

Interior & Fit Out Contractors



Introduction

Welcome to Aviva. We are committed to providing a first-class service. Aviva is the UK's largest insurer with over 200 years' experience in the insurance industry.

This is your insurance policy which sets out your insurance protection in detail.

Your premium has been calculated on the basis of the extent of cover you have selected which is specified in the schedule, the information you have provided and the declaration you have made. Please read the policy and the schedule carefully to ensure that the cover meets your requirements.

Please contact your insurance adviser if you have any questions or if you wish to make adjustments. Your insurance adviser's details are:

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This policy consists of individual sections. You should read this policy in conjunction with the schedule which confirms the sections you are insured under and gives precise details of the extent of your insurance protection.

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Contact details for claims and help Services

As an Aviva customer, you can access additional services to help you keep your business running smoothly. For our joint protection telephone calls may be recorded and/or monitored.

Claims Service (Professional Indemnity Section)

Telephone: 0207 157 2569
E-Mail: prclms@aviva.co.uk
Postal Address:

The Senior Claims Manager
Aviva Corporate and Speciality Risk
80 Fenchurch Street
London
EC3M 4AE

Claims Service (All other Policy Sections) 0800 015 1498

A 24 hour, 365 days a year claims line providing you with emergency assistance whenever it is required. When we know about your problem, we will start to put the solutions in place.

Legal and Tax Helpline 0345 300 1899

Call this helpline anytime, day or night, for advice on legal or tax matters in the United Kingdom. Given in confidence, the advice is free and you pay for just the cost of the call.

Commercial Legal Protection 0345 300 1899

If you have Commercial Legal Protection cover, please call the helpline for legal advice as soon as you are aware of an incident. Please have your policy number to hand.

If you think you may need to claim, please call the helpline to request a claim form. We can only proceed with your claim when we have details of the incident in writing. A claim form is available to download at www.aviva.co.uk/legalprotection.

Risk Solutions Helpline 0345 366 6666

Call for advice on safety, fire, security and other issues that can affect your business. Most enquiries can be dealt with over the telephone, but if we can't give you an immediate answer, we will deal with your enquiry within one working day. This service is available during office hours with an answering service outside these times.

Counselling Service Helpline 0117 934 0105

This is a confidential service available to your staff to help deal with personal issues such as bereavement, divorce, the threat of violence in the workplace and bullying at work.

Website

www.cutredtape.co.uk

This is Aviva's free website offering many tools and resources to help you manage your business effectively. You'll get access to

- over 700 legal and business guides across HR, sales and marketing, finance, technology, law and risk management
- easy to use templates to build legal documents including employee contracts, health and safety policies, dismissal letters
- discounts on Legal Services
- email alerts on changes in law, legislation and regulation.

To register, please visit www.cutredtape.co.uk and use the voucher code CRTAVIVA for exclusive discounts on a range of legal documents and services.

Complaints Procedure

Our Promise of Service

Our goal is to give excellent service to all our customers but we recognise that things do go wrong occasionally. We take all complaints we receive seriously and aim to resolve all our customers' problems promptly. To ensure that we provide the kind of service you expect we welcome your feedback. We will record and analyse your comments to make sure we continually improve the service we offer.

What will happen if you complain

- We will acknowledge your complaint promptly.
- We aim to resolve all complaints as quickly as possible.

Most of our customers' concerns can be resolved quickly but occasionally more detailed enquiries are needed. If this is likely, we will contact you with an update within 10 working days of receipt and give you an expected date of response.

What to do if you are unhappy

If you are unhappy with any aspect of the handling of your insurance we would encourage you, in the first instance, to seek resolution by contacting your insurance adviser. You can write or telephone, whichever suits you, and ask your contact to review the problem.

Introduction

If you are unhappy with the outcome of your complaint you may refer the matter to the Financial Ombudsman Service at:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone:
0800 023 4567 (free from landlines) or
0300 123 9123

Or simply log on to their website at **www.financial-ombudsman.org.uk**.

Whilst we are bound by the decision of the Financial Ombudsman Service, you are not. Following the complaints procedure does not affect your right to take legal action.

Important Information

Choice of Law

The appropriate law as set out below will apply unless you and the insurer agree otherwise.

1. The law applying in that part of the United Kingdom, Channel Islands or Isle of Man in which you, the policyholder, normally live or (if applicable) the first named policyholder normally lives, **or**
2. In the case of a business, the law applying in that part of the United Kingdom, Channel Islands or Isle of Man where it has its principal place of business, or
3. Should neither of the above be applicable, the law of England and Wales will apply.

Financial Services Compensation Scheme

We are members of the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from this scheme if we cannot meet our obligations, depending on the type of insurance and the circumstances of your claim.

Further information about the scheme is available from the FSCS website **www.fscs.org.uk**.

Use of Language

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

Customers with Disabilities

This policy and associated documentation are available in large print, audio and braille. If you require any of these formats, please contact your insurance adviser.

Introduction

The Contract of Insurance

The policy, the information You have provided and/or the application form, the declaration made by You and The Schedule should be read together and form the contract of insurance between You, The Policyholder and Us, Aviva.

In return for You having paid or agreed to pay the premium for the Period of Insurance, We will indemnify You by payment or, at Our option, by reinstatement or repair, in respect of loss, liability, destruction, damage, accident or injury, to the extent of and subject to the terms contained in or endorsed on the policy.

Important

This policy is a legal contract. You must tell Us about any material circumstances which affect Your insurance and which have occurred either since the policy started or since the last renewal date.

A circumstance is material if it would influence Our judgement in determining whether to provide the cover and, if so, on what terms.

If You are not sure whether a circumstance is material ask Your insurance adviser.

If You fail to tell Us it could affect the extent of cover provided under the policy.

You should keep a written record (including copies of letters) of any information You give Us or Your insurance adviser when You renew this policy.

Breach of Term

We agree that where there has been a breach of any term (express or implied) which would otherwise result in Us automatically being discharged from any liability, then such a breach shall result in any liability We might have under this policy being suspended. Such a suspension will apply only from the date and time at which the breach occurred and up until the date and time at which the breach is remedied. This means that We will have no liability in respect of any loss occurring, or attributable to something happening, during the period of suspension.

Terms not relevant to the actual loss

Where there has been non-compliance with any term (express or implied) of this policy, other than a term that defines the risk as a whole, and compliance with such term would tend to reduce the risk of

- loss of a particular kind, and/or
- loss at a particular location, and/or
- loss at a particular time,

then We agree that We may not rely on the non-compliance to exclude, limit or discharge Our liability under this policy if You show that non-compliance with the term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.



Recognising You

Nobody recognises you like Aviva

Aviva is committed to providing a first-class service. We want you to feel that we recognise you and understand your requirements.

As a customer of our Facilities Management product, you will automatically benefit from a number of additional covers. You'll find more information about them within your policy wording.

Risk Management

By choosing Aviva, you will gain access to the following free risk management resources from Aviva Risk Management Solutions (ARMS).

Online Knowledge Store

Contains over 200 useful risk management fact sheets and templates.

Some of the advice available is particularly relevant to the construction industry, particularly working at height and CDM.

You can access the Knowledge Store by visiting <http://www.aviva.co.uk/yourbusiness/risk-management/>

Preferred Supplier Scheme

We have secured discounts from carefully vetted risk management providers, to help you protect your business. Some of these services are particularly relevant to your sector including:

assistance producing energy performance certificates, which have been a legal requirement for newly constructed commercial buildings since 2008.

Aviva insured customers also receive discounts off ARMS training and consultancy services:

Short courses – ideal if you are looking to understand your health and safety obligations and receive practical advice about how to meet them. The current programme includes a risk assessment and getting started in health and safety course.

Accredited training – ARMS is accredited to deliver a number of IOSH, CIEH, IEMA and NEBOSH courses. We boast amongst the highest pass rates in the industry reflecting the quality of our training.

We offer the NEBOSH National Certificate in Construction Safety and Health and are an Accredited Site Safety Plus Provider, meaning we offer tailored safety training for the construction industry.

In-company training – our team can adapt any course or develop a bespoke one to ensure that your specific requirements are addressed.

eTraining – Our online courses are quick and easy to complete making them ideal for those with limited time and resources. Our programme covers a range of topics including:

Consultancy – If you don't have an in-house safety resource or if your team needs expert assistance to address a particular safety issue, ARMS can help. The services available include fire risk assessments, safety audits and our competent person support service.

For further information about the services ARMS provides, call the team on 0345 366 6666 or visit <http://www.aviva.co.uk/yourbusiness/risk-management/>.

Policy Definitions

Each time We use one of the words or phrases listed below, it will have the same meaning wherever it appears in Your policy unless We state otherwise. A defined word or phrase will start with a capital letter each time it appears in the policy, for example Employee, except when used in the sections of this policy headed 'Introduction', 'Contents', 'Contact details for claims and help', 'Complaints Procedure' and 'Important Information' and in headings and titles.

Each Section of the policy contains definitions which apply to that particular Section and they must be read in conjunction with the following policy definitions.

Computer and Electronic Equipment

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

All information which is

- (1) electronically stored, or
- (2) electronically represented, or
- (3) 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, programs, software or firmware, code or series of instructions.

Data Storage Materials

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.

Defined Contingencies

- (1) fire
- (2) lightning
- (3) explosion
- (4) aircraft and other aerial devices or articles dropped from them
- (5) earthquake
- (6) riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances

- (7) storm or flood
- (8) escape of water from any tank, apparatus or pipe
- (9) falling trees
- (10) impact
- (11) escape of fuel from any fixed oil heating installation
- (12) malicious persons other than thieves
- (13) malicious persons other than thieves but only where involving entry into or exit from The Premises by forcible and violent means
- (14) theft or attempted theft
- (15) theft or attempted theft but only where involving entry into or exit from The Premises by forcible and violent means
- (16) theft involving violence or threat of violence to You, Your partners, directors or Employees.

Denial of Service Attack

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 system or network weaknesses, and the generation of excess or non genuine traffic within, between or amongst networks.

Employee

Any person who is

- (1) under a contract of service or apprenticeship with You
- (2) borrowed by or hired to You
- (3) a labour master or supplied by a labour master
- (4) employed by labour only sub-contractors
- (5) self-employed
- (6) under a work experience or training scheme
- (7) a voluntary helper
- (8) a governor
- (9) a trustee

while working under Your control in connection with The Business

- (10) an outworker or homeworker when engaged in work on Your behalf.

Policy Definitions

Excess/Excesses

The amount(s) specified in Your policy or The Schedule which We will deduct from each and every claim at each separate premises.

The amount(s) to be deducted after the application of any Average condition.

You will repay any such amount paid by Us.

Failure

Any partial or complete reduction in the

- (1) performance, or
- (2) availability, or
- (3) functionality, or
- (4) ability to recognise or process any data or time

of any

- (a) Computer and Electronic Equipment
- (b) electronic means of communication
- (c) website.

Loss of Data

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 Computer and Electronic Equipment or Data Storage Materials, including while stored on Data Storage Materials.

Money

Current

- (1) coins, bank and currency notes
- (2) postal and money orders, bankers' drafts, cheques and giro cheques
- (3) crossed warrants, bills of exchange and securities for money
- (4) postage, revenue, national insurance and holiday with pay stamps
- (5) national insurance and holiday with pay cards, national savings certificates, war bonds, premium savings bonds and franking machine impressions
- (6) credit company sales vouchers, luncheon vouchers and trading stamps
- (7) VAT invoices.

Period of Insurance

From the effective date until the expiry date (both shown in The Schedule) or any subsequent period for which We accept payment for renewal of this policy.

The Business

Activities directly connected with the business specified in The Schedule.

The Premises

The premises specified in The Schedule.

The Schedule

The document which specifies details of The Policyholder, The Premises, Property Insured, Sums Insured, Limits of Indemnity and any Excess(es), Endorsements and Conditions applying to this policy.

Unattended Vehicle

Any vehicle where neither You or any person(s) authorised by You are able to keep the vehicle under observation and able to observe and reasonably prevent any attempt to interfere with it.

Unoccupied

Any building or portion of a building that is

- (1) not physically occupied by You or Your Employees during Your normal working hours, and/or
- (2) not used for the purposes of The Business, and/or
- (3) empty, vacant, disused, untenanted or unfurnished, and/or
- (4) awaiting refurbishment, redevelopment, renovation or demolition

for a period in excess of 45 consecutive days.

Virus or Similar Mechanism

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.

We/Us/Our/Aviva

Aviva Insurance Limited.

You/Your/The Policyholder

The person, persons, company, companies, partnership, partnerships or unincorporated association, named in The Schedule as The Policyholder.

Asset Protection Property Damage – All Risks

Definitions

The following definitions apply to this Section, in addition to the Policy Definitions at the front of this policy, and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Damage

Physical loss, destruction or damage.

Property Insured

Property insured as detailed in The Schedule.

Cover

We will indemnify You in respect of Damage to the Property Insured occurring during the Period of Insurance at The Premises.

Basis of Claim Settlement – Indemnity

The basis upon which We will calculate the amount We will pay in respect of any claim will be

- (1) the cost of replacement or repair of the property lost, destroyed or damaged, to a condition as good as, but not better or more extensive than, its condition immediately prior to the Damage, or at Our option
- (2) the reduction in value of the Property Insured

unless the Basis of Claim Settlement – Reinstatement clause or any other alternate basis of settlement is stated to apply.

The Sum Insured under each item other than items applying solely to professional fees, rent, and removal of debris, is separately subject to Average. See Condition (1).

The maximum We will pay under this Section in any one Period of Insurance will not exceed

- (1) the Sum Insured on each item, or
- (2) the Total Sum Insured, or
- (3) any other maximum amount payable or limit of liability specified in this Section or The Schedule.

Conditions

The following conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

(1) Average

Where a Sum Insured is stated to be subject to average, this means that if at the time of Damage, the Sum Insured is less than the total value of the Property Insured, You will

- (a) be responsible for the difference
- (b) bear a proportionate share of the loss.

(2) Fire Extinguishing Appliances

You must maintain all fire extinguishing appliances on The Premises in full working order in accordance with the manufacturer's instructions.

(3) Our Rights

If Damage occurs which may lead to a claim We may

- (a) enter or take possession of the building or The Premises
- (b) take possession of, or require to be delivered to Us, the Property Insured which We will deal with in a reasonable manner

without incurring liability or reducing Our rights.

We will not pay for any Damage if You or anyone acting on Your behalf

- (i) do not comply with Our requirements
- (ii) hinder or obstruct Us.

You are not entitled to abandon property to Us.

(4) Change of Occupancy

You must tell Us immediately if

- (a) any building at The Premises becomes Unoccupied.
- (b) any Unoccupied building at The Premises becomes occupied.

(5) Construction Heating and Occupation of the Buildings

Unless otherwise stated in The Schedule the buildings are

- (a) constructed of brick, stone, or concrete
- (b) roofed with slates, tiles, concrete, metal or asbestos
- (c) heated by
 - (i) low pressure hot water or steam
 - (ii) oil fired space heaters fed from a fuel tank in the open
 - (iii) overhead gas or electrical appliances
 - (iv) gas or electric fires in offices only

or as expressly varied in accordance with details provided to Us

- (d) occupied for the sole purpose of The Business and otherwise only as a private dwelling.

(6) Interested Parties – Specified

In the event of Damage as insured by this Section interested parties, as stated in The Schedule, must declare the nature and extent of their interest.

Asset Protection Property Damage – All Risks

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of

- (1) Damage to the Property Insured caused by or consisting of
 - (a) an existing or hidden defect
 - (b) gradual deterioration or wear and tear
 - (c) frost or change in the water table level
 - (d) faulty or defective
 - (i) design
 - (ii) materials used in its construction
 - (e) (i) faulty or defective workmanship
 - (ii) operating error or omission
by You or any of Your Employees
- (f) caused by or consisting of the bursting of a boiler, economiser, vessel, machine or apparatus, not being used for domestic purposes where the internal pressure is due to steam only and belongs to You or is under Your control.

However, We will indemnify You in respect of any subsequent Damage which results from a cause not otherwise excluded.

- (2) Damage to the Property Insured caused by or consisting of
 - (a) (i) corrosion, rust or rot
 - (ii) shrinkage, evaporation or loss of weight
 - (iii) dampness or dryness
 - (iv) scratching
 - (v) vermin or insects
 - (vi) mould or fungus
- (b) change in
 - (i) temperature
 - (ii) colour
 - (iii) flavour
 - (iv) texture
 - (v) finish
- (c) (i) nipple or joint leakage
- (ii) failure of welds

(d) cracking, fracturing, collapse or overheating of a boiler, vessel, machine or apparatus in which internal pressure is due to steam only and any associating piping

(e) the Property Insured's own mechanical or electrical breakdown or derangement.

However, We will indemnify You in respect of

- (i) Damage not otherwise excluded which results from Defined Contingencies (1) to (12) or any other accidental cause
 - (ii) any subsequent Damage which results from a cause not otherwise excluded.
- (3) Damage to the Property Insured caused by pollution or contamination.

However, We will indemnify You in respect of Damage to the Property Insured not otherwise excluded caused by

 - (a) pollution or contamination which results from Defined Contingencies (1) to (12)
 - (b) Defined Contingencies (1) to (12) which results from pollution or contamination.
 - (4) Damage to the Property Insured caused by
 - (a) subsidence, ground heave or landslip unless
 - (i) resulting from fire, explosion, earthquake or escape of water from any tank, apparatus or pipe, or
 - (ii) specifically mentioned as insured in The Schedule
 - (b) normal settlement of new structures
 - (c) acts of fraud or dishonesty
 - (d) (i) disappearance
 - (ii) unexplained or inventory shortage
 - (iii) misfiling, misplacing of information or clerical error
 - (e) theft or attempted theft.

However, We will indemnify You in respect of 4 (a) for Damage to Property Insured other than Buildings and not otherwise excluded.

- (5) Damage to any building or structure caused by its own cracking or collapse.

However, We will indemnify You in respect of such Damage if it results from Defined Contingencies (1) to (12) and is not otherwise excluded.

- (6) Damage to
 - (a) gates
 - (b) fences
 - (c) moveable property in the openby
 - (i) wind

Asset Protection Property Damage – All Risks

- (ii) rain, hail, sleet or snow
- (iii) flood
- (iv) dust.

However, We will indemnify You for Damage to such property caused by falling trees and not otherwise excluded.

(7) Damage

- (a) to the Property Insured by fire resulting from its undergoing any process involving the application of heat.
- (b) to that portion of the Property Insured caused by its own self ignition, leakage of electricity, short circuiting, or over running.
- (c) resulting from the Property Insured undergoing any process of
 - (i) production or packaging
 - (ii) treatment, testing or commissioning
 - (iii) servicing or repair.

However, We will indemnify You in respect of such Damage if it is caused by fire or explosion and is not otherwise excluded.

(8) Damage to the Property Insured caused by

- (a) escape of water from any tank, apparatus or pipe
- (b) malicious persons

when The Premises are Unoccupied other than by fire or explosion.

(9) Damage to glass, china, earthenware, marble or other fragile objects, which do not form part of the structure of the Buildings or its fixtures and fittings, unless specifically mentioned as insured in The Schedule.

However, We will indemnify You in respect of such Damage if it results from Defined Contingencies (1) to (12) and is not otherwise excluded.

(10) Damage to

- (a) vehicles licensed for road use including accessories on or attached to them
- (b) caravans or trailers
- (c) railway locomotives or rolling stock
- (d) watercraft or aircraft
- (e) property in the course of construction including materials for use in the construction
- (f) land, roads or pavements, piers, jetties, bridges, culverts or excavations

However, We will indemnify You if such property is specifically stated as insured in The Schedule and the Damage is not otherwise excluded.

(11) Damage

- (a) insured by any marine policy
- (b) which would be insured under any marine policy if this policy did not exist.

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

(12) Damage more specifically insured by You or on Your behalf.

(13) any consequential loss or damage.

However, We will indemnify You in respect of rent when this item(s) is specifically mentioned as insured in The Schedule.

(14) any Damage to the Property Insured resulting directly or indirectly from or in connection with any of the following regardless of any other cause or event contributing concurrently or other sequence to the loss

- (a) Terrorism
- (b) civil commotion in Northern Ireland
- (c) any action taken in controlling, preventing, suppressing, or in any way relating to (a) and/or (b) above.

Terrorism means

- (i) in respect of Damage occurring in England, Wales and Scotland only (but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man or the Channel Islands)

acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence Her Majesty's government in the United Kingdom or any other government de jure or de facto

- (ii) in respect of Damage occurring in any territory not specified in (i) above any act or acts including but not limited to

- the use or threat of force and/or violence and/or
- harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

In any action, suit or other proceedings where We allege that any Damage results from Terrorism as defined above and is therefore not covered by this Section, the burden of proving that any such Damage is covered under this Section will be upon You.

