event 2 is operative at the time when the offence was committed;
 - c) the director manager partner or Employee shall be subject to the terms Exclusions and conditions of this Policy so far as they can apply.
7. **Cross Liabilities** - the Insurers will indemnify each Insured to whom this Policy applies in the same manner and to the same extent as if a separate Policy had been issued to each provided that the total amount of compensation payable shall not exceed the Limit of Indemnity regardless of the number of persons claiming to be indemnified.

Provided that the Insurers shall not indemnify the Insured against liability for which an indemnity is or would be granted under any Employers Liability insurance but for the existence of this Policy.

5. Conditions

- a) **Maximum Payments** - The Insurers may at any time at their sole discretion pay to the Insured the Limit of the Indemnity (less any sum or sums already paid in respect of or in lieu of compensation) or any lesser sum for which the claim or claims against the Insured can be settled and the Insurers shall not be under any further liability in respect of such claim or claims except for costs and expenses incurred prior to such payment.

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

- b) **Contribution** - If at the time of any event to which Section D applies there is or but for the existence of this Policy there would be any other insurance covering the same liability the Insurers shall not be liable under this Policy except in respect of any excess beyond the amount which would be payable under such other insurance had this Policy not been effected.
- c) **Disputes** - Any dispute concerning the interpretation of the terms of Section D shall be resolved in accordance with the jurisdiction of the territory in which this Policy is issued.

6. Exclusions

Exclusions applying to Event 2 only

The Insurers shall not indemnify the Insured against liability:

1. for Contractual Liability unless the sole conduct and control of claims is vested in the Insurers but the Insurers will not in any event indemnify the Insured in respect of liquidated damages or liability under any penalty clause.
2. arising out of the ownership possession or use by or on behalf of the Insured of any:
 - a) aircraft aerospace device or hovercraft;
 - b) watercraft;
 - c) mechanically propelled vehicle licensed for road use other than liability caused by or arising out of the loading or unloading of such vehicles but this indemnity shall not apply if in respect of such liability compulsory insurance or security is required under any legislation governing the use of the vehicle.
3. arising from any Product Supplied after it has ceased to be in the possession of the Insured or any Employee other than food or drink for consumption on the Insured's Premises.
4. in respect of Damage to Property:
 - a) belonging to the Insured;
 - b) in the custody or under the control of the Insured or any Employee (other than property belonging to visitors directors partners or Employees of the insured).
5. the first £250 of Damage to Property other than for Damage to premises leased or rented by the Insured.

Exclusions applying to Event 3 only

The Insurers shall not indemnify the Insured against liability:

6. for Contractual Liability other than liability arising out of a condition or warranty of goods implied by law.

Section D - Liability

7. in respect of Damage to or the cost or expenses of recalling repairing replacing altering removing or making any refund in respect of any Product Supplied arising from:
 - a) a defect in or the harmful nature of such product;
 - b) an error or fault in connection with the sale supply or presentation of such product;
8. arising from any Product Supplied whilst in the possession of the Insured or any Employee in the course of his employment by the Insured;
9. caused by or arising from any Product Supplied which to the Insured's knowledge is for use in the braking, steering, suspension system or other critical systems of
 - (i) aircraft or aero spatial device or products intended for aviation or aero spatial purposes
 - (ii) marine vessels
 - (iii) motor vehicles
 - (iv) rail vehicles
10. arising from any action brought against the Insured in any country not being a member of the European Union where the Insured has a branch or a parent or subsidiary Insurer or is represented by a person or Insurer holding the Insured's power of attorney.
11. arising from any Product Supplied, which to the knowledge of the Insured is for use in or supply to the United States of America or Canada.
12. caused by or arising from any Product Supplied which to the Insured's knowledge is for use in nuclear installations.

Exclusions applying to Events 2 and 3 only

The Insurers shall not indemnify the Insured in respect of:

13. Bodily Injury to any Employee arising out of and in the course of his employment by the Insured;
14. liability caused by or arising from advice design or specification provided by or on behalf of the Insured for a fee;
15. liability caused by or attributable to any treatment given by or on behalf of the Insured;
16. Pollution or Contamination other than caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance;

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

The liability of the Insurers for all compensation payable in respect of all Pollution or Contamination which is deemed to have occurred during the Period of Insurance shall not exceed in the aggregate the Limits of Liability stated in the Schedule.

For the purpose of this clause 'Pollution or Contamination' is deemed to mean;

- a) all Pollution or Contamination of buildings or other structures or of water or land or the atmosphere; and
 - b) all loss or damage or injury directly or indirectly caused by such Pollution or Contamination.
17. Liability caused by or arising from
- a) exposure to
 - b) inhalation of
 - c) fears of the consequence of exposure to or inhalation of
 - d) the costs incurred by anyone in repairing, removing, replacing, rectifying, reinstating or managing (including those of any persons under any statutory duty to manage) any property arising out of the presence of

Asbestos, including any product containing Asbestos.

Exclusions applying to Events 1, 2 and 3

The Insurers shall not indemnify the Insured in respect of liability arising out of:

18. work undertaken or operations Offshore.

For the purposes of this Exclusion, "Offshore" shall mean from the time of embarkation onto a conveyance at the point of final departure to an offshore rig or offshore platform until disembarkation from a conveyance onto land upon return from such offshore rig or offshore platform.

Exclusion applying to Event 1 only

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

Section E - Money

1. Definitions

(For the purpose of this Section only)

1. **Money** - shall mean cash (notes and coins), cheques, Giro cheques, travellers cheques, postal or money orders, bankers' drafts, current postage and revenue stamps, unused units in postage stamp franking machines, National Insurance stamps, stamped or franked National Insurance cards, National Savings stamps, National Savings certificates, Premium Bonds, Holiday-with-Pay stamps, bills of exchange, credit and debit card sales' vouchers, luncheon vouchers, consumer redemption vouchers, trading stamps, gift tokens and VAT purchase invoices all pertaining to the Business and belonging to or the responsibility of the Insured.
2. **Premises** - shall mean the Business Premises and shall not include the Insured's domestic living quarters.
3. **Business Hours** - shall mean the period during which the Premises are occupied in connection with the Business and during which the Insured or any of the Insured's employees entrusted with Money are on the Premises.
4. **Permanent Total Disablement** - shall mean disablement, caused other than by loss of limb or eye or speech or hearing which prevents the Insured person from engaging totally in his usual occupation for 52 consecutive weeks and is without expectation of recovery.
5. **Temporary Total Disablement** - shall mean temporary disablement which entirely prevents the insured person from engaging in his usual occupation.
6. **Insured Person** - means the Insured or any partner, director or employee of the Insured.

2. The Cover

The Insurers will indemnify the Insured in respect of loss of or damage to Money or any other property as insured by any Extension under this Section by any cause occurring at the Premises, in transit or at the private residences of any Insured Person anywhere within Great Britain Northern Ireland the Isle of Man and the Channel Islands during the Period of Insurance.

3. Limits of Liability

Limits of Liability	
1. In the Premises during Business Hours or in transit or bank night safe	As stated in the Schedule
2. In the Premises or private dwelling or domestic living quarters of the Insured or any authorised partner director or employee outside Business Hours contained in a securely locked safe or strongroom	
3. In the Premises outside Business Hours not contained in a securely locked safe	
4. In the custody or private dwelling or domestic living quarters of the Insured or any authorised partner director or employee of the Insured out of Business Hours	
5. In gaming amusement or vending machines	£300 any one event

4. Conditions

It is a condition precedent to liability that:

- a) The Insured shall keep a record of all Money Insured under this Section and such record shall be kept in a secure place other than in safes or strongrooms on the Premises or private dwelling or domestic living quarters of the Insured or safes of any authorised partner director or employee.
- b) Keys or specification of combination lock numbers of any safes or strongrooms containing Money shall be removed from the Premises containing such safes or strongrooms outside Business Hours.
- c) The Insured shall at all times exercise reasonable care in the selection and employment of employees involved with the handling and or transit of money and shall obtain and will continue to obtain satisfactory written references and confirmation of such references directly from the previous employers.
- d) The Insured shall secure and lock all safes and other money containers (excluding cash registers) whenever such containers are left unattended.

Section E - Money

5. Extensions

Cover under this Section is extended to include:

1. **Fidelity** - theft of Money arising from any act of fraud or dishonesty by any partner director or employee of the Insured provided that:
 - a) the theft is discovered by the Insured within seven days of an act of fraud or dishonesty having first been committed by such partner director or employee whether acting solely or in collusion;
 - b) the Insurers maximum liability under this Extension shall not exceed £2,500.
2. **Property Damage** - to:
 - a) cases bags belts or waistcoats;
 - b) clothing and personal effects of the Insured their partners directors or employees caused by robbery or attempted robbery up to £750 per person;
 - c) safes, strongrooms and cash registers (provided such cash registers are left open outside Business Hours)
caused directly by theft or attempted theft of Money.
3. **Keys** - cost of replacement keys or lock mechanisms of safes or strongrooms with the consent of the Insurers following theft of keys by force or violence subject to a maximum of £1,000 anyone claim.
4. **Non-negotiable Money** - crossed cheques crossed money orders crossed postal orders crossed bankers drafts stamped national insurance cards national savings certificates premium bonds unexpired units in franking machines credit card sales vouchers and VAT purchase invoices up to a limit of £250,000 any one loss.
5. **Assault** - personal assault benefits in accordance with the Table of Benefits hereunder in the event of robbery or attempted robbery of the Insured or any partner director or employee in the course of their employment by the Insured which directly results in death or disablement.