Asset Protection Property Damage – All Risks

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

However, We will indemnify You in respect of subsequent Damage to the Property Insured caused by or resulting from Defined Contingencies (1) to (11) and (13) which is not otherwise excluded.

- (16) the Excess stated in The Schedule.
- (17) Damage to grounds or landscaping
 - (a) the cost of moving soil other than as necessary for surface preparation
 - (b) the failure of trees, shrubs, plants or turf to become established
 - (c) the failure of seeds to germinate
 - (d) damage caused by disease, infection or application of chemicals.

Asset Protection Property Damage – Additional Contingencies

Additional Contingencies

The following Additional Contingencies apply to the Property Damage – Specified Contingencies Section and/or the Property Damage – All Risks Section where stated in The Schedule.

Subsidence

We will indemnify You in respect of Damage at The Premises caused by subsidence or ground heave of the site of the Property Insured, or landslip.

We will only indemnify You in respect of Damage to

- (1) forecourts, car parks, driveways, footpaths, swimming pools, terraces or patios
 - (2) walls, gates, hedges or fences
- if
- (a) such property is specifically insured by this Section, and
 - (b) Damage also occurs to the building to which such property applies and that building is insured by this Section.

We will not indemnify You in respect of

- (1) Damage caused by
 - (a) collapse of any building
 - (b) the normal settlement, shrinking and cracking of any building
 - (c) coastal or river erosion
 - (d) defective design or inadequate construction of foundations
 - (e) any demolition, construction, erection, ground or excavation works, carried out at the site of The Premises or the site of any adjoining premises, unless We have agreed otherwise in writing
 - (f) settlement or movement of made up ground.
- (2) Damage as a result of movement of solid floor slabs.

However, We will indemnify You in respect of Damage not otherwise excluded if there is Damage to the foundations beneath the exterior walls of The Premises at the same time.
- (3) the Excess stated in The Schedule.

Asset Protection Property Damage and Theft – Clauses

Property Damage and Theft – Clauses

The following clauses apply to the Property Damage – Specified Contingencies Section and/or Property Damage – All Risks Section and/or Theft Section if stated as insured in The Schedule, except where otherwise stated.

All Other Contents

This term includes

- (1) documents, manuscripts and business books
- (2) Data Storage Materials
- (3) plans and designs

which require to be replaced and are capable of being replaced, belonging to You or held by You in trust for which You are responsible while

- (1) at The Premises
- (2) temporarily removed to any premises not occupied by You
- (3) in transit by road, rail or inland waterway

all in England, Wales, Scotland, Northern Ireland, the Republic of Ireland, the Channel Islands and the Isle of Man

but only for

- (a) the value of the physical materials
- (b) the costs of labour incurred in replacing them and the Data thereon
- (c) the costs necessarily and reasonably incurred in collating such data from existing source material.

The maximum We will pay in respect of

- (i) documents, manuscripts, business books, plans and designs is £250,000
- (ii) Data Storage Materials is £25,000

for any one claim and in any one Period of Insurance.

We will not pay for the value to You of any information lost.

- (4) pedal cycles, tools and other personal items belonging to You or any of Your directors, Employees, customers or visitors but only if they are not otherwise insured.

The maximum We will pay for any one person's property is £1,000 in total for any one claim.

- (5) rare books, antiques, paintings, or other works of art.

The maximum We will pay is £2,500 in respect of any one item and £10,000 in total for any one claim.

- (6) wines, spirits, cigarettes and tobacco held at The Premises for Your own private and business entertainment purposes.

The maximum We will pay is £1,000 in respect of any one claim.

Automatic Gas and Sprinkler Installation Upgrade Costs

Following Damage We will pay the additional costs incurred to upgrade an automatic gas fire suppression system or sprinkler installation at The Premises in order to meet current gas fire suppression system or sprinkler installation rules, solely as required by Us, provided that at the time of Damage the installation conforms to gas fire suppression system or sprinkler installation rules current at the time of installation and that system has a complete service record up to the date of the Damage.

The maximum We will pay in respect of any one claim is £100,000.

Automatic Reinstatement

The Sums Insured stated in The Schedule will not be reduced by the amount of any claim unless We or You give notice to the contrary.

You must pay any additional premium required by Us to reinstate the Sums Insured.

Basis of Claim Settlement – Reinstatement

In the event of Damage to the Property Insured, excluding any items on

- (i) Stock and Materials in Trade
- (ii) professional fees
- (iii) debris removal
- (iv) rent
- (v) pedal cycles and personal effects
- (vi) motor vehicles
- (vii) Computer and Electronic Office Equipment

the basis upon which We will calculate the amount We will pay in respect of any claim will be the reinstatement of the property lost, destroyed or damaged, subject to the following conditions

- (1) Where the Property Insured is
 - (a) lost or destroyed, We will pay for its rebuilding or replacement by similar property in a condition as good as, but not better or more extensive than, its condition when new.
 - (b) damaged, We will pay for the replacement or repair of the damaged portion to a condition as good as, but not better or more extensive than, its condition when new.However, We will not pay more than We would have done if the property has been completely destroyed.

Asset Protection Property Damage and Theft – Clauses

- (2) Where Computer and Electronic Office Equipment is insured by this Section and such property is
- (a) lost or destroyed beyond economic repair, We will pay for its replacement by new Computer and Electronic Office Equipment of equal performance and/or capacity but if this is not possible, by Computer and Electronic Office Equipment with the nearest higher performance and/or capacity.
 - (b) damaged, if an economic repair is possible, We will pay for the repair of the Computer and Electronic Office Equipment, to its condition when new.

However, We will not pay more than We would have done if Computer and Electronic Office Equipment had been completely destroyed.

- (3) (1) and (2) above includes the costs necessary to comply with any
- (a) European Union Legislation
 - (b) Act of Parliament
 - (c) Bye laws of any public authority.

We will not indemnify You

- (a) in respect of the costs incurred
 - (i) for Damage not insured by this Section
 - (ii) where notice was served on You before the Damage occurred
 - (iii) where an existing requirement must be completed within a stipulated period
 - (iv) for property or parts of the property, other than foundations (unless foundations are specifically excluded), which have not suffered Damage
- (b) in respect of any charge or assessment arising from capital appreciation following compliance with any legislation or Bye law.

- (4) The work of reinstatement
- (a) may be carried out on another site and in a manner suitable to Your needs. However,
 - (i) Our liability must not be increased
 - (ii) this will not apply when The Premises are Unoccupied unless We have agreed otherwise in writing.
 - (b) must begin and be carried out as quickly as possible.

- (5) The following condition of Average will apply.

If the Sum Insured at the time the Damage occurred is less than 85% of the amount necessary to replace the whole of the Property Insured and/or Computer and Electronic Office Equipment, at the time of rebuilding or replacement, You will be liable to bear a proportionate share of the loss.

- (6) We will not indemnify You if You
- (a) do not incur the cost of replacing or repairing the Property Insured and/or Computer and Electronic Office Equipment.
 - (b) or someone acting on Your behalf, have insured the property under another policy which does not have a similar basis of reinstatement.
 - (c) do not comply with any of the terms of this clause.
- However, the Basis of Claim Settlement – Indemnity will apply.

For the purposes of this clause Computer and Electronic Office Equipment means

- (a) all computers, computer installations and systems, microchips, integrated circuits, microprocessors, embedded systems, hardware, data processing equipment, information repository, equipment capable of processing data and or similar devices, whether physically or remotely connected thereto
- (b) personal computers, laptops, small micro computers and similar equipment used for processing electronic data and which are designed to be carried by hand
- (c) all electronic office equipment including telecommunications equipment, facsimile, printing and photocopying machines.

Computer and Electronic Office Equipment does not include

- (i) Portable equipment away from The Premises
- (ii) Computer and Electronic Office Equipment held as stock or customers' Computer and Electronic Office Equipment held in trust
- (iii) Computer and Electronic Office Equipment controlling or monitoring any manufacturing process.

Basis of Claim Settlement – Rent

If rent is insured under this Section, We will indemnify You in respect of loss of rent resulting from the Building or any part of the Building

- (1) generating the rent received, or
- (2) for which rent is payable

being made unfit for the purpose of The Business as a result of Damage insured by this Section.

The maximum amount that We will pay You in respect of loss of rent will be the proportion of the Rent Sum Insured that would have been payable during the period from the date of the Damage until the Building is repaired or reinstated.

Capital Additions

We will indemnify You in respect of Damage to

- (1) new Buildings and/or Machinery and Plant built or acquired during the Period of Insurance

Asset Protection Property Damage and Theft – Clauses

- (2) alterations, additions and improvements to Buildings and/or Machinery and Plant made during the Period of Insurance, but not in respect of any appreciation in value

situate anywhere in England, Wales, Scotland, Northern Ireland, the Channel Islands and the Isle of Man.

The maximum We will pay in respect of any one premises is

- (1) 10% of the total Buildings and Machinery and Plant Sum Insured under this Section
or
(2) £500,000

whichever is the lower.

You must

- (a) provide Us with details of such additional Buildings and/or Machinery and Plant as soon as possible but, in any event,
(i) within six months of the date You became responsible for the insurance of such Buildings and Machinery and Plant
and
(ii) before the expiry of the Period of Insurance
(b) specifically insure such property with Us from the date Our liability commenced
(c) pay the agreed additional premium.

In respect of any Unoccupied premises insured under the provisions of this clause, We will only indemnify You in respect of Defined Contingencies (1) to (6) and (10).

We will not indemnify You unless

- (1) a certificate of completion has been issued, or
(2) works to such property has been completed and handed over to You
prior to the date of the Damage.

Change in Temperature

The insurance on each Building, Machinery and Plant and Stock and Materials in Trade item stated in The Schedule, extends to include Damage caused by change in temperature, resulting from total or partial destruction or disablement of refrigerating, electrical or conditioning plant or apparatus, by any Contingency stated as applicable in The Schedule.

Contract Sale Price

If Stock and Materials in Trade which have been sold but not yet delivered, suffer Damage insured by this Section, and as a result the contract of sale is cancelled under the conditions of sale, Our liability will be calculated on the basis of the contract price for the Stock and Materials in Trade which have suffered Damage.

Any calculation for the purpose of Average will be on the basis of the contract price for all Stock and Materials in Trade which have been sold but not yet delivered, whether suffering Damage or not.

Customers' Goods

Any Stock and Materials in Trade Item(s) stated in The Schedule extends to include

- (1) Your customers' goods
(2) goods for which Your customers are legally responsible

while these goods are temporarily in Your custody or control and for which You have accepted responsibility but only to the extent that they are not more specifically insured.

Day One Basis of Settlement

For each Item of Property Insured to which this clause applies (as stated in The Schedule).

- (1) The first and annual premiums are based upon the Declared Value as stated in The Schedule.

Declared Value shall mean

Your assessment of the cost of reinstatement of the Property Insured arrived at in accordance with paragraph (1) of the Basis of Settlement – Reinstatement Clause at the level of costs applying at the start of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with an allowance for

- (a) the additional cost of reinstatement to comply with
(i) European Union Legislation
(ii) Act of Parliament
(iii) Bye laws of any public authority

- (b) professional fees
(c) debris removal costs.

The Declared Value incorporated in each Item is stated in The Schedule.

- (2) You must notify Us of the Declared Value at the start of each Period of Insurance.

If You fail to notify Us of the Declared Value at the start of any Period of Insurance, We will use the last Declared Value notified to Us for the following Period of Insurance.

- (3) Paragraphs (5) and (6) of the Basis of Settlement – Reinstatement are restated as follows
(5) if, at the time of the Damage, the Declared Value is less than the cost of reinstatement of the Property Insured, arrived at in accordance with paragraph (1) of this Clause, at the start of the Period of Insurance, Our liability for any Damage will be limited to that proportion which the Declared Value bears to the cost of reinstatement of the Property Insured arrived at in accordance with paragraph (1) of this Clause.

Asset Protection Property Damage and Theft – Clauses

- (6) We will not indemnify You
 - (a) until You have incurred the cost of replacing or repairing the property
 - (b) if You, or someone acting on Your behalf, have insured the property under another policy which does not have the same basis of reinstatement
 - (c) if You do not comply with any of the provisions of this Clause.

However the Sums Insured will be limited to 108% of the Declared Values stated in The Schedule.

- (4) The maximum We will pay in respect of each separate location subject to this Clause is as stated in The Schedule.

Debris Removal

Unless a separate item for costs of removal of debris is insured under this Section, the Sum Insured for each item on Buildings, Machinery and Plant and Stock and Materials in Trade in The Schedule, includes costs and expenses You incur with Our consent for

- (1) the removal of debris
- (2) dismantling
- (3) demolishing
- (4) shoring up or propping of those parts

of the Property Insured which have suffered Damage.

We will not indemnify You in respect of such costs and expenses

- (1) incurred in removing debris from anywhere other than the site of the Damage and the area immediately adjacent to it
- (2) arising from pollution or contamination of property not insured by this Section
- (3) more specifically insured.

The maximum We will pay for costs and expenses in respect of Stock and Materials in Trade is £25,000.

Description of Property

In determining the item under which property is insured We will accept the description given in Your business records.

Drains

The Sum Insured under each Buildings and/or Machinery and Plant item includes costs and expenses You incur with Our consent for cleaning and/or clearing of

- (1) drains
- (2) sewers
- (3) gutters

for which You are responsible following Damage to the Property Insured.

Exhibitions

We will indemnify You in respect of Damage insured by this Section to Stock and Materials in Trade and/or Machinery and Plant while

- (1) at any exhibition which does not exceed seven days
- (2) in the course of demonstration, construction, erection or dismantling at any such exhibition
- (3) in transit thereto and there from
in the European Economic Area.

The maximum We will pay in respect of any one claim is £25,000.

We will not indemnify You in respect of Damage

- (1) caused by or happening through
 - (a) defective or inadequate packing, insulation or labelling
 - (b) evaporation or ordinary leakage
 - (c) delay
 - (d) inadequate documentation
 - (e) shortage in weight.
- (2) occurring outside of the European Economic Area.

Falling Trees

This clause will not apply under any Property Damage – Specified Contingencies Section unless Contingency Storm and Falling Trees or Storm, Flood and Falling Trees is stated as applicable in The Schedule.

We will indemnify You in respect of

- (i) the cost of removing fallen trees belonging to You or for which You are responsible but only where there has been Damage to property
- (ii) the cost of felling, lopping or pruning trees belonging to You or for which You are responsible at The Premises to prevent the immediate threat of Damage to property or for safeguarding life.

The maximum We will pay in respect of (i) and/or (ii) above is £2,500.

Fire and Rescue Services Damage

We will indemnify You in respect of costs and expenses incurred in reinstating or repairing landscape gardens and grounds following damage caused by the Fire and Rescue Services or other emergency services equipment or personnel in the course of combating fire.

The maximum We will pay in respect of any one claim is £25,000.

Asset Protection Property Damage and Theft – Clauses

Fire and Security Equipment

We will indemnify You in respect of costs and expenses incurred in

- (1) refilling, recharging or replacing any
 - (a) portable fire extinguishing appliances
 - (b) local fire suppression system
 - (c) fixed fire suppression system
 - (d) sprinkler installation
 - (e) sprinkler heads
- (2) re-setting fire and/or intruder alarms and/or closed circuit television equipment

following Damage insured by this Section.

The maximum We will pay in respect of any one claim is £25,000.

If in relation to any claim under this clause You have failed to fulfil the following condition, You will lose Your right to indemnity or payment for that claim.

You must maintain all such equipment in accordance with the manufacturer's instructions.

We will not indemnify You in respect of any costs and expenses recoverable from Your maintenance company or Fire and Rescue Service.

Foundations

Where any Buildings Sum Insured stated in The Schedule is subject to Average, the Sum Insured includes

- (1) that portion of the foundations within a 60 centimetre radius around and below a structural column or superstructure support
- (2) that portion of the foundations less than eight centimetres below the floor level of the lowest storey
- (3) machinery foundations.

We will not indemnify You in respect of any other portion of foundations.

Hire Agreement

If the Property Insured by this Section is the subject of hire agreements, We will include the interest of the owners in any indemnity provided by this Section.

You must provide the name of any other interested party in the event of a claim.

Incompatibility of Software or Programs

If Damage to Computer and Electronic Office Equipment results in existing software or programs being incompatible with the replacement Computer and Electronic Office Equipment (as defined in the Basis of Settlement – Reinstatement clause above,) We will, at Our option, indemnify You in respect of either

- (1) the necessary modifications to the replacement Computer and Electronic Office Equipment,
- (2) the conversion of the existing software or programs into a format which is compatible with the replacement Computer and Electronic Office Equipment, and the cost of replacing incompatible Data Carrying Materials where necessary.

The maximum We will pay for any or all claims arising out of one cause is £25,000 or the Sum Insured specified in The Schedule.

Lamps, Signs and Nameplates

We will indemnify You in respect of Damage to

- (1) lamps
- (2) signs
- (3) nameplates

at The Premises.

The maximum We will pay in respect of any one item is £1,000.

Loss of Metered Utility Supplies (Unauthorised Use)

We will indemnify You for the cost of metered water, gas, oil and electricity for which You are legally responsible arising from Damage as insured by this Section or unauthorised use by persons taking possession, keeping possession or occupying The Premises without Your authority provided that:

- (1) practicable steps are taken to terminate such unauthorised use as soon as it is discovered
- (2) The maximum We will pay for any one loss is £25,000.

Machinery Re-erection Costs

The Sum Insured for each Machinery and Plant item extends to include the cost of re-erecting machinery following Damage insured by this Section.

Metered Services

We will indemnify You for charges for which You are responsible if water, electricity or gas is accidentally discharged from a metered system providing service to The Premises.

The maximum We will pay in respect of any one claim is £25,000.

Asset Protection Property Damage and Theft – Clauses

Non-invalidation

The insurance by this Section will not be invalidated by any act, omission or alteration, either unknown to You or beyond Your control, which increases the risk of Damage.

However, You must

- (1) notify Us immediately You become aware of any such act, omission or alteration, and
- (2) pay any additional premium We require.

Professional Fees

Unless a separate item for professional fees is insured under this Section, the Sum Insured for each item on Buildings and Machinery and Plant includes an amount for necessary and reasonable professional fees, incurred in reinstating or repairing the Property Insured following Damage insured by this Section.

We will not indemnify You in respect of fees

- (1) more specifically insured
- (2) incurred in preparing a claim
- (3) incurred without Our consent.

Seasonal Increase

The Sum Insured for each item of Stock and Materials in Trade in The Schedule is increased by 25% or £500,000, whichever is the lower, during the months of November, December and January or for any other period selected by You and stated in The Schedule.

Services

Where Buildings are insured under this Section or You are liable as a tenant, We will indemnify You in respect of Damage to service pipes and cables, including their associated meters and instruments, which connect The Premises to the public mains.

Subrogation

In the event of any claim under this Section, We agree to waive any rights, remedies or relief to which We may be entitled by subrogation against any company

- (1) whose relationship to You is either a parent or subsidiary
 - (2) which is a subsidiary of a parent company of which You are a subsidiary
- as defined within the relevant legislation current at the time of Damage.

Temporary Removal

We will indemnify You in respect of Damage to the Property Insured except for

- (1) documents, manuscripts, business books, Data Storage Materials, plans and designs
and
 - (2) Stock and Materials in Trade
- while temporarily removed for cleaning, renovation or repair or similar purposes

- (1) to another part of The Premises
- (2) to any other premises in England, Wales, Scotland, Northern Ireland, the Republic of Ireland, the Channel Islands and the Isle of Man including whilst in transit by road, rail or inland waterway.

The maximum We will pay in respect of any one claim is 15% of the item Sum Insured specified in The Schedule.

We will not indemnify You in respect of

- (a) property more specifically insured
- (b) Damage occurring elsewhere than at The Premises to motor vehicles or motor chassis licensed for normal road use
- (c) property removed for more than 90 consecutive days unless We agree a longer period in writing.

Temporary Repair Costs

We will, at Our option, indemnify You in respect of the additional costs necessarily and reasonably incurred in making temporary repairs in the event of Damage to the Property insured under this Section.

The maximum We will pay in respect of any one claim is £50,000.

Theft Damage to Buildings

This clause will not apply under any Property Damage – Specified Contingencies Section unless Contingency Riot, Civil Commotion and Malicious Damage applies in The Schedule.