Provided that:

- (i) no benefit shall be payable under Benefits a) to d) inclusive unless death or disablement occurs within 24 months of the injury;
- (ii) no benefit shall be payable to any person whose age is less than 16 or more than 65;
- (iii) benefits shall only be payable under one of the Table of Benefits a) to d) inclusive in respect of any one injury and such payment shall be the maximum amount payable per person in any one Period of Insurance;
- (iv) benefit e) shall cease immediately the Insured is entitled to claim Benefits a) b) c) or d);
- (v) the maximum period payable for Benefit e) shall be 104 weeks from the date on which the Insured partner director or employee attends a qualified medical practitioner;
- (vi) no benefit shall be payable under Benefits a) to e) inclusive as a result of committing suicide or attempting to commit suicide or intentional self inflicted injury;
or
sickness or disease not directly resulting from Bodily Injury.

6. Exclusions

The Insurers shall not indemnify the Insured for loss:

1. resulting from depreciation in value or dishonoured cheques or accounting or clerical errors;
2. of Money from unattended vehicles;
3. of Money during transit by unregistered post;
4. more specifically insured.

Table of Benefits

a)	Death -	As stated in the Schedule
b)	Total and irrecoverable loss of sight in one or both eyes -	
c)	Total loss of use of an entire hand, arm, foot or leg -	
d)	Permanent total disablement from usual occupation -	
e)	Temporary total disablement from usual occupation -	

Section F - Frozen Food

1. Definitions

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

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

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

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

Premises shall mean those premises specified in the Schedule or as otherwise specified in the endorsements to this Section.

2. The Cover

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

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

3. Limit of Liability

The Sum Insured stated in the Schedule in respect of any one Period of Insurance.

4. Basis of Claims Settlement

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

5. Exclusions

1. The Insurers shall not indemnify the Insured for Damage caused by:
 - (a) the wilful act or neglect of the Insured, any partner, director or employee of the Insured or their families;
 - (b) the deliberate act of any electricity supply authority or the exercise by any such authority to withhold or restrict supply;
 - (c) the failure of any cold chamber or deep freeze which is:

- (i) over 10 years old;
- (ii) over 5 years old and not the subject of an annual maintenance contract with a competent refrigeration engineer or company;
- (iii) powered by a motor in excess of 2 horse power.

- (d) any Defined Peril;
- (e) moth, vermin or insects;
- (f) wear and tear, deterioration or gradually developing flaws or defects in refrigerating plant or faulty packaging of Property Insured;
- (g) the incorrect setting of thermostats or automatic controls.

2. loss of or damage to Property Insured which has passed the date set by the manufacturers for consumption;
3. consequential loss of any kind or description;
4. the amount of the Excess specified in the Schedule.

6. Conditions

(a) Automatic Reinstatement

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

(b) Average (Underinsurance)

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

Section G - Loss of Premises Licence

1. Definitions

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

Licence means licence granted to the Insured under the Licensing Act 1964 in respect of the sale of intoxicating liquor of all description and/or beer and/or wine and/or cider

2. The Cover

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

- a) forfeiture under the provisions of the appropriate legislation covering the issue of such licences; or
- b) refusal to renew the Licence after due and proper application for renewal thereof

during the Period of Insurance from causes beyond the control of the Insured.

3. Limit of Liability

The Sum Insured stated in the Schedule in respect of any one Period of Insurance.

4. Basis of Claims Settlement

Claims under Section G will be settled on the basis of an amount equal to the depreciation in value of the interest of the Insured in the Premises.

5. Conditions

- a) The Insured must give notice in writing immediately the Insured becomes aware of any:
 - i) change in tenancy or management of the Premises;
 - ii) transfer or proposed transfer of the licence;
 - iii) complaint against the Premises or the control of the Premises;
 - iv) proceedings against or conviction of the Insured their manager or occupier of the Premises for any breach of the licensing laws or any other matter whereby the character or reputation of the person concerned is affected with respect to their honesty moral standing or sobriety;
 - v) objection to renewal or other circumstances which might endanger the renewal of the licence;
 - vi) alteration in the purpose for which the Premises are used.
- b) In the event of a forfeiture or refusal of renewal of the licence the Insured must notify the Insurers immediately on becoming aware of such forfeiture or refusal of renewal and also state the grounds upon which forfeiture or refusal has been made.