Where Buildings are insured under this Section, We will indemnify You in respect of Damage to such Buildings including landlords' fixtures and fittings at The Premises caused by theft or attempted theft not involving entry into or exit from The Premises by forcible and violent means.

We will not indemnify You in respect of Damage

- (a) caused to any property other than buildings and landlords' fixtures and fittings
- (b) caused by any person lawfully on The Premises
- (c) while The Premises are Unoccupied
- (d) more specifically insured by You or on Your behalf.

The maximum amount We will pay is £25,000 for any one claim and in any one Period of Insurance.

Trace and Access

We will indemnify You in respect of reasonable costs and expenses incurred with Our consent

- (1) in locating the actual source of Damage
and
- (2) any repairs directly arising from (1)

Asset Protection Property Damage and Theft – Clauses

caused by the escape of water from any tank, apparatus or pipe or leakage of fuel from any fixed oil heating installation, provided such Damage is insured by this Section.

The maximum We will pay in respect of any or all claims in any one Period of Insurance is £25,000.

Trade Samples

We will indemnify You in respect of Damage to trade samples whilst anywhere in the European Economic Area including while in transit thereto and therefrom.

The maximum We will pay is

- (1) £500 in respect of any one item
and
- (2) £10,000 for any one claim.

Transfer of Interest

If at the time of Damage to a Building insured under this Section You have entered into a contract to sell Your interest in it but

- (1) the contract has not yet been completed, and
- (2) the building has not yet been insured by or on behalf of the purchaser.

We will indemnify the purchaser to the extent that this Section insures the Building if the purchase is subsequently completed.

This will not affect either Your or Our rights and liabilities up to the date of completion of the purchase.

Underground Services

Where Buildings are insured under this Section or You are responsible for repairs, We will indemnify You in respect of accidental damage to underground

- (a) pipes
- (b) cables

which extend from the buildings to the public mains.

We will not indemnify You in respect of

- (1) the cost of maintenance

- (2) damage caused by
 - (a) (i) gradual deterioration or wear and tear
 - (ii) corrosion, rust, rot, mould or fungus
 - (iii) vermin or insects
 - (iv) atmospheric or climatic conditions
 - (v) normal settlement or shrinkage
 - (b) faulty workmanship, defective design or the use of defective materials
- (3) the Excess stated in The Schedule.

Workmen

Repairs and minor structural alterations may be carried out at The Premises without affecting the Cover.

Asset Protection Theft

Definitions

The following Definitions apply to this Section in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section unless an alternative definition is stated to apply.

Damage

Physical loss, destruction or damage.

Property Insured

Property insured as detailed in The Schedule.

Cover

We will indemnify You in respect of Damage to the Property Insured occurring during the Period of Insurance

- (1) in The Premises by theft or attempted theft
- (2) in respect of buildings at The Premises where You are responsible for the repairs by theft or attempted theft involving entry into or exit from The Premises by forcible and violent means
- (3) by theft involving violence or threat of violence to You, Your partners, directors or Employees.

Basis of Claim Settlement – Indemnity

The basis upon which We will calculate the amount We will pay in respect of any claim will be

- (1) the cost of replacement or repair of the property lost, destroyed or damaged, to a condition as good as, but not better or more extensive than, its condition immediately prior to the Damage
or at Our option
- (2) the reduction in value of the Property Insured
unless the Basis of Claim Settlement – Reinstatement clause or any other alternate basis of settlement is stated to apply.

The maximum We will pay under this Section in any one Period of Insurance will not exceed

- (1) the Sum Insured on each item, or
- (2) the Total Sum Insured, or
- (3) any other maximum amount payable or Limit of Liability specified in The Schedule.

Clauses

The following Clauses apply to this Section in addition to the Property Damage and Theft – Clauses.

Changing Locks

We will indemnify You in respect of the cost of changing locks at The Premises following loss of keys, including safe keys, by theft or attempted theft from

- (1) The Premises
- (2) Your home
- (3) Your directors' homes
- (4) Your authorised Employees' homes

or while in Your custody or that of an Employee following theft involving violence or threat of violence to You or an Employee.

If the keys belong to a safe they must be

- (i) removed from The Premises overnight
- (ii) kept in a secure place away from the safe when You or an Employee occupy The Premises.

The maximum We will pay in respect of any one loss is £5,000.

Theft of Computers and Audio Visual Equipment

Cover under Item 1 of this Section extends to include computer hardware and software, audio and visual equipment at The Premises.

The maximum We will pay for any one claim in respect of such items will be the Sum Insured under Item 1 or £100,000 whichever is the lower.

Conditions

The following Conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

(1) Average

Each of the Sums Insured shown in The Schedule is subject to average. This means that if at the time of Damage, the Item Sum Insured is less than the total value of the Property Insured, You will

- (a) be responsible for the difference
- (b) bear a proportionate share of the loss.

Asset Protection Theft

(2) Our Rights

If Damage occurs which may lead to a claim We may

- (a) enter or take possession of the building or The Premises
- (b) take possession of, or require to be delivered to Us, the Property Insured which We will deal with in a reasonable manner

without incurring liability or reducing Our rights.

We will not pay for any Damage if You or anyone acting on Your behalf

- (i) do not comply with Our requirements
- (ii) hinder or obstruct Us.

(3) Protections

If in relation to any claim in respect of Damage caused by theft or attempted theft, You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

Whenever The Premises are

- (a) closed for business, or
- (b) left unattended

You must ensure that all security devices provided to protect The Premises are properly fitted and put into full operation.

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of

- (1) Damage
 - (a) in any part of The Premises not occupied by You in connection with The Business
 - (b) in yards, open sided buildings, compounds, or other open spaces unless specifically mentioned in The Schedule
 - (c) when The Premises are Unoccupied
 - (d) caused by or consisting of acts of fraud or dishonesty
 - (e) caused by or consisting of
 - (i) disappearance
 - (ii) unexplained or inventory shortage
 - (iii) misfiling, misplacing of information or clerical error.

- (2) Damage to
 - (a) electronic audio and visual equipment
 - (b) cigarettes, cigars, tobacco, wines, spirits and other alcoholic drinks exceeding £1,000 in total
 - (c) computer hardware and software
 - (d) explosives and hazardous substances
 - (e) furs, curios and antiques
 - (f) gold and silver articles
 - (g) goods held in trust or on commission
 - (h) jewellery and precious stones
 - (i) Money and bullion
 - (j) non-ferrous metals exceeding £10,000 in total
 - (k) securities and bonds
 - (l) rare books and works of artunless specifically mentioned as insured in The Schedule.

- (3) Damage
 - (a) where You or Your partners, directors or Employees or any member of Your household is involved as principal or accessory
 - (b) caused by any person lawfully in The Premises.
- (4) Damage to property more specifically insured by You or on Your behalf
- (5) any consequential loss or damage
- (6)
 - (a) Loss of Data
 - (b) any Damage to Computer and Electronic Equipment or Failure resulting directly or indirectly from, or in connection with
 - (i) Virus or Similar Mechanism
 - (ii) Denial of Service Attack
 - (iii) unauthorised access to or use of Computer and Electronic Equipment.However, We will indemnify You in respect of subsequent Damage to the Property Insured caused by or resulting from Defined Contingencies (15) and (16) which is not otherwise excluded.
- (7) the Excess stated in The Schedule.

Asset Protection Computer and Electronic Business Equipment

Definitions

The following definitions apply to this Section in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Accident

- (1) Damage which is insured under this Section.
- (2) Damage which is recoverable under guarantee, maintenance, rental, hire or lease agreement on the Equipment.
- (3) Damage to Equipment which is not subject to a Maintenance Agreement arising from its own breakdown or derangement.
- (4) Prevention of Access.
- (5) The accidental failure or fluctuation of Your supply of electricity at the terminal ends of Your suppliers feed to The Premises from any cause which is not specifically excluded.
- (6) The accidental failure of the internal distribution wiring within The Premises for supply of electricity from the terminal ends of Your suppliers feed to the Equipment from any cause which is not specifically excluded.
- (7) The accidental failure of any telecommunication links to the Equipment at The Premises from any cause which is not specifically excluded.
- (8) Damage to data contained in Data Carrying Materials and fixed disks resulting from an identifiable cause which is discovered during the Period of Insurance.

Damage

Loss, destruction or damage.

Data Carrying Materials

Current and back-up

- (1) disks
- (2) tapes
- (3) other materials

incorporating stored programs or data.

We will not indemnify You in respect of fixed disks and paper records.

Equipment

The following items specified as insured in The Schedule which belong to You or for which You are responsible including software or programs contained in or for use with the Equipment.

We will not indemnify You for property which is more specifically insured.

Computer and Electronic Business Equipment

Equipment, including

- (a) fixed disks
- (b) interconnected wiring
- (c) air conditioning and cooling equipment
- (d) generating and voltage regulating equipment
- (e) satellite, telecommunication links and computerised telephone exchanges, printers, photocopiers and facsimile machines
- (f) electronic access equipment
- (g) temperature and humidity recording equipment
- (h) Data Carrying Materials
used for processing, communicating and storing electronic data.

We will not indemnify You in respect of

- (1) Equipment held as stock.
- (2) customer's equipment.
- (3) digital cameras and similar machinery not used for the processing of electronic data.
- (4) Equipment which controls or monitors any manufacturing process.

Portable Equipment

Computer and Electronic Business Equipment designed to be carried by hand used away from The Premises. This includes, but is not limited to, Laptops, Palmtops and Handheld Computers.

Europe

The member countries of the European Union, Iceland, Liechtenstein and Norway.

Indemnity Period

The period during which The Business results are affected due to an Accident, beginning with the occurrence of the Accident and ending not later than the Maximum Indemnity Period.

Maintenance Agreement

A contract providing on-call remedial or corrective maintenance which includes the cost of parts and labour.

Maximum Indemnity Period

The number of months stated in The Schedule.

Asset Protection Computer and Electronic Business Equipment

Prevention of Access

- (1) Damage to property which is within one mile of the boundary of The Premises, or
- (2) the exercise by any public or police authority of its powers for the sole purpose of safeguarding life or property due to an emergency event within one mile of the boundary of The Premises

which prevents You gaining access to the property or using the Equipment.

Damage to Equipment Cover

We will indemnify You in respect of Damage to the Equipment occurring during the Period of Insurance at The Premises.

The maximum We will pay in any one Period of Insurance will not exceed the Sum Insured stated on the item and any additional sums stated by a clause.

Clauses

The following clauses apply to Damage to Equipment.

Accidental Discharge of Gas Systems

We will indemnify You in respect of the costs incurred in refilling the cylinders of any gas flooding systems installed solely for the protection of the Equipment provided that the discharge is accidental.

The maximum We will pay in respect of any one claim is £25,000.

Additional Equipment

We will indemnify You in respect of Damage to additional Equipment acquired in the Period of Insurance.

The maximum We will pay in respect of any one location is

- (1) 25% of the Total Sum Insured specified in The Schedule under Damage to Equipment,
or
- (2) £250,000

whichever is the lower.

You must provide Us with details of such additional Equipment as soon as possible and specifically insure such property with Us from the date Our liability commenced for an agreed additional premium.

Additional Interests

Where the Equipment is the subject of hire purchase, lease or other agreements, the interest of those other parties to these agreements is noted under this policy. The nature and extent of interests must be disclosed to Us in the event of any Damage.

Anti-Theft Devices

When Damage occurs to any anti-theft device which is permanently fitted to the Equipment We will indemnify You in respect of the costs incurred to replace or repair the device.

The maximum We will pay in respect of any one claim is £25,000.

Basis of Settlement and Average

In the event of Damage to the Equipment, the basis upon which We will calculate the amount We will pay for any claim will be as follows.

Where the Equipment

- (a) cannot be repaired economically We will pay for its replacement with Equipment of similar capacity and specification to that of the damaged Equipment when new but not of better or higher specification. If Equipment of a similar capacity is unavailable then We will pay for Equipment with the next highest capacity.
- (b) is repaired it will be to a condition as good as, but not better or more extensive than, its condition when new.

However, We will not pay more than We would have done if the Equipment had been completely destroyed.

- (c) (a) and (b) above include the additional cost of reinstating the Equipment necessary to comply with any
 - (i) European Community legislation
 - (ii) Act of Parliament
 - (iii) Bye laws of any public authority.

We will not indemnify You in respect of

- (a) costs incurred
 - (i) where notice was served on You before the Damage occurred
 - (ii) where an existing requirement must be completed within a stipulated period
 - (iii) for Equipment which has not suffered Damage.
- (b) charge or assessment arising from capital appreciation following compliance with any legislation or Bye law.

Asset Protection Computer and Electronic Business Equipment

The work of reinstatement

- (1) may be carried out on another site and in a manner suitable to Your needs, but this must not increase Our liability.
- (2) must begin and be carried out as quickly as possible.

However, the maximum We will pay will not exceed the item Sum Insured specified in The Schedule under Damage to Equipment.

We will not make any payment under this clause

- (1) until replacement or repair costs have actually been incurred.
- (2) if You do not comply with any of the terms of this clause.

If, for any reason, a payment cannot be made in accordance with the provisions of this clause, the basis of claim settlement will be as stated in the Contract of Insurance at the front of this policy.

Debris Removal

We will indemnify You in respect of the costs incurred in the removal of Equipment which has suffered Damage under this Section.

The maximum We will pay in respect of any one claim is £50,000.

Incompatibility of Software or Programs

Where Damage to Equipment results in the existing software or programs being incompatible with the replacement Equipment We will at Our option indemnify You in respect of either

- (1) necessary modifications to the replacement Equipment.
- (2) the conversion of the existing software or programs into a format which is compatible with the replacement Equipment and the cost of replacing incompatible Data Carrying Materials.

The maximum We will pay in respect of any one claim is

- (1) the Total Sum Insured specified in The Schedule under Damage to Equipment,
or
- (2) £50,000

whichever is the lower.

Loss Avoidance Measures

We will indemnify You in respect of any costs necessarily and reasonably incurred by You to avoid or reduce impending Damage provided that

- (1) the impending Damage does not arise from any reasonably foreseeable or gradually developing cause and We are satisfied that Damage has been avoided or reduced as a result of the measures taken.

- (2) the policy terms exceptions and conditions will apply as if Damage had occurred.

The maximum We will pay in respect of any one claim is £25,000.

Non-Invalidation

The insurance by this Section will not be invalidated by any act, omission or alteration either unknown to You or beyond Your control which increases the risk of Damage.

However, You must

- (a) notify Us immediately if You become aware of any such act, omission or alteration and
- (b) pay any additional premium We require.

Repair Investigation Costs

We will indemnify You in respect of any repair investigation costs including consulting engineer fees, necessarily and reasonably incurred with Our consent in the repair or replacement of Equipment which has suffered Damage.

The maximum We will pay in respect of any one claim is £25,000.

We will not indemnify You in respect of the costs of preparing a claim.

Software or Programs

We will indemnify You in respect of the cost of reinstating software or programs arising from erasure, distortion or corruption occurring during the Period of Insurance and resulting from an identifiable event which is covered under this Section and not otherwise excluded.

Temporary Removal or Transit

We will indemnify You in respect of Damage to

- (1) Equipment insured under this Section whilst temporarily removed from The Premises anywhere in Europe including whilst in transit.

The maximum We will pay for any one claim is the Total Sum Insured specified in The Schedule under Damage to Equipment.

- (2) Data Carrying Materials insured under this Section anywhere in the world.
- (3) Portable Equipment specified in The Schedule whilst anywhere in the world.

The maximum We will pay in respect of any one claim is the Sum Insured specified in The Schedule for Portable Equipment.

If in relation to any claim for Damage caused by theft or attempted theft You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

Asset Protection Computer and Electronic Business Equipment

You must ensure that while the Equipment is

- (a) left in any Unattended Vehicle
 - (i) the vehicle is securely locked, its keys, key card or remote control transmitter are removed, all windows are securely closed and all security devices to protect the vehicle are set to operate.
 - (ii) the vehicle is kept in a securely locked building, compound or enclosure between the hours of 9.00pm and 6.00am, unless it is aboard a ship or ferry.
 - (iii) the Equipment is
 - concealed from view.
 - stored in the boot or under the parcel shelf where such facilities are available.
- (b) in transit by air it is carried as hand luggage.
- (c) in transit by ship or ferry and not in use, it is kept in a securely locked cabin or vehicle aboard such vessel.

Temporary Repair and Expediting Costs

We will, at Our option, indemnify You in respect of the additional costs necessarily and reasonably incurred in making temporary repairs or accelerating repairs in the event of Damage to the Equipment insured under this Section.

The maximum We will pay in respect of any one claim is £50,000.

Virus Seek and Destroy Costs

We will indemnify You in respect of costs necessarily and reasonably incurred by You to locate and remove a detectable Virus or Similar Mechanism contained in any Equipment or Data Carrying Materials.

The maximum We will pay in respect of any one claim is £25,000.

Waste Electrical and Electronic Equipment Disposal Costs

We will indemnify You in respect of any costs necessarily and reasonably incurred by You in complying with the Waste Electrical and Electronic Equipment Regulations in respect of Equipment following Damage insured under this Section.

The maximum We will pay in respect of any one claim is £25,000.

We will not indemnify You in respect of costs that You accept responsibility for as part of a contract to purchase new Equipment.

Exceptions

The following exceptions apply to Damage to Equipment in addition to the Exceptions at the end of this Section and the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of

- (1) Damage to Equipment which is recoverable under any guarantee or maintenance rental hire or lease agreement.
- (2) loss of use of the Equipment or other consequential loss or liability.
- (3) the cost of reinstating data.
- (4) the Excess but the Excess shall not apply to Damage caused by fire, lightning, explosion, aircraft or aerial devices or articles dropped from them.

Conditions

The following conditions apply to Damage to Equipment in addition to the Conditions at the end of this Section and the Policy Conditions at the back of this policy.

Average

If at the time of Damage the Total Sum Insured plus the value of any Equipment insured under the Additional Equipment Clause is less than 85% of the total new replacement value of Equipment You will

- (a) be responsible for the difference.
- (b) bear a proportionate part of the loss.

Increased Cost of Working Cover

We will indemnify You in respect of any additional expenditure You necessarily and reasonably incur to avoid or reduce interruption to or interference with The Business at The Premises during the Indemnity Period as a result of an Accident which occurs during the Period of Insurance.

The maximum We will pay will not exceed

- (1) in respect of any one loss arising from Prevention of Access £50,000 or the Sum Insured if lower.
- (2) in any one Period of Insurance in respect of
 - (a) any loss arising from a Virus or Similar Mechanism
 - (i) the Sum Insured specified in The Schedule,
 - or
 - (ii) £50,000whichever is the lower.
 - (b) any other loss the Sum Insured specified in The Schedule and any additional sums stated by a clause.

Asset Protection Computer and Electronic Business Equipment

Clauses

The following clauses apply to Increased Cost of Working.

Additional Rental Charge

We will indemnify You in respect of the additional costs of a new lease or hire contract for similar Equipment which replaces any lease or hire contract in force at the time of the Accident.

The maximum period for which We will provide indemnity is two years commencing from the date of the Accident.

The maximum We will pay in respect of any one claim is £25,000.

Auditors and Professional Accountants

The Sum Insured specified in The Schedule includes an amount for Your auditor's and professional accountant's reasonable charges for

- (1) producing information We require to investigate a claim, and
- (2) confirming that information is in accordance with
 - (a) Your business books, documents or records, and
 - (b) any other relevant business books, documents or records.

Payments on Account

Claims payments on account may be made to You during the Indemnity Period, if required.

Exceptions

The following exceptions apply to Increased Cost of Working in addition to the Exceptions at the end of this Section and the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of

- (1) interruption to or interference with The Business as a result of
 - (a) accidental failure of Your electricity supply lasting less than four hours.
 - (b) accidental failure of any telecommunication system lasting less than eight hours.
 - (c) breakdown or derangement of any item of Equipment that has not completed a period of one month's trouble free operation.
 - (d) Prevention of Access lasting less than 12 hours.
- (2) interruption to or interference with The Business during the first 48 hours following breakdown or derangement of Equipment which is not subject to a Maintenance Agreement.
- (3) the cost of reinstating data or programs.
- (4) interruption or interference to The Business where the length of the interruption does not exceed the time franchise specified in The Schedule.

Conditions

The following conditions apply to Increased Cost of Working in addition to the Conditions at the end of this Section and the policy Conditions at the back of this policy.

Reinstatement of Data Cover

We will indemnify You in respect of the necessary and reasonable cost of reinstating data contained in the Data Carrying Material and fixed disks resulting from Damage from an identifiable cause which is discovered during the Period of Insurance.

The maximum We will pay in any Period of Insurance will not exceed in respect of

- (1) any loss arising from a Virus or Similar Mechanism
 - (a) the Sum Insured specified in The Schedule,
 - or
 - (b) £50,000whichever is the lower.
- (2) any other loss the Sum Insured specified in The Schedule and any additional sums stated by a clause.

Exceptions

The following exceptions apply to Reinstatement of Data in addition to the Exceptions at the end of this Section and to the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of

- (1)
 - (a) loss of
 - (b) loss of use of
 - (c) inaccessibility ofdata or programs arising from pre-existing faults in or the unsuitability of programs or computer systems software.
- (2) the Excess but the Excess shall not apply to Damage caused by fire, lightning, explosion, aircraft or aerial devices or articles dropped from them.

Conditions

The following conditions apply to Reinstatement of Data in addition to the Conditions at the end of this Section and the Policy Conditions at the back of this policy.

Asset Protection Computer and Electronic Business Equipment

Clauses

The following clauses apply to Reinstatement of Data.

Incompatibility of Data

Where Damage to the Equipment results in the existing data being incompatible with the replacement Equipment We will indemnify You in respect of the cost of conversion of the existing data into a format which is compatible with the replacement Equipment.

The maximum We will pay in respect of any one claim is

- (1) the Sum Insured specified in The Schedule under Reinstatement of Data,
- or
- (2) £50,000

whichever is the lower.

Payments on Account

Claims payments on account may be made to You, if required.

Research And Development Costs

We will indemnify You against the cost of re-writing data processing research and development projects to the stage reached immediately prior to the occurrence of the Damage.

The maximum We will pay in respect of any one claim is

- (1) the Sum Insured specified in The Schedule under Reinstatement of Data,
- or
- (2) £25,000

whichever is the lower.

We will not indemnify You in respect of any benefit to You which would have been obtained from the completion of the project had the Accident not occurred.

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of

- (1) any Damage whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event contributing concurrently or in any other sequence to the loss
 - (a) Terrorism
 - (b) civil commotion in Northern Ireland
 - (c) any action taken in controlling preventing suppressing or in any way relating to (a) and/or (b) above.

Terrorism means

- (i) in respect of Damage occurring in England Wales and Scotland only (but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man or the Channel Islands) acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto
- (ii) in respect of Damage occurring in any territory not specified in (i) above any act or acts including but not limited to
 - the use or threat of force and/or violence, and/or
 - harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological meanscaused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political religious ideological or similar purposes.

In any action suit or other proceedings where We allege that any Damage results from Terrorism as defined above and is therefore not covered under this Section the burden of proving that any such Damage is covered under this Section will be upon You.

- (2) Damage or interruption to or interference with The Business caused by
 - (a) Your wilful act or wilful neglect.
 - (b) wear and tear gradual deterioration due to atmospheric conditions or otherwise rust corrosion or oxidation.

However We will indemnify You for any subsequent Damage resulting from such cause not otherwise excluded.
- (3) Increased Cost of Working or Reinstatement of Data resulting from
 - (a) any accidental failure of the telecommunication links
 - (b) any accidental failure of Your electricity supplycaused by
 - (i) a deliberate act of any supply authority not performed for the sole purpose of safeguarding life or protecting any part of the supply authority's system.
 - (ii) the exercise of any supply authority's power to withdraw or restrict supply or services.
 - (iii) industrial action.

Asset Protection Computer and Electronic Business Equipment

- (4) any accidental failure of the telecommunication links caused by
 - (a) Equipment which is not
 - (i) properly installed or compatible with the telecommunications system provided by Your telecommunication services supplier.
 - (ii) recognised and approved by Your telecommunication services supplier.
 - (b) failure of any satellite
 - (i) prior to obtaining its full operating function.
 - (ii) while in or beyond the final year of its design life.
 - (c) atmosphere, solar or lunar conditions causing temporary interference with transmission to or from any satellite.
- (5) Damage directly or indirectly caused by or contributed to or arising from
 - (a) any test, experiment or routine inspection.
 - (b) the imposition of abnormal working conditions including intentional overloading unless occurring without Your knowledge or consent.
- (6) Damage caused by or contributed to or arising from
 - (a) disappearance.
 - (b) unexplained or inventory shortage.

Conditions

The following conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

(1) Data Backup

If in relation to any claim You have failed to fulfil any of the following conditions You will lose Your right to indemnity or payment for that claim.

You must store data, software or programs and maintain adequate backup copies by backing up

- (a) the original disks or media and storing in a fire resistant data safe or in a secure location away from The Premises.
- (b) all data produced by the software or programs no less than once a day or any other period agreed by Us.

The integrity of any data backup must be validated using operating system routines or checks produced by the software supplier.

(2) Firewall

If in relation to any claim You have failed to fulfil the following condition, You will lose Your right to indemnity or payment for that claim.

You will ensure that any Equipment that is connected to the internet is protected by a suitable firewall which is regularly maintained and in full and effective operation at the time of a loss.

(3) Prevention of Loss

If in relation to any claim You have failed to fulfil the following conditions, You will lose Your right to indemnity or payment for that claim.

You must

- (a) maintain the Equipment in a satisfactory state of repair.
- (b) take all reasonable precautions to prevent Damage to the Equipment or loss of data or programs.

(4) Virus

If in relation to any claim You have failed to fulfil the following conditions, You will lose Your right to indemnity or payment for that claim.

You must install suitable virus protection software and ensure that it is

- (a) updated at intervals of at least once a month and
- (b) in full and effective operation at the time of a loss.

(5) Option for Settlement

We may at Our option

- (a) repair, reinstate or replace any Equipment damaged or
- (b) pay the amount of the Damage.

We do not include

- (i) temporary repairs carried out without Our consent.
- (ii) the cost of any alterations, additions, improvements or overhauls carried out when any repair is undertaken.

(6) Our Rights

If Damage occurs which may lead to a claim We may

- (a) enter the building or premises
- (b) take possession of, or require to be delivered to Us, Equipment which We will deal with in a reasonable manner

without incurring liability or reducing Our rights.

We will not pay for Damage if You or anyone acting on Your behalf

- (i) do not comply with Our requirements.
- (ii) hinder or obstruct Us.

(7) Suspension of Cover

We may suspend cover by notice in writing to You until any requirement We have stipulated has been completed by You. Cover will only be reinstated following written notice by Us.

If cover is suspended We will refund a proportionate part of the premium.

Asset Protection Computer and Electronic Business Equipment

Clauses

The following Clauses apply to this Section

Automatic Reinstatement

The Sums Insured stated in The Schedule will not be reduced by the amount of any claim unless We or You give notice to the contrary.

You must pay any additional premium required by Us to reinstate the Sums Insured.

Subrogation Waiver

In the event of a claim arising under this Section, We Agree to waive any rights, remedies or relief to which We may be entitled by subrogation against

- (1) any company whose relationship to You is either a parent to subsidiary or subsidiary to parent
- (2) any company which is a subsidiary of a parent company of which You are a subsidiary as defined within the relevant legislation current at the time of Damage.
- (3) any user of the Equipment authorised by You provided that
 - (a) such users observe fulfil and are subject to the terms conditions and limitations of this policy.
 - (b) You do not receive any form of indemnity or damages from such users.

Asset Protection Business All Risks

Definitions

The following Definitions apply to this Section in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section unless an alternative definition is stated to apply.

Damage

Physical loss, destruction or damage.

Property Insured

Property insured as detailed in The Schedule.

Cover

We will indemnify You in respect of Damage, occurring during the Period of Insurance, to Property Insured as detailed in The Schedule.

Basis of Claim Settlement – Indemnity

The basis upon which We will calculate the amount We will pay in respect of any claim will be

- (1) cost of replacement or repair of the property lost, destroyed or damaged, to a condition as good as, but not better or more extensive than, its condition immediately prior to the Damage, or at Our option
- (2) the loss in value of the Property Insured

unless the Basis of Claim Settlement – Reinstatement clause or any other alternate basis of settlement is stated to apply.

The maximum We will pay under this Section in any one Period of Insurance will not exceed

- (1) the Sum Insured on each item, or
- (2) the Total Sum Insured, or
- (3) any other maximum amount payable or Limit of Liability specified in The Schedule.

Clauses

The following clauses apply to this Section.

Automatic Reinstatement

The Sums Insured stated in The Schedule will not be reduced by the amount of any claim unless We or You give notice to the contrary.

You must pay any additional premium required by Us to reinstate the Sums Insured.

Average

Each of the Sums Insured by this Section is subject to average. This means that if at the time of Damage, the Item Sum Insured is less than the total value of the Property Insured, You will

- (a) be responsible for the difference
- (b) bear a proportionate share of the loss.

Basis of Claim Settlement – Reinstatement

In the event of Damage to the Property Insured, except for any items on Computer and Electronic Office Equipment, the basis upon which We will calculate the amount We will pay in respect of any claim will be the reinstatement of the property lost, destroyed or damaged, subject to the following conditions

- (1) Where the Property Insured is
 - (a) lost or destroyed, We will pay for its rebuilding or replacement by similar property in a condition as good as, but not better or more extensive than, its condition when new
 - (b) damaged, We will pay for the replacement or repair of the damaged portion to a condition as good as, but not better or more extensive than, its condition when new. However, We will not pay more than We would have done if the property has been completely destroyed.
- (2) Where Computer and Electronic Office Equipment is insured by this Section and such property is
 - (a) lost or destroyed beyond economic repair, We will pay for its replacement by new Computer and Electronic Office Equipment of equal performance and/or capacity but if this is not possible, by Computer and Electronic Office Equipment with the nearest higher performance and/or capacity
 - (b) damaged, if an economic repair is possible, We will pay for the repair computer and Electronic Office Equipment, to its condition when new. However, We will not pay more than We would have done if Computer and Electronic Office Equipment had been completely destroyed.
- (3) The work of reinstatement
 - (a) may be carried out on another site and in a manner suitable to Your needs. However, Our liability must not be increased
 - (b) must begin and be carried out as quickly as possible.
- (4) The following condition of Average will apply

If the Sum Insured at the time the Damage occurred is less than 85% of the amount necessary to replace the whole of the Property Insured and/or Computer and Electronic Office Equipment at the time of rebuilding or replacement, You will be liable to bear a proportionate share of the loss.

Asset Protection Business All Risks

- (5) We will not indemnify You under this clause
- (a) if You do not incur the cost of replacing or repairing the Property Insured and/or Computer and Electronic Office Equipment
 - (b) if You or someone acting on Your behalf, have insured the property under another policy which does not have a similar basis of reinstatement
 - (c) if You do not comply with any of the terms of this clause
- However, the Basis of Claim Settlement – Indemnity will apply.

For the purposes of this clause Computer and Electronic Office Equipment means

- (a) all computers, computer installations and systems, microchips, integrated circuits, microprocessors, embedded systems, hardware, data processing equipment, information repository, equipment capable of processing data and or similar devices, whether physically or remotely connected thereto
- (b) personal computers, laptops, small micro computers and similar equipment used for processing electronic data and which are designed to be carried by hand
- (c) all electronic office equipment including telecommunications equipment, facsimile, printing and photocopying machines.

Computer and Electronic Office Equipment does not include

- (i) Portable equipment away from The Premises
- (ii) Computer and Electronic Office Equipment held as stock or customer's Computer and Electronic Office Equipment held in trust
- (iii) Computer and Electronic Office Equipment controlling or monitoring any manufacturing process.

Exceptions

The following Exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of

- (1) Damage to the Property Insured caused by or consisting of
 - (a) an existing or hidden defect
 - (b) gradual deterioration or wear and tear
 - (c) frost or change in the water table level
 - (d) faulty or defective
 - (i) workmanship
 - (ii) design
 - (iii) materials used in its construction.

- (e) operating error or omission by You or any of Your Employees.

However, We will indemnify You in respect of any subsequent Damage which results from a cause not otherwise excluded.

- (2) Damage to the Property Insured caused by or consisting of
 - (a)
 - (i) corrosion, rust or rot
 - (ii) shrinkage, evaporation or loss of weight
 - (iii) dampness or dryness
 - (iv) scratching
 - (v) vermin or insects
 - (vi) mould or fungus
 - (b) change in
 - (i) temperature
 - (ii) colour
 - (iii) flavour
 - (iv) texture
 - (v) finish.
 - (c)
 - (i) nipple or joint leakage
 - (ii) failure of welds.

- (d) its own mechanical or electrical breakdown or derangement.

However, We will indemnify You in respect of

- (i) Damage not otherwise excluded which results from Defined Contingencies (1) to (12), (14) and (16) or any other accidental cause
 - (ii) any subsequent Damage which results from a cause not otherwise excluded.
- (3) Damage to the Property Insured caused by pollution or contamination
- However, We will indemnify You in respect of Damage to the Property Insured not otherwise excluded caused by
- (a) pollution or contamination which results from Defined Contingencies (1) to (12), (14) and (16)
 - (b) Defined Contingencies (1) to (12), (14) and (16) which results from pollution or contamination.
- (4) Damage to the Property Insured caused by
 - (a) acts of fraud or dishonesty
 - (b)
 - (i) disappearance

Asset Protection Business All Risks

- (ii) unexplained or inventory shortage
 - (iii) misfiling, misplacing of information, or clerical error.
 - (c) theft or attempted theft from any Unattended Vehicle unless there is evidence of forcible and violent entry into the vehicle.
- (5) Damage to any building or structure caused by its own cracking or collapse.
However, We will indemnify You in respect of such Damage if it results from Defined Contingencies (1) to (12) and is not otherwise excluded.
- (6) Damage
- (a) to the Property Insured by fire resulting from its undergoing any process involving the application of heat
 - (b) to that portion of the Property Insured caused by its own self ignition, leakage of electricity, short circuiting, or over running
 - (c) Damage resulting from the Property Insured undergoing any process of
 - (i) production or packaging
 - (ii) treatment, testing or commissioning
 - (iii) servicing or repair.However, We will indemnify You in respect of such Damage if it caused by fire or explosion and is not otherwise excluded.
- (7) Damage to the Property Insured caused by
- (a) escape of water from any tank, apparatus or pipe
 - (b) malicious persons (other than by fire or explosion)
 - (c) theft or attempted theft
- when The Premises are Unoccupied.
- (8) Damage more specifically insured by You or on Your behalf
- (9) any consequential loss or damage
- (10) any Damage to the Property Insured resulting directly or indirectly from or in connection with any of the following regardless of any other cause or event contributing concurrently or other sequence to the loss
- (a) Terrorism
 - (b) civil commotion in Northern Ireland
 - (c) any action taken in controlling, preventing, suppressing, or in any way relating to (a) and/or (b) above.

Terrorism means

- (i) in respect of Damage occurring in England, Wales and Scotland only (but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man or the Channel Islands) acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence Her Majesty's government in the United Kingdom or any other government de jure or de facto
 - (ii) in respect of Damage occurring in any territory not specified in (i) above any act or acts including but not limited to
 - the use or threat of force and/or violence, and/or
 - harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological meanscaused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.
- In any action, suit or other proceedings where We allege that any Damage results from Terrorism as defined above and is therefore not covered by this Section, the burden of proving that any such Damage is covered under this Section will be upon You.
- (11) (a) Loss of Data
- (b) any Damage to Computer and Electronic Equipment or Failure resulting directly or indirectly from, or in connection with
- (i) Virus or Similar Mechanism
 - (ii) Denial of Service Attack
 - (iii) unauthorised access to or use of Computer and Electronic Equipment.
- However, We will indemnify You in respect of subsequent Damage to the Property Insured, caused by or resulting from Defined Contingencies (1) to (11), (13), (15) and (16) which is not otherwise excluded.
- (12) the Excess stated in The Schedule.

Asset Protection Goods in Transit

Definitions

The following definitions apply to this Section in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Damage

Physical loss, destruction or damage.

Method of Transit

As stated in The Schedule.

Occurrence

An event, or number of events, arising from a single cause or occurrence occurring during the Period of Insurance.

Personal Effects

Personal possessions excluding cash, bank notes, credit cards, watches and jewellery.

Property Insured

Stock and materials in trade connected with The Business which are owned by You or which You are responsible for.

Territorial Limits

England, Wales and Scotland, Northern Ireland, the Republic of Ireland, the Channel Islands and the Isle of Man.

Tools

Tools, tool kits or test equipment which You own or are hired by You or used by You in connection with The Business and for which You are responsible.

Vehicle

Any motor vehicle and/or trailer and/or container which You own or operate.

Cover

We will indemnify You in respect of

- (1) Damage
 - (a) to the Property Insured whilst in transit by the Method of Transit including
 - (i) loading and unloading
 - (ii) whilst temporarily stored during transit.The maximum We will pay in respect of any one Occurrence is the Maximum Limit Any One Occurrence stated in The Schedule.
 - (b) to Your own sheets, ropes, chains, toggles or packing materials while carried on any Vehicle

We will replace sheets as new if You prove that these were not more than one year old at the time of the Damage.

- (c) to You or Your drivers' Personal Effects in, or from, any Vehicle

The maximum We will pay in respect of any one Occurrence is £1,500

We will not indemnify You or Your driver for Damage to any item insured by any other insurance policy.
 - (d) to Tools
 - (i) in or from any Vehicle
 - (ii) whilst temporarily stored during transit.

The maximum We will pay in respect of any one Occurrence is the Tools Limit Any One Occurrence stated in The Schedule.
- (2) Debris Removal

Costs and expenses incurred by You with Our consent

 - (a) in removing debris
 - (b) in site clearance
 - (c) for transhipment and recovery charges following collision, overturning or impact of any Vehicle with any object
 - (d) to reduce or prevent claims

in the Territorial Limits in connection with The Business.

The maximum We will pay in respect of any one Occurrence is £10,000.

Conditions

The following Conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

(1) Automatic Reinstatement

The Sums Insured stated in The Schedule will not be reduced by the amount of any claim unless We or You give notice to the contrary.

You must pay any additional premium required by Us to reinstate the Limit.

(2) Average

Each Limit stated in The Schedule, except for Tools Limit Any One Occurrence, is subject to Average.

If at the time of Damage, the Limit stated in The Schedule is less than the value of the Property Insured You will

- (a) be responsible for the difference in value, and
- (b) bear a rateable proportion of any loss.

Asset Protection Goods in Transit

(3) Reasonable Care

If in relation to any claim, You have failed to comply with any of the following conditions, You will lose Your right to indemnity, or payment for that claim.

You must

- (a) only employ reliable and competent drivers, and
- (b) take all reasonable measures to
 - (i) prevent Damage
 - (ii) secure loads properly
 - (iii) maintain any Vehicle in accordance with current law
 - (iv) ensure any Vehicle is suitable for the purpose for which it is to be used.
- (c) allow Us access to examine any Vehicle which You operate or premises from which You operate.

Exceptions

The following Exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy

We will not indemnify You in respect of

- (1) Damage caused by
 - (a) defective or inadequate packing, insulation or labelling
 - (b) evaporation or ordinary leakage
 - (c) vermin, wear, tear, gradual deterioration or contamination
 - (d) an existing or hidden defect
 - (e) delay
 - (f) inadequate documentation
 - (g) indirect or consequential loss
 - (h) its own
 - (i) mechanical
 - (ii) electrical
 - (iii) electronic
 - (iv) electro magnetic derangement.

However, We will indemnify You if such Damage is caused by external means.
- (2) Shortage in weight

- (3) Damage caused by deterioration or variation in temperature
However We will indemnify You if such Damage is caused as a result of any Vehicle being directly involved in a road traffic accident.
- (4) Damage arising from
 - (a) confiscation, requisition or destruction by order of any government or any public authority
 - (b) riot, civil commotion, strikes, lockouts or labour disturbances.
- (5) Damage
 - (a) occurring outside the Territorial Limits
 - (b) not connected with The Business.
- (6) Damage to
 - (a) electronic, audio and visual equipment
 - (b) clocks and watches that do not contain gold, silver or precious stones
 - (c) computer hardware and software
 - (d) explosives and hazardous substances
 - (e) furs and curios
 - (f) gold and silver articles
 - (g) jewellery and precious stones
 - (h) living creatures
 - (i) Money and bullion, negotiable instruments and specie
 - (j) non ferrous metals
 - (k) rare books, antiques and works of art
 - (l) tobaccos, cigars and cigarettes
 - (m) wines, spirits and other alcoholic drinks
 - (n) temperature controlled goods.