6. Extensions

1. **Costs** - the Insurers will in addition to the indemnity granted by this Section pay for all costs (with their written consent) associated with any appeal against forfeiture or refusal to renew.

7. Exclusions

The Insurers shall not indemnify the Insured:

1. if the Insured is entitled to compensation under any Act of Parliament in respect of any refusal to renew the licence;
2. if the forfeiture or refusal to renew arises directly or indirectly from any town or country planning redevelopment or compulsory purchase or the surrender reduction or distribution of licences;
3. if there is any alteration in the law affecting the granting surrender or forfeiture of or refusal to renew any licence.

Section H - Book Debts

1. Definition

(For the purpose of this Section only)

Outstanding Debit Balances - shall mean the total last recorded by the Insured under the provision of Condition b) adjusted for:

- a) bad debts;
- b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the Damage) to customers accounts in the period between the date to which such total last recorded relates and the date of the Damage;
- c) any abnormal condition of trade which had or could have had a material effect on the Business;

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

2. The Cover

The Insurers will indemnify the Insured in respect of Outstanding Debit Balances resulting from Damage Insured under Section B of this Policy during the Period of Insurance.

3. Limit of Liability

The Sum Insured stated in the Schedule during any one Period of Insurance.

4. Basis of Claims Settlement

The amount payable in respect of any one occurrence shall be the difference between the Outstanding Debit Balances and the total of the amounts received or traced in respect thereof plus the additional expenditure incurred with the written consent of the Insurers in tracing and establishing customers or members debit balances after the Damage.

5. Conditions

- a) **Average** - if at the time of Damage the Outstanding Debit Balances total is greater than the sum insured stated in the Schedule then the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly.
- b) **Maintenance of Records** - The Insured shall at the end of each month record the total amount outstanding in customer's accounts and such records shall be kept in buildings elsewhere from the Premises. In the event of Damage resulting in a claim, the Insured will supply such records to the Insurers.

6. Extensions

Cover under this Section is extended to include:

1. **Temporary Removal** - loss in respect of Outstanding Debit Balances caused by Damage to the Insured's books of account or other business records or documents whilst temporarily in buildings occupied by persons acting on behalf of the Insured or whilst in transit thereto and therefrom all within Great Britain Northern Ireland the Isle of Man or the Channel Islands.
2. **Automatic Reinstatement** - in the absence of written notice by the Insured or the Insurers to the contrary the sum insured reducing following the loss shall be reinstated to the full sum insured provided that the aggregate of the amounts reinstated during any one Period of Insurance shall not exceed the amount of the sum insured the Insured undertaking to pay the appropriate additional premium.
3. **the reasonable charges** payable by the Insured to their professional accountants for producing information required by the Insurers in investigating or verifying a claim under this Section for an amount not exceeding the Sum Insured as shown in the Schedule in any one Period of Insurance.

Part B - Signatures Policy

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

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.

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

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.

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

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.

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.

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.

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.

Commercial Legal Protection

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.
 - 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.

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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.

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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.

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 Central Bank of Ireland.

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, Portoken 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.

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;
 - 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-

Key Person

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.

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.

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.

Key Person

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.

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.

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

Equipment Breakdown

Policy Information

(not forming part of the Policy)

Cover under this Policy is underwritten by HSB Engineering Insurance Limited (under Contract Number HCZ129048) 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/ 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

Definitions

1. **Accident** means direct physical loss as follows:
 - (a) electrical or mechanical Breakdown, including rupture or bursting caused by centrifugal force;
 - (b) artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - (c) 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;
 - (d) 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
 - (e) 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.
 - (f) operator error
 - (g) 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.
2. **Breakdown** means:
 - (a) The actual breaking failure distortion or burning out of any part of the Covered Equipment whilst in ordinary use arising from defects in the Covered Equipment causing its sudden stoppage and necessitating repair or replacement before it can resume work.
 - (b) Fracturing of any part of the Covered Equipment by frost when such fracture renders the Covered Equipment inoperative.
 - (c) The actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary.
3. **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).
4. **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.
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;

Equipment Breakdown

- (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, any Specialised Electronic Equipment, other than Computer Equipment, used for research, medical diagnostic, treatment, experimental or other medical or scientific purposes.
 - (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.

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.

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

Equipment Breakdown

- 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.



Cast House, Old Mill Business Park, Gibraltar Island Road, Leeds, West Yorkshire, LS10 1RJ
T: 0844 557 4727 □ F: 0113 272 9197 □ E: enquiries@ukgeneral.co.uk

www.ukgeneral.com

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