However, We will indemnify You in respect of Damage to such property if the property is specifically stated as insured in The Schedule and the Damage is not otherwise excluded.
- (7) Damage caused by theft or attempted theft of the Property Insured and/or Tools or Personal Effects from any Unattended Vehicle.
However, We will indemnify You if You have ensured that
 - (a) all doors, windows and other points of access have been locked where locks have been fitted, and
 - (b) all manufacturers' security devices have been put into effect, and

Asset Protection Goods in Transit

- (c) the keys have been removed from any Unattended Vehicle, and
- (d) unattached trailers have anti-hitching devices fitted and they are put into effect.
- (8) damage including to Tools or Personal Effects, while temporarily stored during transit for periods exceeding 30 consecutive days
- (9) property in transit for hire or reward
- (10) the Excess stated in The Schedule.
- (11) any Damage to the Property Insured resulting directly or indirectly from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - (a) Terrorism
 - (b) civil commotion in Northern Ireland
 - (c) any action taken in controlling, preventing, suppressing, or in any way relating to (a) and/or (b) above.

Terrorism means

- (i) in respect of Damage occurring in England, Wales and Scotland only but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man or the Channel Islands, acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence HM Government in the United Kingdom or any other government de jure or de facto
- (ii) in respect of loss of Damage occurring in any territory not specified in (i) above any act or acts including but not limited to
 - the use or threat of force and/or violence, and/or
 - harm or Damage to life or to property or the threat of such harm or Damage including but not limited to harm or Damage by nuclear and/or chemical and/or biological and/or radiological meanscaused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

In any action, suit or other proceedings where We allege that any damage results from Terrorism as defined above and is therefore not covered by this Section, the burden of proving that any such damage is covered under this Section will be upon You.

Asset Protection Money and Assault

Definitions

The following definitions apply to this Section in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Business Hours

Your normal working hours and any other period during which You or any Employee, entrusted with Money is on The Premises in connection with The Business.

Insured Person

You or Your directors, partners or Employees aged between 16 and 75.

Loss of Hearing

Total and permanent loss of hearing in one or both ears.

Loss of Limb

In respect of

- (1) an arm
 - (a) physical severance of all four fingers, or
 - (b) total and permanent loss of use of an entire hand or arm at or above the metacarpal phalangeal joints (where the fingers join the palm of the hand) and/or
- (2) a leg
 - (a) physical severance, or
 - (b) total and permanent loss of use of an entire leg at or above the talo-tibial joint (the ankle).

Loss of Sight

Includes total and permanent loss of sight which will be deemed to have occurred

- (1) in both eyes when the Insured Person's name has been added to the register of blind persons on the authority of a fully qualified ophthalmic surgeon specialist
- (2) in one eye when the degree of sight is 3/60 or less on the Snellen Scale (which means the Insured Person is only able to see at three feet that which they should normally be able to see at 60 feet) and We are satisfied that the condition is permanent and without expectation of recovery.

Loss of Speech

Total and permanent loss of speech.

Permanent Total Disablement

Permanent disablement (other than Loss of Hearing, Loss of Limb, Loss of Sight or Loss of Speech) which

- (1) wholly prevents the Insured Person from engaging in or giving attention to their usual occupation, and
- (2) lasts without interruption for more than 12 months from the date of the accident, and
- (3) in all probability will continue for the remainder of the Insured Person's life.

Temporary Partial Disablement

Disablement which prevents the Insured Person from attending to a substantial part of their usual occupation.

Temporary Total Disablement

Disablement which entirely prevents the Insured Person from engaging in their usual occupation.

Money Cover

We will indemnify You in respect of

- (1) loss of Money, up to the Limit Any One Loss stated in The Schedule, which
 - (a) belongs to You, or
 - (b) You are responsible for in connection with The Business while
 - (i) in transit
 - (ii) in the custody of collectors for 24 hours from the time they receive it or until the next working day whichever is later
 - (iii) on contract sites while You or Your Employees are working there
 - (iv) on The Premises
 - (v) at Your home or that of Your directors, partners or Employees
 - (vi) in a bank night safe until removed by the bank
 - (vii) in vending or gaming machines on The Premises. The maximum We will pay in respect of any one claim is £500 unless otherwise specified in The Schedule.

Asset Protection Money and Assault

- (2) the cost of replacement or repair following loss of or damage to any
 - (a) safe or strongroom specified in The Schedule
 - (b) case, bag or waistcoat used for carrying Moneyfollowing theft or attempted theft of Money occurring during the Period of Insurance.

Clauses

The following clauses apply to Money.

Clothing and Personal Belongings

We will indemnify You in respect of loss of or damage to clothing and personal belongings owned by You or any director, partner or Employee of Yours following theft or attempted theft involving violence or threat of violence which arises in connection with The Business.

The maximum We will pay for any one person is £500.

Condition

The following condition applies to Money in addition to the Policy Conditions at the back of this policy.

Records and Key Security

If in relation to any claim for loss of Money You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must

- (a) keep a complete record of Money in a secure place other than in a safe or strongroom containing Money
- (b) ensure that outside Business Hours, all safes and/or strongrooms are kept locked and the keys are removed from The Premises unless The Premises are occupied by You or any director, partner or authorised Employee of Yours, in which case the keys must be kept in a secure place away from any safe or strongroom
- (c) ensure that whenever The Premises are closed for business or left unattended, all security devices to protect The Premises are properly fitted and put into full operation.

Exceptions

The following exceptions apply to Money in addition to the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of

- (1) loss or shortages due to
 - (a) clerical or accounting

- (i) errors
 - (ii) omissions
 - (b) accountancy depreciation
 - (c) currency fluctuation
 - (d) consequential loss of any kind.
- (2) loss due to the fraud or dishonesty of any director, partner or Employee of Yours which is
 - (a) not discovered within seven working days of the loss
 - (b) more specifically insured elsewhere.
 - (3) loss from any Unattended Vehicle.
 - (4) loss or damage arising outside England, Wales, Scotland, Northern Ireland, the Republic of Ireland, the Channel Islands and the Isle of Man.
 - (5) loss resulting directly or indirectly from
 - (a) forgery
 - (b) fraudulent alteration or substitution
 - (c) fraudulent use of a computer or electronic transfer.
 - (6) loss resulting from use of any form of payment which proves to be
 - (a) counterfeit
 - (b) false
 - (c) invalid
 - (d) uncollectible
 - (e) irrecoverablefor any reason.
 - (7) loss of Money resulting directly or indirectly from, or in connection with
 - (a) Virus or Similar Mechanism
 - (b) Denial of Service Attack
 - (c) unauthorised access to or use of Computer and Electronic Equipment.
 - (8) any loss of Money resulting directly or indirectly from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - (a) Terrorism
 - (b) civil commotion in Northern Ireland
 - (c) any action taken in controlling, preventing, suppressing, or in any way relating to (a) and/or (b) above.

Asset Protection Money and Assault

Terrorism means

- (i) in respect of loss of Money occurring in England, Wales and Scotland only but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man or the Channel Islands, acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence HM Government in the United Kingdom or any other government de jure or de facto
- (ii) in respect of loss of Money occurring in any territory not specified in (i) above any act or acts including but not limited to
 - the use or threat of force and/or violence, and/or
 - harm or damage to life or to property or the threat of such harm or damage including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological meanscaused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

In any action, suit or other proceedings where We allege that any damage results from Terrorism as defined above and is therefore not covered by this Section, the burden of proving that any such damage is covered under this Section will be upon You.

Assault Cover

We will pay You, or Your personal representatives, compensation for bodily injury to an Insured Person caused by theft or attempted theft, involving violence or the threat of violence, which occurs in the course of The Business during the Period of Insurance and solely, directly and independently of any other cause results in any of the following Contingencies

- (1) Death occurring within 24 months of Bodily Injury
- (2) Loss of Hearing and/or Loss of Sight and/or Loss of Speech occurring within 24 months of Bodily Injury
- (3) Loss of Limb occurring within 24 months of Bodily Injury
- (4) Permanent Total Disablement after 24 months of Bodily Injury
- (5) Temporary Total Disablement within 24 months of Bodily Injury
- (6) Temporary Partial Disablement within 24 months of Bodily Injury.

We will not provide compensation in respect of any claim relating to any non-contracting party's rights to enforce all or any part of this Section. The Contracts (Rights of Third Parties) Act 1999 does not apply to this Section.

Clauses

The following clauses apply to Assault.

(1) Amounts Payable

- (1) We will pay
 - (a) the compensation stated in The Schedule
 - (b) weekly compensation at four weekly intervals
 - (c) compensation under Contingencies (5) and (6) for a maximum of two years from the date that the disablement started.
- (2) Weekly compensation being paid for the same injury will end if We pay compensation under any of Contingencies (1) to (4)
- (3) Insurance will end for the Insured Person if We pay compensation under any of Contingencies (1) to (4).

(2) Medical Evidence

- (1) We may, at Our option, arrange for the Insured Person to undergo a medical examination or, in the event of death, a post mortem examination
- (2) You, or Your personal representatives, will supply to Us, at Your expense, any
 - (a) certificates
 - (b) information
 - (c) evidencein the format We require to support a claim.

(3) Medical and Dental Expenses

Where compensation is payable for Contingency (5) – Temporary Total Disablement, or Contingency (6) – Temporary Partial Disablement, We will also pay up to 15% of this amount in respect of medical and/or dental expenses which have been incurred in respect of the Insured Person.

The maximum We will pay in respect of any one Insured Person is £500.

Exception

The following exception applies to Assault in addition to the Policy Exceptions at the back of this policy.

We will not pay compensation for any Contingency directly or indirectly caused by the Insured Person suffering from any disability due to a gradually operating cause or any naturally occurring conditions or degenerative process.

Asset Protection Additional Conditions Property Damage, Theft, Computer and Electronic Business Equipment, Business All Risks, Goods In Transit and Money

The following Additional Conditions apply if shown in The Schedule and are in addition to the Conditions contained in each applicable Section and the Policy Conditions at the back of this policy.

Applicable to Computer and Electronic Business Equipment Section only

Additional Protections

If in relation to any claim for Damage as insured by this Section You have failed to fulfil the following condition You will lose Your right to indemnity or payment for that claim.

The security requirements detailed in The Schedule are implemented within the timescales specified.

Applicable to Computer and Electronic Business Equipment Section only

Approved Alarm

If in relation to any claim for Damage as insured by this Section You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

Whenever The Premises are

- (a) closed for business, or
- (b) left unattended

they are protected by an intruder alarm system

- (i) which has been installed and maintained by a contractor approved by the National Security Inspectorate (NSI) or is a 'registered firm' with the Security Systems and Alarm Inspection Board (SSAIB), and
- (ii) which is set in its entirety.

Applicable to Property Damage – All Risks Section only

Automatic Sprinkler Systems – Parts A, B and C

If in relation to any claim for Damage caused by fire or explosion You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

When a discount has been allowed in consideration of an automatic sprinkler installation if You have failed to fulfil any of the following conditions, the discount may be removed and an additional premium charged to You.

Part A

You must

- (1) give Us advance notice, in writing, if any part of the system is to be altered, repaired or rendered inoperative.
- (2) tell Us immediately by telephone or facsimile in the event of any emergency and take precautions as advised by Us.
- (3) allow Us to have access to The Premises at all times to inspect or witness the testing of the system.

Part B

You must carry out

- (1) the following tests, checks or inspections at weekly intervals and promptly rectify any defects, faults or shortcomings revealed by such tests, checks and inspections
 - (a) a test of each installation alarm gong, recording the time taken for the alarm to sound.
 - (b) an inspection to ensure that all
 - (i) installation main stop valves
 - (ii) incoming water supply stop valves
 - (iii) subsidiary stop valvesare fully opened and secured by means of a suitable strap and padlock.
- (2) a test to establish the condition of
 - (a) the circuit between the alarm switch and the control unit
 - (b) the connection with the
 - (i) public fire station or
 - (ii) alarm receiving centre or
 - (iii) public fire brigade controlWhere the circuit is not continuously monitored these tests must be carried out each working day.
 - (c) the batteries.

A maintenance contract and a half yearly inspection of this signalling system must be kept in force with approved engineers.

Asset Protection Additional Conditions Property Damage, Theft, Computer and Electronic Business Equipment, Business All Risks, Goods In Transit and Money

- (3) a check of any alternate or dry installation valves for correct air pressure and settings, including
- (a) accelerators
 - (b) exhausters
 - (c) air compressors
 - (d) ancillary valves.
- (4) a test of the automatic, and where provision has been made, the manual starting of the sprinkler water supply pump(s) ensuring that any diesel driven pump(s) is allowed to run for a period of not less than 30 minutes.
- (5) a check of the electrically driven pump(s) to ensure that all
- (a) isolators are correctly set
 - (b) circuit breakers are correctly set
 - (c) electrical supply phase indicators are illuminated.
- (6) a check of all the diesel driven pump(s)
- (a) engine oil level
 - (b) fuel tank content
 - (c) internal coolant circuits
 - (d) battery electrolyte level
 - (e) battery charger
 - (f) oil hoses
 - (g) water hoses
 - (h) oil coolers
 - (i) exhaust systems
 - (j) turbo chargers
 - (k) drive belt tensions.

Where replenishment or rectification is required this shall be carried out immediately on conclusion of the tests.

- (7) (a) a check of the
- (i) air pressure tank water level
 - (ii) air pressure
- (b) a test of the air and water charging equipment.

- (8) a check
- (a) of the water storage tank(s) water level
 - (b) of the automatic refilling mechanism
 - (c) that incoming supply valves are correctly set
 - (d) that incoming supply valves are functional and that any frost precautions are in operation.

Part C

You must display prominently at each sprinklered storage area a notice of the terms agreed with Us which specifies

- (1) the description of goods which may be stored
- (2) the type of storage
- (3) the maximum height of storage
- (4) the minimum permitted clearance between goods stored and the sprinkler deflectors and comply with the terms of the notice.

Applicable to Property Damage – All Risks Section only

Cooking Equipment

If in relation to any claim for Damage to the Property Insured caused by or resulting from fire or explosion, You have failed to fulfil any of the following conditions, You will lose your right to indemnity or payment for that claim.

Where Cooking Equipment is located within The Premises

- (1) all Cooking Equipment must be installed, operated and maintained in accordance with the manufacturers' instructions.
- (2) all Deep Frying Equipment must be fitted with a thermostat which prevents the temperature of fat or oil exceeding 205 degrees Centigrade (401 degrees Fahrenheit).
Where a separate high temperature safety thermostat is fitted, this must be set to a temperature of no greater than 230 degrees Centigrade (450 degrees Fahrenheit).
- (3) all extract hoods, canopies, canopy exhaust plenums, filters and grease traps must be thoroughly cleaned over their entire internal and external areas by the removal of all greasy and oily deposits and other waste materials at least every month.
- (4) the entire internal area of all flues and extract system ducting, including extraction motors and fans must be thoroughly cleaned by a competent person, with the removal of all greasy and oily deposits and other waste materials, at least every six (6) months.

Asset Protection Additional Conditions Property Damage, Theft, Computer and Electronic Business Equipment, Business All Risks, Goods In Transit and Money

- (5) If the entire internal area of all flues and extract system ducting, including extraction motors and fans, have not been so cleaned within six (6) months prior to the inception of this insurance or the addition of this condition, then they must be so cleaned within 30 days of the inception of this insurance or the addition of this condition, and at least every six (6) months thereafter.
- (6) suitable fire extinguishers and/or blankets must be kept in the frying and cooking area and staff are fully trained how to use them.
- (7) no Cooking Equipment using fats, oils or coals must be left Unattended while the heat source is operating.
- (8) all Cooking Equipment including flues and extract system ducting, must be kept from contact with and not in close proximity to combustible material including any such material within or forming part of the building.

Definitions

For the purposes of these conditions the following definitions apply

Cooking Equipment

All cooking and frying equipment including Deep Frying Equipment.

Deep Frying Equipment

Equipment used for frying by immersing in fat or oil.

Unattended

Without a competent person remaining continuously near the Cooking Equipment, either in full view of it or positioned where they are able to take action to prevent, extinguish or control a fire starting from such equipment.

Applicable to Property Damage – All Risks Section only

Data Storage Condition

If in relation to any claim for Damage to the Property Insured caused by any of the Defined Contingencies You have failed to fulfil any of the following conditions You will lose Your right to indemnity or payment for that claim.

You must store data, software or programs and maintain adequate back up copies by backing up

- (1) the original disks or media and storing in a fire resistant data safe or in a secure location away from The Premises
- (2) the data produced by the software or programs not less than once every seven days or any other period agreed by Us. The integrity of the data backup must be validated using operating system routines or checks produced by the software supplier.

Applicable to Property Damage – All Risks Section only

Firebreak Doors and Shutters

If in relation to any claim for Damage to the Property Insured caused by or resulting from fire or explosion You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must

- (1) close and secure all firebreak doors and shutters outside of business hours
- (2) keep all firebreak doors and shutters in efficient working order.

Applicable to Property Damage – All Risks Section only

Hot Work Condition

If in relation to any claim for Damage to Property Insured by fire and/or explosion, You have failed to fulfill the following condition, You will lose Your right to indemnity or payment for that claim

Whenever there is any hot work undertaken at The Premises involving

- (1) a naked flame
- (2) electric, oxy-acetylene or similar welding, cutting or grinding (including using abrasive disks or wheels) or other spark emitting equipment
- (3) blow lamp, blow torch, hot air gun or hot air stripper, asphalt, bitumen, tar or pitch heater.

All of the following Minimum Requirements must be complied with as stated herein

The Minimum Requirements comprise

- (1) Before any such hot work commences
 - (a) a designated competent person is to be made responsible for fire safety and for ensuring that all Minimum Requirements are achieved and to ensure a safe method of work is implemented by way of a hot work permit to work system.
- (2) Before the commencement of each instance of such hot work in each work area
 - (a) a formal fire risk assessment is to be undertaken by a designated competent person to identify any fire risks, assess if the work can be completed using alternative safer methods and identify actions to ensure a safe method of hot work if such is to be adopted
 - (b) all flammable liquids and movable combustible materials are to be removed from the area in which the hot work is to be carried out and secured
 - (c) where possible all immovable combustible materials including flooring, partitions and ceilings within ten (10) metres of the area in which the hot work is to be carried out are to be fully covered with overlapping protective non-combustible sheets or screens

Asset Protection Additional Conditions Property Damage, Theft, Computer and Electronic Business Equipment, Business All Risks, Goods In Transit and Money

- (d) all holes, openings in walls, partitions and ceilings through which sparks could pass are to be fully covered with overlapping non-combustible sheets or screens
 - (e) no hot work is to be carried out on composite insulation panels, unless it first be established by a designated competent person that the insulating or other materials behind or forming the core of the panels are non-combustible
 - (f) where hot work is to be carried out on one side of a wall, partition or ceiling, all moveable combustible materials on the other side of such wall, partition or ceiling at risk of ignition are to be removed and all immovable combustible such materials are to be fully covered with overlapping protective non-combustible sheets or screens.
- (3) During the process of hot work being carried out
- (a) gas cylinders not required for immediate use shall be kept at least ten (10) metres from where the application of heat is being applied
 - (b) a minimum of two (2) fire extinguishers of a type and capacity suitable for the combustible materials (or a hydraulic hose reel) that are in full working order shall be provided in the area in which work is undertaken involving the application of any heat and for thirty (30) minutes after the cessation of all hot work
 - (c) the lighting and use of all hot work equipment must be done in strict accordance with the manufacturer's instructions and when such equipment is still hot it must not be left unattended
 - (d) all hot work equipment involving the application of heat to be extinguished or switched off when it is not being used
 - (e) one designated competent person other than the person using hot work equipment shall be appointed to act as a specific fire watch to look out for any outbreak of fire and who will be trained in the use of the fire extinguishers and have immediate access to such equipment as described in (2) above.
- (4) After ceasing each instance of such hot work

Upon completion of each instance of the hot work a continuous examination for any signs of smouldering or combustion must be made within above and below the area in which the hot work has been undertaken for a period not less than thirty (30) minutes after that completion. Such examinations to include any areas on the other side of any wall, partition or ceiling within ten (10) metres of the area in which the hot work has been carried out.

In the event that there is the continuing use of the hot work equipment for separate instances of hot work all within one work area this requirement will be satisfied by one such continuous examination of that entire work area on completion of the final instance of hot work provided that the designated competent person maintains an effective fire watch over the entire work area throughout such instances of hot work.

Applicable to Property Damage – All Risks Section, Theft Section, Computer and Electronic Business Equipment Section, Business All Risks Section and Money Sections only

Intruder Alarm System

If in relation to any claim specified below You have failed to fulfil any of the Intruder Alarm Conditions (1) to (8), You will lose Your right to indemnity or payment for that claim.

In respect of

- Property Damage – Specified Contingencies or All Risks – for Damage to the Property Insured caused by Defined Contingencies (1) (3) (6) (12) and (14)
- Theft – for Damage to the Property Insured caused by theft or attempted theft at The Premises
- Computer or Electronic Equipment – for Damage
- Business All Risks – for Damage to the Property Insured caused by theft or attempted theft at The Premises
- Money and Assault – for loss of Money caused by theft or attempted theft at The Premises

where insured by this policy.

Intruder Alarm Conditions

- (1) While The Premises are unattended they must be protected by an Intruder Alarm System
 - (a) maintained in full and efficient working order under an on going maintenance contract provided by an Alarm Company
 - (b) registered with an Alarm Receiving Centre
 - (c) eligible for police response, via the issue and retention of a valid police unique reference number (URN)
 - (d) which is set in its entirety, with all means of communication used to transmit Activations to an Alarm Receiving Centre in full operation.
- (2) If requested, You must supply Us with a copy of the Intruder Alarm System specification.
- (3) The Protected Premises must not be left without at least one Responsible Person in attendance where
 - (a) the Intruder Alarm System is not set in its entirety
 - (b) the police have withdrawn their response to Activations unless We agree otherwise.
- (4) During any period that the Intruder Alarm System is set, a Key Holder must, following notification of Activations or interruption of any of the means of communication used to transmit Activations to an Alarm Receiving Centre

Asset Protection Additional Conditions Property Damage, Theft, Computer and Electronic Business Equipment, Business All Risks, Goods In Transit and Money

- (a) attend The Premises as soon as reasonably possible in order to confirm the security of The Premises and
- (b) reset the Intruder Alarm System in its entirety with all means of communication used to transmit Activations to an Alarm Receiving Centre in full operation.

If the Intruder Alarm System cannot be reset in its entirety or all the means of communication used to transmit Activations to an Alarm Receiving Centre are not in full operation, a Key Holder must remain at The Premises unless We agree otherwise.

- (5) You must advise Us as soon as possible and, in any event, not later than 10:00am on Our next working day
 - (a) of notice from
 - (i) the police giving warning of withdrawal of their services, or a reduction or delay in the level of their response to Activations
 - (ii) a Local Authority or Magistrate imposing any requirement for abatement of nuisance caused by the Intruder Alarm System
 - (b) when the Intruder Alarm System and the means of communication used to transmit Activations to an Alarm Receiving Centre cannot be returned to or maintained in full working order.

You must comply with Our subsequent requirements.

- (6) Any alteration or substitution of
 - (a) any part of the Intruder Alarm System
 - (b) the structure of The Premises or changes to the layout of The Premises which would reduce the effectiveness of the Intruder Alarm System
 - (c) the means of communication used to transmit Activations to an Alarm Receiving Centre
 - (d) the procedures agreed with Us for police or any other response to any Activations
 - (e) the Intruder Alarm System maintenance contractmust not be made without Our written agreement.
- (7) You and each Key Holder must maintain
 - (a) the secrecy of all the codes, and
 - (b) the security of all keys and other setting devicesfor the operation of the Intruder Alarm System. All such keys and setting devices must be removed from The Premises when they are left unattended.

- (8) You must appoint at least two Key Holders and lodge written details (which must be kept up to date) with the Alarm Company, the Alarm Receiving Centre and, if they so require, the police or local authority.

For the purposes of this Additional Condition the following definitions apply.

Intruder Alarm System

An electrical installation to detect and indicate the presence, entry or attempted entry of an intruder into the Protected Premises, including all devices used to transmit Activations to an Alarm Receiving Centre.

Alarm Company

An organisation recognised as an 'approved company' by the National Security Inspectorate (NSI) or as a 'registered firm' by the Security Systems and Alarm Inspection Board (SSAIB).

Alarm Receiving Centre

An organisation recognised as an 'approved company' by the NSI or as a 'registered firm' by the SSAIB and which agrees to receive Activations from the Intruder Alarm System and make arrangements for notifying them to a Key Holder and/or the police.

Activations

Signals or other information generated by the Intruder Alarm System which indicate

- (a) a suspected or confirmed intrusion into the Protected Premises
- (b) a fault or tamper event may have occurred
- (c) incorrect or unexpected setting or unsetting of the Intruder Alarm System.

Key Holder

You, or any person or key holding company authorised by You, who must be

- (1) available at all times to
 - (a) accept notification of Activations
 - (b) attend and allow access to The Premises
- (2) fully trained in the operation of the Intruder Alarm System.

Protected Premises

The Premises, or those portions of The Premises, protected by the Intruder Alarm System.

Responsible Person

You or any person authorised by You to be responsible for the security of The Premises.

Asset Protection Additional Conditions Property Damage, Theft, Computer and Electronic Business Equipment, Business All Risks, Goods In Transit and Money

Applicable to Theft Section, Computer and Electronic Business Equipment Section, Business All Risks Section and Money Sections only

Minimum Security

The following paragraph applies to the Theft, Money and Business All Risks Sections only

If in relation to any claim for Damage to the Property Insured caused by theft or attempted theft at The Premises, which occurs more than 30 days after the inception of this policy, You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

The following paragraph applies to the Computer and Electronic Business Equipment Section only

If in relation to any claim for Damage to the Property Insured caused by theft or attempted theft at The Premises, which occurs more than 30 days after the inception of this policy, You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must ensure that in respect of all those parts of The Premises occupied by You in connection with The Business

- (1) all Perimeter doors and opening Accessible Perimeter windows are provided with an appropriate security measure, as described in (1) – (6) below
- (2) whenever any part or parts of The Premises occupied by You in connection with The Business is or are unattended, all such doors and windows to that part or parts are closed and secured by such appropriate security measure being put into full and effective operation.
- (1) Hinged doors are to be secured as follows
 - (a) single leaf doors and the final closing leaf of double doors
 - (i) timber framed doors – by a lock certified as meeting British Standard BS3621
 - (ii) aluminium or steel framed doors – by a five (or more) pin cylinder mortice swing lock
 - (iii) plastic framed doors – by a lock assembly certified as meeting PAS 3621 or a multi-point lock having at least 3 moving fastening points operated from a handle which is secured by a five (or more) pin cylinder lock
 - (iv) steel or composite construction (security) doors – by a security measure described in either 1(a) (i) or 1(a) (iii) above or by a five (or more) pin cylinder mortice lock.
 - (b) the first closing leaf of double doors
 - (i) by having, adjacent to the top and bottom corners of the door, a rebate bolt or an internal key operated mortice rack bolt or a lockable bolt

- (ii) by a multi-point lock having at least two moving fastening points operated from a handle which is secured by a five (or more) pin cylinder lock.
- (2) Rolling shutter and rolling panel doors are to be secured as follows
 - (a) manually operated doors – by having the operating chain fastened to an internal chain stop, housing or wall bracket by means of a padlock having a hardened steel shackle.
 - (b) electrically operated doors – by having an internal operating switch permitting power to be isolated and secured in the 'off' position by means of an integral lock or a padlock.
 - (c) wicket gates/personnel doors within such doors – by a lock certified as meeting British Standard BS3621.
- (3) Cellar trap doors are to be secured as follows
 - (a) by having an internal steel padlock bar fastened by a padlock having a hardened steel shackle.
 - (b) by having, adjacent to the top and bottom corners of the door(s), an internal key operated mortice rack bolt or a lockable bolt noting that, where one leaf of double doors when closed prevents the opening of the other, only that leaf needs securing as stated.
- (4) Doors described in 1 (a) and 2 (c) above which are not used as final exit doors are to be secured by a security measure described in 1 (a) or 2 (c) above or any type of door lock or lockable fastening not described therein which is supplemented by having, adjacent to the top and bottom corners of the door, an internal key operated mortice rack bolt or a lockable bolt.
- (5) Windows are to be secured as follows
 - (a) roof lights – by an internal fastening device designed and supplied as suitable for the task.
 - (b) louvre windows – by internal or external fixed steel bars or grilles.
 - (c) other windows – internally by means of a fastening device having an integral lock, by a window lock or by a key operated mortice rack bolt.
- (6) Emergency Fire Exits are to be secured as follows
any door or window described in (1) – (5) above which is formally designated as being solely for use as an emergency fire exit by the person(s) legally responsible under fire safety legislation for fire safety at The Premises is excluded from the stated requirements, but must instead be secured by a fastening device designed and supplied as suitable for the task.

Asset Protection Additional Conditions Property Damage, Theft, Computer and Electronic Business Equipment, Business All Risks, Goods In Transit and Money

Definitions

For the purpose of these conditions the following definitions apply

Perimeter

Doors and windows that provide access from those parts of The Premises occupied by You in connection with The Business to the open air, into any area of The Premises not occupied by You in connection with The Business or into any adjoining premises.

Accessible

Perimeter windows located on

- (1) basement and ground floors
- (2) other floors where they can be reached by a person standing within any communal areas, areas of The Premises not occupied by You in connection with The Business or any areas of adjoining or adjacent premises
- (3) other floors where they can be reached by a person standing on adjoining or adjacent land or any external structural feature of The Premises, or any adjoining or adjacent premises, which can readily be climbed onto including but not limited to stairways, fire escapes, lower storey roofs, porches, balconies and downpipes.

Applicable to Money Section only

Money in Transit

If in relation to any claim for loss of Money in transit (other than Money described in item 1 of The Schedule), You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must ensure that

- (1) such Money in transit is accompanied by the following number of persons, who must either be You and/or any director, partner or Employee of Yours
 - (a) over £2,500 up to £5,000 by at least 2 persons
 - (b) over £5,000 up to £8,000 by at least 3 persons
 - (c) over £8,000 up to £12,000 by at least 4 persons
 - (d) over £12,000 as stated in The Schedule
- (2) private transport is used for amounts of Money in transit greater than £2,500 where the distance exceeds half a mile.

The maximum We will pay in respect of any one claim will not exceed the Limit Any One Loss stated in The Schedule.

Applicable to Property Damage – All Risks Section only

Portable Space Heaters

If in relation to any claim for Damage to the Property Insured caused by or resulting from fire or explosion You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must

- (1) not place portable space heaters
 - (i) where they are liable to be overturned or suffer mechanical damage
 - (ii) where flammable atmospheres exist
 - (iii) on combustible surfaces
- (2) keep portable space heaters clear of combustible materials
- (3) maintain a clear space of at least one metre around portable space heaters by using a non-combustible guard
- (4) not refill portable space heaters while alight nor for a period of 30 minutes after the heater has been switched off
- (5) switch off all portable space heaters when The Premises are unattended.

Applicable to Property Damage – All Risks Section only

Premises Inspection

If in relation to any claim for Damage to the Property Insured by fire You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must

- (a) examine
 - (i) any buildings for which You are responsible
 - (ii) any designated smoking area within The Premisesfor any smoking/smouldering materials at least once every 24 hours or at each close of any working day if sooner
- (b) extinguish any smoking/smouldering materials found and place them in non-combustible receptacles
- (c) remove the contents of such receptacles at the end of the working day or at least once every 24 hours and dispose of safely
- (d) comply with all current legislation and or regulation in respect of the management and control of smoking within The Premises.

Asset Protection Additional Conditions Property Damage, Theft, Computer and Electronic Business Equipment, Business All Risks, Goods In Transit and Money

Applicable to Business All Risks Section only

Security Condition – Unattended Vehicles

We will not indemnify You in respect of Damage to the Property Insured by theft or attempted theft from any Unattended Vehicle, unless all locks, alarms and other security devices provided to protect the Vehicle are properly fitted and

- (1) put into operation and all keys removed, and
- (2) maintained in accordance with the manufacturers instructions.

Applicable to Computer and Electronic Business Equipment Section only

Security Device

If in relation to any claim for Damage as insured by this Section You have failed to fulfil the following condition, You will lose Your right to indemnity or payment for that claim.

In respect of Damage by theft or attempted theft, You must ensure that all computer processing units and printers are secured to either office furniture of the permanent building structure by a lockdown plate, entrapment or other similar anti-theft device approved by Us.

Applicable to Goods In Transit Section only

Security Devices

We will not indemnify You in respect of Damage to the Property Insured by theft or attempted theft from any Unattended Vehicle, unless all locks, alarms and other security devices provided to protect the Vehicle are properly fitted and

- (1) put into operation and all keys removed, and
- (2) maintained in accordance with the manufacturers' instructions.

Applicable to Computer and Electronic Business Equipment Section only

Software in the Course of Development exclusion

We will not indemnify You against any claim involving the development of software or programs.

Applicable to Property Damage – All Risks Section only

Stock Storage – Basements and Ground Floors

If in relation to any claim for Damage to the Property Insured caused by storm, flood or escape of water, You have failed to fulfil the following condition, You will lose Your right to indemnity or payment for that claim.

You must ensure that all stock stored in basements and/or on the ground floors of The Premises is stored at least 75mm above floor level.

Applicable to Goods In Transit Section only

Unattended Vehicles in Compounds

We will not indemnify You in respect of Damage to the Property Insured by theft or attempted theft from any Unattended Vehicle, from the end of any normal working day, or on any non-working day, until collected by Your driver, unless the Vehicle is garaged in a securely locked building of substantial construction or a compound which has secure walls and/or fences and securely locked gates.

Applicable to Goods In Transit Section only

Unattended Vehicles in Locked Buildings

We will not indemnify You in respect of Damage to the Property Insured by theft or attempted theft from any Unattended Vehicle, from the end of any normal working day, or on any non-working day, until collected by Your driver, unless such Vehicle is garaged in a securely locked building of substantial construction.

Applicable to Goods In Transit Section only

Unattended Vehicle – Theft

We will not indemnify You in respect of Damage to the Property Insured by theft or attempted theft from any Unattended Vehicle.

Applicable to Property Damage – All Risks Section only

Unoccupied Premises

If in relation to any claim for Damage while The Premises are Unoccupied, You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must

- (1) carry out internal and external inspections of the buildings at least every seven days and
 - (a) maintain a weekly log of such inspections to be retained for a period of at least 12 months.
 - (b) as soon as possible, repair, or arrange to repair, any damage or defects found including the removal of graffiti.
 - (c) carry out a monthly management check of the weekly inspections log.
- (2) remove all loose combustible items, including furniture, pallets, mail/flyers, waste, refuse, stock and materials in trade, and gas bottles, either within or outside the buildings, from The Premises.
- (3) securely lock all external doors, close and secure all windows, and secure and seal all letter boxes and openings.

Asset Protection Additional Conditions Property Damage, Theft, Computer and Electronic Business Equipment, Business All Risks, Goods In Transit and Money

- (4) (a) turn off all sources of power, fuel and water at the mains and wherever possible, chain and padlock the isolation valves,
(b) drain all water and fuel supply tanks, apparatus and pipes.
However, where the buildings are protected by
(i) an Intruder Alarm, CCTV or Fire Detection System You must provide sufficient power for their effective operation.
(ii) a sprinkler installation, You must provide sufficient power or water supplies for its effective operation and sufficient heat to prevent it freezing.
- (5) advise Us immediately if the buildings are to be occupied by contractors for renovation, alteration or conversion purposes or if the buildings are to become occupied or used.

Applicable to Money Section only

Visible Evidence

We will not indemnify You in respect of any loss of Money by theft or attempted theft unless there is visible evidence of entry into or exit from any building at The Premises involving forcible and violent means.

Applicable to Theft Section only

Visible Signs

We will not indemnify You in respect of Damage caused by theft or attempted theft unless there are visible signs of entry into or exit from The Premises by forcible and violent means.

Applicable to Property Damage – All Risks Section only

Waste Storage and Removal (Weekly)

If in relation to any claim for Damage to the Property Insured caused by or resulting from fire or explosion You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim. Unless agreed by Us You must ensure that

- (1) all Rags remaining within the buildings at the end of each working day must be kept in non-combustible receptacles with closed lids.
- (2) all Waste remaining within the buildings at the end of each working day must be kept in non-combustible receptacles with closed lids.
- (3) all Rags and Waste must be removed from the buildings at the end of each working week.
- (4) all wheeled waste receptacles, combustible goods or materials stored outside of the buildings must be positioned at least 10 (ten) metres away from the buildings unless such wheeled waste receptacles are constructed of non-combustible materials and with closed lids.
- (5) all Rags and Waste stored outside the buildings must be
 - (a) kept in separate non-combustible, lidded containers or other suitable proprietary refuse containers

- (b) removed from The Premises at least once a month, unless failure to remove is beyond Your control in which case they must be removed as soon as it is practicable.

Definitions

For the purposes of these conditions the following definitions apply

Rags

Oil, grease or flammable solvent contaminated rags, wipes and cleaning cloths.

Waste

Combustible trade and process waste, refuse, shavings, cuttings including recyclable processed materials.

Asset Protection Glass

Definitions

The following definitions apply to this Section in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Damage

Physical loss, destruction or damage.

Cover

We will indemnify You in respect of

- (1) breakage (including the cost of boarding up) of glass at The Premises
- (2)
 - (a) damage at The Premises to
 - (i) contents of display windows
 - (ii) window and door frames
 - (b) the cost of removing and reinstating obstructions to replacing glass
 - (c) the cost of replacing alarm foil, lettering, painting, embossing, silvering, or other ornamental work on glass

occurring during the Period of Insurance.

The maximum that We will pay in respect of item 2 (a), (b) and (c) is £2,000 in respect of total of all claims during any one Period of Insurance.

- (3) breakage of fixed
 - (a) washhand basins, pedestals, baths, sinks
 - (b) lavatory bowls, bidets, cisterns
 - (c) shower trays, splashbacks at The Premises.

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of

- (1) damage to glass in
 - (a) light fittings
 - (b) signs
 - (c) stock and Materials in Trade or goods in trust
 - (d) vehicles
 - (e) vending machines.

- (2) damage to glass caused by
 - (a) scratching
 - (b) gradual deterioration or wear and tear
 - (c) change in colour or finish.
- (3) breakage of glass
 - (a) while The Premises are Unoccupied
 - (b) in transit or while being fitted
 - (c) by workmen carrying out alterations or repairs to The Premises.
- (4) the Excess stated in The Schedule.

Asset Protection Engineering

Definitions

The following definitions apply to this Section in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Accidental Damage

Accidental Damage to Plant or Machinery by any external cause not otherwise excluded.

Accidental Damage does not include Breakdown, Collapse or Explosion.

However, We will indemnify You in respect of any consequent Damage caused by Breakdown, Collapse or Explosion which is not otherwise excluded.

Breakdown

(1) The breaking, distortion or burning out of any part of the Plant or Machinery which occurs while the Plant or Machinery is being used normally, arising from

- (a) any mechanical or electrical defect in the Plant or Machinery
- (b) any sudden and unforeseen failure of any insured boiler or pressure plant

(2) The complete severance of a rope

(3) The fracturing or distortion of any part of the Plant or Machinery by frost

including any resultant loss of cooling, lubricating or insulating oil, refrigerant or brine.

Collapse

The sudden and dangerous distortion of any part of the Plant or Machinery caused by crushing stress by force of steam or fluid pressure.

Collapse does not include distortion by pressure or ignition of flue gases.

Damage

Physical loss, destruction or damage.

Explosion

The sudden and violent rending of Plant or Machinery by force of internal steam or fluid pressure.

Explosion does not include

- (a) pressure of chemical action.
- (b) ignition of the contents of the Plant or Machinery.
- (c) the pressure or ignition of flue gases.

Plant or Machinery

All parts of the Property Insured stated in The Schedule. Any item described in The Schedule as a boiler includes the firing apparatus, motors, pumps, fans and dedicated controls.

Plant or Machinery does not include

- (a) non-metallic or refractory linings
 - (b) (i) cutting edges or extrusion heads
 - (ii) moulds, patterns or dies
 - (iii) heating elements
 - (iv) cables, ropes, belts or chains
- unless these require replacement as a result of Damage for which We have admitted liability
- (c) supporting or enclosing structures, foundations, masonry or brickwork
 - (d) any power unit, used only for road or site mobility, where Damage is caused solely by Breakdown
 - (e) (i) office equipment
 - (ii) spare parts

unless specified in The Schedule.

Cover

We will indemnify You in respect of Damage occurring during the Period of Insurance to the Plant or Machinery at The Premises by the Contingency set against it on The Schedule and any additional sums stated by a clause.

The maximum We will pay in respect of any one occurrence which gives rise to a claim under this Section is the Limit of Indemnity specified in The Schedule and any additional sums stated by a clause.

Contingencies

A Sudden and Unforeseen Damage

Sudden and unforeseen Damage including

- (1) Breakdown
- (2) Explosion
- (3) Collapse
- (4) Accidental Damage

to Plant or Machinery at The Premises, which requires repair or replacement before normal working of the Plant or Machinery can resume.

Asset Protection Engineering

B Breakdown, Explosion or Collapse

Breakdown, Explosion or Collapse of Plant or Machinery at The Premises which requires repair or replacement before normal working of the Plant or Machinery can resume.

C Accidental Damage

Accidental Damage at The Premises which requires repair or replacement before normal working of the Plant or Machinery can resume.

Clauses

The following clauses apply to this Section.

Additional Plant or Machinery

We will indemnify You in respect of Damage to additional Plant or Machinery of a similar type to that specified in The Schedule subject to the Limit of Indemnity provided that You

- (1) tell Us of any additional Plant or Machinery before the end of the Period of Insurance in which it was installed and ready for use and pay an agreed additional premium.
- (2) comply with current law for examination and certification of Plant or Machinery before it is used.

Basis of Settlement – Reinstatement

The basis upon which We will calculate the amount We will pay for any claim will be the reinstatement of the Plant or Machinery or other property insured by this Section subject to the following conditions

- (1) if Plant or Machinery or other property insured is destroyed We will pay for its replacement by similar Plant or Machinery or property insured in a condition as good as but not better or more extensive than its condition when new. If Plant or Machinery or other property insured is damaged We will pay the cost of repairs to a condition as good as but not better or more extensive than its condition when new but will not pay more than We would have if the Plant or Machinery or other property insured had been completely destroyed.
- (2) (1) above includes the additional cost of reinstating the Plant or Machinery or other property insured by this Section necessary to comply with any
 - (a) European Union Legislation
 - (b) Act of Parliament
 - (c) Bye laws of any public authority.

We will not indemnify You in respect of

- (a) costs incurred
 - (i) in respect of Damage not insured by this Section
 - (ii) where notice was served on You before the Damage occurred
 - (iii) where an existing requirement must be completed within a stipulated period
 - (iv) in respect of Plant or Machinery or other property insured which has not suffered Damage.
- (b) any charge or assessment arising from capital appreciation following compliance with any legislation or Bye law.

- (3) the Plant or Machinery or other property may be replaced on another site in a manner suitable to Your needs but this must not increase Our liability.
- (4) all work must begin and be carried out as quickly as possible.

We will not make any payment under this clause where

- (a) the parts necessary for repairs are not available at the manufacturers listed prices in which case We will pay for the cost of an equivalent repair to similar property for which parts are available at manufacturers listed prices.
- (b)
 - (i) the normal working environment of the Plant or Machinery is a yard, an open sided building, a compound or other open space unless for the purpose of providing effluent, electricity, gas, heating, water or other building services for The Premises
 - (ii) the other property is insured by the Lifted Goods Endorsement or is stock in trade or is in the process of manufacturein which case the basis of settlement will be indemnity.

Damage to Surrounding Property – boiler and pressure plant

We will indemnify You in respect of Damage to Plant or Machinery and other property belonging to You or in Your custody or control arising from Explosion or Collapse of boiler and pressure Plant or Machinery.

The maximum We will pay in respect of any one claim is £250,000.

Debris Removal

We will indemnify You in respect of costs and expenses incurred with Our consent, for

- (1) removal of debris
- (2) dismantling or demolishing
- (3) shoring or propping

of the Plant or Machinery or other property which has suffered Damage insured under this Section.

We will not indemnify You in respect of costs and expenses

- (a) incurred in removing debris from anywhere other than the site of the Damage and the area immediately adjacent to it.
- (b) arising from pollution or contamination of Plant or Machinery or other property not insured by this Section.
- (c) more specifically insured.

The maximum We will pay in respect of any one claim is £25,000.

Asset Protection Engineering

Loss Avoidance Measures

We will indemnify You in respect of reasonable costs and expenses incurred by You to mitigate Damage to the Plant or Machinery which would otherwise be inevitable provided that

- (a) the impending Damage does not stem from any reasonably foreseeable or gradually developing cause and We are satisfied that Damage has been avoided or mitigated as a result of the measures taken.
- (b) the policy terms exceptions clauses and conditions shall apply as if Damage had occurred.

The maximum We will pay in respect of any one claim is £25,000.

Repair Investigation Costs

When agreed by Us, We will indemnify You in respect of any repair investigation costs including consulting engineer's fees necessarily and reasonably incurred in the repair or replacement of Equipment provided Damage has occurred.

The maximum We will pay in respect of any one claim is £25,000.

We will not indemnify You in respect of the costs of preparing a claim.

Supplementary Expenses

We will, at Our discretion, pay additional costs and expenses incurred as a result of

- (1) temporarily repairing Damage to Plant or Machinery, and
- (2) ensuring the Damage to Plant or Machinery is repaired as soon as possible.

The maximum We will pay in respect of any one claim is £25,000.

Temporary Hire of Replacement Plant or Machinery

We will indemnify You in respect of costs and expenses incurred with Our consent for the temporary hire or rental of replacement Plant or Machinery following Damage which is insured under this Section.

We will not indemnify You in respect of any hire or rental costs incurred in the first 48 hours immediately following Damage.

The maximum We will pay in respect of any one claim is £25,000.

Temporary Removal

We will indemnify You in respect of Damage to Plant or Machinery whilst temporarily removed for a period not exceeding six months anywhere in the world including transit for the purposes of The Business or for cleaning, renovating or repair.

The maximum We will pay in respect of any one claim for Damage to Plant or Machinery during transit by sea or air is £100,000.

Section Exception (2) does not apply to this clause.

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of

- (1) the Excess stated in The Schedule.
We will deduct the Excess in respect of any claim or all claims arising out of one cause. If more than one Excess is stated in The Schedule the highest amount will apply
- (2) Damage caused by or consisting of
 - (a) fire, lightning or explosion (except Explosion as defined in this Section)
 - (b) aircraft or aerial devices or articles dropped from them
 - (c) storm, flood or inundation from the sea
 - (d) escape of water from any tank apparatus or pipe
 - (e) subsidence, ground heave or landslip
 - (f) theft or attempted theftregardless of any other contributory cause.
- (3) the cost of remedying or repairing
 - (a) gradual deterioration or wear and tear.
 - (b) gradually developing defects, flaws, deformation, distortion, cracks or partial fractures.
 - (c) loose parts or defective joints or seams unless caused directly by overheating brought about by shortage of water in Plant or Machinery which is subject to steam or fluid pressure.However We will indemnify You for any consequent Damage to Plant or Machinery insured under this Section.
- (4) the cost of any maintenance work.
- (5) Damage directly or indirectly caused by or contributed to or arising from
 - (a) any test, experiment or routine inspection.
 - (b) the imposition of abnormal working conditions including intentional overloading unless occurring without Your knowledge or consent.
- (6) Damage caused by or contributed to or arising from
 - (a) disappearance.
 - (b) unexplained or inventory shortage.
- (7) Damage caused by the use of one or more cranes unless the lifting operation complies fully with the requirements of BS7121 or any other British or International standard which may replace it.

Asset Protection Engineering

- (8) any penalty
 - (a) for delay or detention.
 - (b) in connection with guarantees or performance or efficiency.
 - (c) for liquidated damages or consequential loss.
 - (d) for liability not specifically provided for by the Section.
- (9) tyres damaged by
 - (a) the application of brakes.
 - (b) punctures or bursts.
- (10) Damage caused by Your wilful act or wilful neglect.
- (11) Damage to experimental or prototype plant or machinery.
- (12) Damage caused or consisting of the chipping of painted surfaces or scratching of any surfaces.
- (13) any Damage whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - (a) Terrorism
 - (b) civil commotion in Northern Ireland
 - (c) any action taken in controlling preventing suppressing or in any way relating to (a) and/or (b) above.

Terrorism means

- (i) in respect of Damage occurring in England Wales and Scotland only (but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man or the Channel Islands) acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government or any other government de jure or de facto
- (ii) in respect of Damage occurring in any territory not specified in (i) above any act or acts including but not limited to
 - the use or threat of force and/or violence and/or
 - harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological meanscaused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political religious ideological or similar purposes.

In any action suit or other proceedings where We allege that any Damage results from Terrorism as defined above and is therefore not covered under this Section the burden of proving that any such Damage is covered under this Section will be upon You.

Conditions

The following conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

If in relation to any claim You have failed to fulfil the following condition You will lose Your right to indemnity or payment for the claim.

Maintenance

You must maintain all Plant or Machinery in accordance with the manufacturer's recommendations.

Option for Settlement

We may at Our option

- (a) repair, reinstate or replace any Plant or Machinery damaged, or
- (b) pay the amount of the Damage.

We will not indemnify You in respect of

- (i) temporary repairs carried out without Our consent.
- (ii) the cost of any alterations, additions, improvements or overhauls carried out when any repair is undertaken.

Our Rights

If Damage occurs which may lead to a claim, We may take possession of, or require to be delivered to Us Plant or Machinery which We will deal with in a reasonable manner without incurring liability or reducing Our rights.

We will not indemnify You in respect of Damage if You or anyone acting on Your behalf

- (i) do not comply with Our requirements.
- (ii) hinder or obstruct Us.

You are not entitled to abandon property to Us.

Suspension of Cover

We may suspend cover by notice in writing to You until any requirement We have stipulated has been completed by You. Cover will only be reinstated following written notice by Us.

If cover is suspended We will refund a proportionate part of the premium.

Asset Protection Commercial Crime

Definitions

The following definitions apply to this Section, in addition to the Policy Definitions at the front of this policy, and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Associated Company

Any company or other entity in which The Policyholder first named in The Schedule directly or indirectly

- (1) owns less than 50% of the share or other capital, and
- (2) retains management control, and
- (3) sets security and fraud risk control procedures.

Benefit Scheme

Any

- (1) pension scheme, pension programme or pension plan
- (2) profit sharing, share option or share purchase scheme, or
- (3) health and welfare or other Employee benefit plan or trust

established and conducted by You for the benefit of any Employee and their families and dependants and for which You are the sponsoring employer.

Business Interruption Costs

Any

- (1) rental fees for additional temporary replacement equipment and temporary additional premises, or
- (2) costs of additional temporary external workforce and overtime of Employees, or
- (3) costs related to transportation of equipment or documents

which exceed Your usual operational costs and are necessary to restore the normal course of operations of The Business.

This definition does not include any

- (1) Reinstatement of Data Costs
- (2) fees or costs incurred within the first 48 hours after Discovery of Loss.

Cheque

Cheque, draft, promissory note, bill of exchange, or similar written promise, order or direction to pay a fixed amount which is shown on the document.

Cheques Fraud

Any act of Forgery or fraudulent alteration of, on or in any Cheque made or drawn by You against an account You hold with a financial institution located within the Territorial Limits to pay a specified third party or purporting to have been made or drawn as set out above.

Client

Any natural person, firm, company, organisation or association to whom You provide goods or services (other than a Benefit Scheme) under a written contract or for a fee.

Computer Fraud

The intentional taking of Insured Property by fraudulent use of computer hardware, systems, software or programs operated by You.

Discovery

When any director, partner, Member, trustee, officer, department director, senior manager or equivalent of Yours, who is not In Collusion with a dishonest Employee, dishonest Outsource Service Provider or dishonest Third Party,

- (1) first becomes aware of any act, event or matter which would cause a reasonable person to believe that a crime had occurred or
- (2) receives notice of an actual or potential claim alleging facts which could give rise to a Loss under this policy

Any Discovery made by any one of You shall constitute a Discovery made by all of You.

Discovery Period

The period following the expiry of the Period of Insurance during which You may first Discover and be able to continue to notify acts, events or matters likely to give rise to a Loss under this policy.

Employee

Any identifiable, natural person, whilst engaged by You for the purposes of The Business (save in respect of category (4) below)

- (1) who is a member of Your board of directors or equivalent management board
- (2) while under a full-time, part time or temporary contract of service with You (other than members of Your board of directors or equivalent management board) in the ordinary course of The Business whom You remunerate by salary, wages or commissions and have the right to govern and direct in the performance of such service

Asset Protection Commercial Crime

- (3) who
 - (a) is under a work experience or training scheme with You
 - (b) works exclusively as a consultant for You and for no other party, while under a contract for services
 - (c) is assigned to perform duties for You by an agency furnishing personnel on a permanent or part-time or contingent basis, or
 - (d) is a student, secondee or volunteer working for You whom You have the right to govern and direct such person in the performance of such duties
- (4) whose acts have caused a Loss covered by this policy and who would have fallen into categories (1) to (3) above, had their service or employment with You not been terminated, provided that
 - (a) no more than 90 days have elapsed between the termination of their service or employment with You and the date of the Loss, and
 - (b) such person's employment was not terminated as a result of an Internal Crime,
- (5) who would fall into categories (1) to (3) above but whom You are unable to identify by name, provided that You are able to submit evidence that reasonably proves to Our satisfaction that the Loss was due to the act of a person falling within categories (1) to (3) above.

Provided that an Employee shall not mean any person who works for or acts on behalf of an external auditor, accountant, broker, investment adviser or investment manager, factor, commission merchant, consignee or other similar agent or representative whose services are employed by You.

Expenses

Any

- (1) Investigation Costs
- (2) Legal Defence Costs
- (3) Mitigation Costs
- (4) Reinstatement of Data Costs
- (5) Reputational Recovery Costs
- (6) Property Damage Costs

incurred by You with Our prior written consent.

Financial Trading

The purchase, sale or exchange transactions, repurchase agreements or other dealings by or on behalf of You concerning securities, metals, commodities, funds, currencies, foreign exchange and interests therein, and the like, together with all forms of derivatives.

This definition does not include the purchase of inventory in the normal course of The Business.

Forgery

The signing of the name of one person by another person with the intent to deceive but not

- (1) the signing of a person's name signed by that person with or without authority in any capacity for any purpose, or
- (2) genuinely signed instruments which are false as to contents.

Mechanically reproduced facsimile signatures will be treated exactly as if they were hand-written signatures.

Funds Transfer Fraud

- (1) Electronic instructions issued from a terminal or computer on The Premises to a bank or financial institution at which You hold an account directing them to make a payment for a fixed amount from Your account,
- (2) Facsimile instructions sent from a facsimile or other machine which scans a document, sends it electronically over a telecommunications network so that a facsimile can be printed on receipt, to a bank or financial institution at which You hold an account directing them to make an electronic payment for a fixed amount from Your account,
- (3) Telephone instructions made by an Employee over a telephone or telecommunications network to a bank or financial institution at which You hold an account directing them to make an electronic payment for a fixed amount from Your account, or
- (4) Original written instructions signed in accordance with Your bank mandate issued to Your bank or financial institution at which You hold an account directing them to make an electronic payment for a fixed amount from Your account including instructions to make one payment or payments at specified intervals or under specified conditions

which purport to have been sent, issued, given or transmitted by You but were in fact fraudulently sent, issued, given or transmitted without Your knowledge or consent.

In Collusion

Where two or more people are involved or implicated together or where they assist each other materially in order to commit dishonest or fraudulent acts.

Insured Property

Any tangible property other than Money or Securities.

In Transit

The carriage of an item outside The Premises while in the custody of

- (1) an Employee, or
- (2) any other person authorised by You.

Asset Protection Commercial Crime

Internal Crime

Acts of Theft, fraud or dishonesty committed by any Employee (acting alone or In Collusion)

- (1) with the deliberate intent of causing You Loss, or
- (2) where such dishonesty involves Financial Trading, with the deliberate intention of obtaining an improper personal financial gain for the Employee concerned or any other person or organisation intended by the Employee to receive such gain.

For the purpose of this definition “improper personal financial gain” does not include salary, commissions, fees, bonuses, promotions or other emoluments or benefits legitimately earned or paid in the normal course of employment.

Investigation Costs

Independent investigation costs, incurred by You to substantiate the cause and amount of any Loss covered by this policy, including professional fees.

This definition does not include costs paid by You for salaries, wages or any similar expenditure.

Legal Defence Costs

Legal fees, costs or expenses incurred and paid by You to defend any legal proceeding, which You subsequently establish has resulted directly from a Loss covered by this policy.

Limit of Indemnity

The amount stated in The Schedule applicable to each Cover.

Loss

Any

- (1) direct financial loss sustained by You,
- (2) loss of Insured Property leased or hired by You for which You are legally liable

Malicious Code

Unauthorised and corrupting or harmful software code, including computer viruses, Trojan horses, keystroke loggers, spyware, adware, worms and logic bombs.

Malicious Damage

Any malicious act committed by any Employee (whether acting alone or In Collusion) or Third Party to damage, destroy, erase or delete Data or insert Malicious Code.

Member

A member of a limited liability partnership formed under the Limited Liability Partnerships Act 2000 or any amendment or re-enactment thereof.

Mitigation Costs

Any costs and expenses incurred by You, with Our prior written consent, to take action to avoid or reduce any insured Loss provided that the extent of such costs and expenses do not exceed the amount of the Loss which would have occurred had such action not been taken.

Obligation(s)

The Condition(s) stated in The Schedule as the Actions You Must Take.

Outsource Service Provider

A natural person, firm, company, association or organisation contracted to provide outsourced services to You. Such services include

- (1) legal advice
- (2) payroll, benefits management and human resources
- (3) billing and data entry
- (4) information technology and management consultancy
- (5) facilities management, including security, cleaning and landscaping services.

This definition does not include any external auditor or accountant, insurance intermediary, financial adviser, factor, commission merchant, consignee or similar agent or representative.

Property Damage Costs

The costs of replacing or repairing any loss or damage to

- (1) The Premises, or
- (2) any furnishings, fixtures, equipment, safe, vault, cash register, cash box or cash drawer in The Premises which are owned by You or for which you are legally liable.

Recruitment Costs

External recruitment costs necessarily and reasonably incurred by You, with Our prior written consent, to recruit any new Employee required to replace any Employee dismissed from The Business as a direct consequence of having committed an act of Theft, fraud or dishonesty covered by this policy.

This definition does not include internal costs such as salaries, wages or any similar expenditure.

Reinstatement of Data Costs

The cost of reinstating Data which has been damaged, destroyed, erased or stolen or the costs of removing Malicious Code.

This definition does not include costs arising as a result of

- (1) reinstating Data if there are no analysis files, specification or backups
- (2) reinstating Data if illegal copies of software programs are or have been knowingly used by You

Asset Protection Commercial Crime

- (3) replacing processing equipment or hardware
- (4) designing, updating or improving Data.

Reputational Recovery Costs

Costs and expenses incurred by You, with Our written consent, to employ the services of a public relations or crisis management consultancy to limit adverse publicity following Discovery of a Loss covered by this policy.

Securities

Negotiable and non-negotiable instruments or contracts representing Money or property, including but not limited to any note, stock, bond, share, other equity or debt security or carbon credit, but excluding Money.

Single Loss

All Losses, costs or expenses arising from or attributable to

- (1) a single act, or
- (2) a number of acts in which the same person is implicated, or
- (3) one originating cause

regardless of the number of You who sustain such Losses, costs or expenses.

Subsidiary Company

Any organisation in which The Policyholder first named in The Schedule directly or indirectly holds more than 50% of the voting rights or the issued share capital and retains management control.

Telecommunications System

Any private branch exchange (PBX) system which is owned or leased by You and primarily used for business purposes including associated voice mail and call back facilities.

Territorial Limits

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

Terrorism

Any act or acts including but not limited to

- (1) the use or threat of force and/or violence and/or
- (2) harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

Theft

Criminal and dishonest taking or appropriation with intent to deprive.

Third Party

Any person who is not

- (1) an Employee, equity partner, Member, or Outsource Service Provider of Yours or of a parent, related or group company of Yours
- (2) In Collusion with an Employee, equity partner, Member or Outsource Service Provider of Yours or of a parent, related or group company of Yours
- (3) an external auditor or accountant, insurance intermediary, financial adviser, factor, commission merchant, consignee or other similar agent or representative whose services are employed by You.

Cover

This section consists of individual Covers. The Schedule confirms the Covers You have purchased and are insured under and gives precise details of the Limits of Indemnity of Your insurance protection and provides details of the Period of Insurance, Excess and any other limits applying to this policy.

Commercial Crime

Internal Crime

We will cover You for Loss first Discovered during the Period of Insurance (or applicable Discovery Period), resulting from Internal Crime caused by any Employee whose normal place of employment or service is within the Territorial Limits.

The maximum amount that We will pay in respect of any Single Loss is the Limit of Indemnity stated in The Schedule.

Malicious Damage to Data

We will cover You for Reinstatement of Data Costs resulting from Malicious Damage provided that

- (1) such costs are incurred with Our prior written consent, and
- (2) such Malicious Damage is first Discovered by You during the Period of Insurance (or applicable Discovery Period).

The maximum We will pay for all instances of Malicious Damage to Data first Discovered during the Period of Insurance (or applicable Discovery Period) is the Limit of Indemnity stated in The Schedule.

Asset Protection Commercial Crime

Cheques Fraud

We will cover You for Loss first Discovered during the Period of Insurance (or applicable Discovery Period), resulting from Cheques Fraud committed by a Third Party.

The maximum We will pay for all instances of Cheques Fraud first Discovered during the Period of Insurance is the Limit of Indemnity stated in The Schedule.

Third Party Computer and Funds Transfer Fraud

We will cover You for Loss first Discovered during the Period of Insurance (or applicable Discovery Period), resulting from Computer Fraud or Funds Transfer Fraud committed by a Third Party.

The maximum We will pay for all instances of Computer Fraud or Funds Transfer Fraud first Discovered during the Period of Insurance is the Limit of Indemnity stated in The Schedule.

Clauses

These clauses apply and are stated in The Schedule

Business Interruption Costs

We will cover You for Business Interruption Costs, for a period of up to 90 days.

The maximum We will pay under this Clause during the Period of Insurance is stated in The Schedule, such amount being part of and not in addition to the Limit of Indemnity applicable to the associated Loss covered by this policy.

Discovery Period

If this policy is not renewed by either You or Us at the end of the Period of Insurance and no similar insurance policy is effected elsewhere, You have a Discovery Period, as stated in The Schedule, commencing immediately following the date of expiry but only in relation to Losses or circumstances which have occurred during the Period of Insurance. Such Losses and circumstances notified to Us during the Discovery Period are deemed to have been notified during the Period of Insurance.

The Discovery Period shall terminate immediately upon the commencement date of any similar insurance policy obtained by You that covers (or but for the existence of this policy would cover) the Loss in whole or in part.

No Discovery Period will be available following cancellation of the policy in accordance with the provisions of the Cancellation Condition.

Expenses

We will cover You for Expenses.

The maximum We will pay for any Single Loss is stated in The Schedule, such amount being in addition to the Limit of Indemnity applicable to the associated Loss covered by this policy.

Conditions

The following Conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

Audit

If in relation to any claim You have failed to fulfil the following condition, which is material to that claim, We will not pay that claim.

Independent professional accountants or auditors will examine Your accounts at least every 12 months.

Acquisitions

During the Period of Insurance

We will automatically extend cover to include any new Subsidiary Company or Associated Company which You create or acquire during the Period of Insurance, provided that the new Subsidiary Company or Associated Company

- (1) is registered and domiciled in the Territorial Limits
- (2) has a gross annual turnover and total number of Employees which is less than 25% of Your combined total gross annual turnover and combined total number of Employees respectively (including for the avoidance of any doubt those of any Subsidiary Companies and Associated Companies declared to Us before the new acquisition or creation)
- (3) has not in the preceding three years had a loss or series of related losses which exceed the lesser of
 - (a) 50% of the Limit of Indemnity that would have been applicable had such loss or series of related losses been recoverable under this policy, or
 - (b) £1,000,000
- (4) carries out business activities which are not materially different to The Business, and
- (5) has security and fraud risk control procedures which match or exceed those most recently advised to Us by You.

If the new Subsidiary Company or Associated Company does not meet all of the conditions noted in (1) to (5) above, We will automatically provide cover from the date of creation or acquisition for a period of 90 days during which time The Policyholder first named in The Schedule must provide Us with full details of such new Subsidiary Company or Associated Company and pay Us any additional premium We may reasonably require to provide cover. Failure to provide such details and to pay any additional premium during the 90 day period will result in any claim under this policy by the new Subsidiary Company or Associated Company being barred.

Unless otherwise agreed in writing by Us, cover under this policy shall only apply to any crime committed after the date of the creation or acquisition of the new Subsidiary or Associated Company.

Asset Protection Commercial Crime

Prior to the Period of Insurance

Unless otherwise agreed in writing by Us, any Subsidiary Company or Associated Company acquired or established by You prior to the Period of Insurance shall only be covered under this policy in relation to loss caused by any crime committed after the date on which such Subsidiary Company or Associated Company was acquired or established by You.

Acquisition of The Policyholder first named in The Schedule

Unless otherwise agreed in writing by Us, this policy shall terminate for all of You upon

- (1) a change in ownership of the controlling interest of the share capital of The Policyholder first named in The Schedule, or
- (2) a person or persons acting in concert acquiring a majority of the voting rights to appoint or remove directors of The Policyholder first named in The Schedule, or the appointment of a liquidator, provisional liquidator, receiver, administrative receiver, administrator, supervisor, trustee or other similar insolvency appointee or fiduciary in respect of The Policyholder first named in The Schedule.

Following termination, The Policyholder first named in The Schedule may continue to notify Loss first Discovered during the Period of Insurance or any applicable Discovery Period, provided that We will only provide indemnity in respect of any crime committed prior to the event described in (1) or (2) above.

Authorisation

It is a condition of this policy that The Policyholder first named in The Schedule acts for all of You with respect to the

- (1) giving and receiving of notice of Discovery
- (2) payment of premiums and the receiving of any return premiums that may become due under this policy
- (3) negotiation of claims and receipt of claims payments
- (4) negotiation, agreement to and acceptance of endorsements, and
- (5) giving or receiving of any notice provided for in this policy

and all of You agree that The Policyholder first named in The Schedule shall so act on Your behalf.

Bank Account Reconciliation

If in relation to any claim You have failed to fulfil the following condition, which is material to that claim, We will not pay that claim.

All cash book entries will be checked by someone other than the Employees responsible at least once in every 30 days against bank statements, receipts and other supporting documentation and the balance tested against cash and un-presented cheques.

Basis of Settlement

We will not be liable for more than

- (1) in respect of any claim for loss of Securities the lesser of
 - (a) the market value of Securities on the business day immediately preceding the day on which the loss is Discovered
 - (b) the cost of replacing the Securities
- (2) the equivalent in pounds sterling of any other currency calculated at the rate of exchange applicable on the date of settlement of Your claim. All payments will be in pounds sterling
- (3) in respect of any claim for Reinstatement of Data Costs, the cost of labour for the transcription or copying of electronic data, which You will provide, in order to reinstate such data
- (4) in respect of loss of other Insured Property the lesser of
 - (a) the value of the Insured Property at the date of the loss
 - (b) the cost of repairing or replacing the Insured Property with property of a similar quality and value at the date of the loss.

Cash Balances, Floats and Petty Cash

If in relation to any claim You have failed to fulfil the following condition, which is material to that claim, We will not pay that claim.

The amount of cash balances, floats and petty cash will be laid down and will be subject to a physical check against supporting documents by someone other than the Employees responsible at least every 30 days.

Cheque Issue

If in relation to any claim You have failed to fulfil the following condition, which is material to that claim, We will not pay that claim.

- (1) Cheques will only be signed after they have been fully completed.
- (2) All manually prepared cheques with a value over £5,000 will be signed by at least two authorised signatories.
- (3) If cheques are prepared and signed by computer or machine
 - (a) dual control will be exercised over the operation
 - (b) at least one further manual signature will be applied where the value of the cheque exceeds £25,000
 - (c) supporting documentation will be examined and authorised prior to signing by computer or machine
- (4) All signatories, will examine the supporting documentation against the cheque prior to signing.

Asset Protection Commercial Crime

Computer Security

If in relation to any claim You have failed to fulfil the following condition, which is material to that claim, We will not pay that claim.

- (1) All update and amendment access to computer systems and programs containing accounting, stock and other valuable records will be protected by passwords. Passwords will be chosen by and confidential to the user and will be changed at least every 90 days
- (2) If You allow dial-up, internet or other external access to Your computer systems You will protect them with firewalls and anti-virus software which You will update regularly.

Contracts (Rights of Third Parties)

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

Debtors

If in relation to any claim You have failed to fulfil the following condition, which is material to that claim, We will not pay that claim.

- (1) Where You allow credit, statements of account will be issued at least once in every 30 days. If the issue of statements involves any Employees who receive payments then all accounts including all suppressed and suspense accounts will be reviewed by someone other than the Employees responsible at least once in every 90 days
- (2) Management action will be taken before an account becomes 90 days overdue.

Disposals and Closures

Unless otherwise agreed in writing by Us, this policy shall terminate

- (1) for a Subsidiary Company or Associated Company upon
 - (a) the appointment of a liquidator, receiver, administrative receiver, administrator, supervisor, trustee or other similar insolvency appointee or fiduciary in respect of the Subsidiary Company or Associated Company, or
 - (b) it ceasing to be a Subsidiary Company or Associated Company, save that where You sell or dispose of such company, on terms that You remain contractually liable to the purchaser for any Loss sustained by it as a result of a crime which was committed prior to the date of sale or disposal, We will continue to provide over under this policy to the company provided that
 - (i) it ceased being a Subsidiary Company or Associated Company no more than two years prior to commencement of the Period of Insurance during which a Loss is Discovered
 - (ii) it had been continuously insured by Us under this policy (or a policy issued by Us for which this is a replacement) during the two years prior to the sale or disposal, and

- (iii) the crime (or for the purposes of cover under Impairment of Money and Securities the disappearance, damage or destruction) giving rise to the Loss occurred during a period when We insured the company under this policy and prior to the date that such entity ceased being a Subsidiary Company or Associated Company
- (2) for a Benefit Scheme upon it being closed, wound up or transferred to an entity other than The Policyholder.

Following termination pursuant to this condition, The Policyholder first named in The Schedule may continue to notify Loss first Discovered during the Period of Insurance (or applicable Discovery Period), provided that We will only provide indemnity in respect of any crime committed prior to the event described in (1) or (2) above.

Funds Transfer Controls

If in relation to any claim You have failed to fulfil the following condition, which is material to that claim, We will not pay that claim.

- (1) In respect of funds transfers involving electronic instructions
 - (a) at least dual control will be imposed to ensure that no one Employee can complete a funds transfer payment from beginning to end
 - (b) all Employees involved will require unique passwords to access the terminal, computer or system. Passwords will be confidential to the user
- (2) In respect of all telephone and facsimile instructions the bank or financial institution will be instructed to telephone an Employee other than the person who sent, issued, gave or transmitted, or purported to send, issue, give or transmit, the instructions to check that they are valid prior to transferring the funds
- (3) You will comply with all process and security controls agreed with the bank or other financial institution, through which Your transfers are made.

Joint Policy

Each of You are deemed for all purposes under this policy to be insured jointly and not separately for their respective several insurable interests.

Money Received and Banking

If in relation to any claim You have failed to fulfil the following condition, which is material to that claim, We will not pay that claim.

- (1) Any Employee who receives or collects money and/or cheques in the course of their duties away from The Premises will be required to remit them to You at least 1 time(s) per week
- (2) All money and cheques received by Employees at The Premises, including that remitted in (1) above, will be banked at least 2 time(s) per week.

Asset Protection Commercial Crime

Non Accumulation

In the event that

- (1) You incur Losses, Expenses, or other losses, which together constitute a Single Loss, over more than one Period of Insurance, or
- (2) a Single Loss arises from or is attributable to more than one act committed over more than one Period of Insurance, or
- (3) a Single Loss arises from or is attributable to one originating cause that spans more than one Period of Insurance,

You may only submit a single claim in respect of the Single Loss, in respect of which the Limit of Indemnity shall be that applying to the Period of Insurance during which the loss or Loss was first Discovered.

Non Assignment

No change in, modification of, or assignment of any interest under this policy shall be effective except when made by written endorsement to this policy duly executed on Our behalf.

Our Liability

- (1) The maximum amount which We will pay for or in connection with any Single Loss first Discovered during any one Period of Insurance (or applicable Discovery Period) shall not exceed the Limit of Indemnity applicable to such Single Loss.
- (2) Should more than one Cover apply to a Single Loss, the maximum amount We will pay will be the highest single Limit of Indemnity applicable to such Single Loss.
- (3) Our liability applies in excess of the total amount of the Excess applicable to any Single Loss
- (4) The Limit of Indemnity does not apply separately for each of You.

Other Insurances

Where any loss covered by this policy is also covered by another valid and collectible insurance policy, indemnity or bond (excluding any policy which is specifically stated to operate in excess of this policy and names Us as the primary insurer) or would be so covered but for the existence of this policy, We will not be liable to indemnify You except in respect of any excess beyond the amount which would be payable under such other insurance policy had this policy not been effected.

If recovery is not available under the other insurance, indemnity or bond, due to a breach of a warranty term or condition, then this policy will continue to sit in excess of such other limit as though recovery had been available.

Where part of a loss is covered under this policy and part under a policy held by You which predates this policy, the Excess applicable to the loss under this policy shall be reduced by the excess or deductible actually applied to the loss under such prior policy.

Payroll

If in relation to any claim You have failed to fulfil the following condition, which is material to that claim, We will not pay that claim.

The cast of the payroll will be examined at least once in every 90 days by someone other than the Employees responsible to check that the total amount drawn is correct and that there are no past or fictitious Employees included.

Purchases

If in relation to any claim You have failed to fulfil the following condition, which is material to that claim, We will not pay that claim.

In respect of purchases with a value of over £1,000 of machinery, equipment, goods, materials, services, contracts and sub-contracts, no one Employee will be able to perform the following three stages on their own

- (1) order
- (2) certificate receipt or completion, and
- (3) authorise payment.

Recoveries

If any Loss, Expenses, costs, charges, interest or other amounts are recovered they will be distributed first to cover the costs of recovery, then to You for the amount of Your loss in excess of the Limit of Indemnity, then to Us for the amount paid under the claim and then to You for the amount of the Excess.

References

If in relation to any claim You have failed to fulfil the following condition, which is material to that claim, We will not pay that claim.

For all Employees engaged in any role

- (1) that involves handling Money, payments, orders, statements of account, stock
- (2) that involves having update and amendment access to accounting and stock recording systems
- (3) in Your accounts, information technology, information systems or computer departments
- (4) with a supervisory, management or directorial content

on or after the date this policy was first incepted, satisfactory written or fully documented verbal references will be obtained directly from former employers.

Such references must cover the preceding 2 year(s) of employment and must be provided in the event of a claim.

Any gaps in the preceding 2 year(s) of employment must be accounted for.

Asset Protection Commercial Crime

References need not be obtained in respect of Employees who have satisfactorily and continuously been employed by You for at least 12 months in any capacity other than stated in (1) to (4) above.

In respect of Employees joining directly from school or Government sponsored youth training schemes at least one character reference will be obtained.

Stock Control

If in relation to any claim You have failed to fulfil the following condition, which is material to that claim, We will not pay that claim.

All stocks, including any raw materials and work in progress, will be subject to at least once in every 12 month(s) a physical check against verified stock records by someone other than the Employees responsible.

Termination

The commencement of cover under this policy shall terminate, if not already terminated, all Our previous liability to You under any prior policies, including liability arising by reason of any discovery period stated in such policies.

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

Authorised Agents and Representatives

We will not provide cover for loss due to Theft, fraud or dishonesty committed by an agent or representative to whom You have entrusted Money, Securities or Insured Property or to whom You have given the means to obtain access to Your Money, Securities or Insured Property.

This exception shall not apply

- (1) to a Loss which is not connected to the Money, Securities or Insured Property which was entrusted to the agent or representative or to which they were given access.

Care, Custody & Control and Client Loss

We will not provide cover in respect of loss sustained by Your Clients.

Corporate Valuations

We will not provide cover for loss resulting from an assertion that the price or other consideration paid by You for the acquisition of a company or other legal entity was dishonestly inflated.

Discovery Prior to the Period of Insurance

We will not provide cover for loss first Discovered prior to the commencement of the Period of Insurance.

Excess

We will not provide cover for the Excess shown in The Schedule.

Financial and Trade Sanctions

We will not provide cover for loss where the payment of a claim or provision of a benefit would expose Us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions laws or regulations of the European Union, United Kingdom or United States of America or any of its states.

Financial Trading

We will not provide cover for loss resulting directly or indirectly from any credit arrangement, false accounting, trading or dealing in Securities, commodities, futures, options, derivatives, warrants, currencies, foreign exchange or the like unless the loss was caused directly by an Internal Crime committed by an identifiable Employee and would otherwise have been covered by this policy.

Inventory Losses

We will not provide cover for loss, the proof of which is dependent upon an inventory calculation or profit and loss calculation alone. However, where You establish through evidence, apart from such calculation, that You have sustained a Loss caused by an Internal Crime committed by an identifiable Employee, then You may offer Your inventory records and actual physical count of inventory in support of the amount of Loss claimed.

Kidnap, Ransom and Extortion

We will not provide cover for loss resulting directly or indirectly from kidnap, ransom or extortion by a Third Party or Outsource Service Provider (not acting In Collusion with an Employee), including any negotiation, investigation, travel or medical costs, medical fees or ancillary expenses.

Loss after Discovery

We will not provide cover for loss caused by

- (1) an Employee after You have discovered any act of Theft, fraud, dishonesty, malicious damage or criminal damage by that Employee
 - (a) whilst in Your service or being employed by You, or
 - (b) prior to being in Your service or being employed by You.

Asset Protection Commercial Crime

Loss Between You

We will not provide cover for loss sustained by one of You to the advantage of any other of You.

Loss or Damage by Fire and Explosion

We will not provide cover for loss or damage caused by fire or explosion.

This exception does not apply to

- (1) loss or damage to Money or Securities, or
- (2) damage to a safe, vault, cash register, cash box or cash drawer.

Major Shareholders

We will not provide cover for loss resulting from the fraudulent or dishonest actions of any person who at the time of such fraud or dishonesty legally or beneficially controlled more than 20% of the share or other capital in any one or more of You. However, if such loss would have been covered in the absence of this exception then We will pay that part of loss which is in excess of the value of their shareholding on the day immediately preceding the date of Discovery. Where You are listed on a public exchange, the shareholding will be deemed to be Your value on the day immediately preceding the date of Discovery. Where You are not listed on a public exchange, the shareholding value is calculated using Your net worth as disclosed by Your most recent annual audited report and consolidated accounts.

Public Utilities Fraud

We will not provide cover for loss or damage arising from the direct theft or diversion of gas, water or electricity by a Third Party from the Premises.

Terrorism

We will not provide cover for any loss or consequence whatsoever resulting directly or indirectly from or in connection with Terrorism, or any action in controlling, preventing, suppressing or in any way relating to Terrorism, regardless of any other contributory cause or event.

In any action, suit or other proceedings, where We allege that by reason of Our definition of Terrorism any claim is not covered by this policy by virtue of this exception, the burden of proof shall shift so that We will not be required to prove that the claim falls within this exception, but You will be required to prove that the claim does not fall within this exception.

Telecommunications Fraud

We will not provide cover for loss or damage arising from fraudulent and unauthorised access and use by a Third Party of any telephone systems owned or leased by You.

Trade Secrets and Confidential Information

We will not provide cover for loss of or damage to or disclosure of proprietary information, trade secrets, confidential processing methods, intellectual property, customer details or other confidential information of any kind.

This exception shall not prevent a claim for Loss caused by an Internal Crime which was itself only capable of being perpetrated because of a loss or disclosure of proprietary information, trade secrets, confidential processing methods, intellectual property, customer details or other confidential information of any kind.

Asset Protection Contract Works

Definitions

The following definitions apply to this Section in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Contract

Any contract or agreement entered into by You to carry out work in the course of The Business where the estimated Maximum Contract Price does not exceed the amount stated in The Schedule.

Contract Site

- (1) A site within the Territorial Limits at which You are carrying out work under a Contract, or
- (2) the site address stated in The Schedule if cover applies to a specific Contract.

Damage

Physical loss, destruction or damage.

Employees' Tools

Employees' tools and personal belongings while on or adjacent to any Contract Site and in transit between Your premises and the Contract Site other than

- (1) motor vehicles
- (2) gold or silver articles
- (3) watches or jewellery
- (4) Money.

Estimated Original Contract Price

The estimated valuation of the Works to be carried out or the estimated contract price at the commencement date of the Contract or Works.

Existing Structures

Any property (including fixtures, fittings and contents) which, prior to the commencement of any Contract, forms part of any structure.

Free Issue Materials

Materials for incorporation into the Contract

- (1) issued free to You by or on behalf of Your Employer, and
- (2) for which You are responsible under the conditions of the Contract
the value of which will not be included in the final valuation of the Works carried out or the final contract price and which are not otherwise excluded from this Section.

Hired in Plant

Plant, scaffolding, tools, equipment, site huts and temporary buildings hired in by You for use in connection with any Contract while anywhere within the Territorial Limits including transit other than by sea or air.

Maintenance Period

The period indicated in the conditions of the Contract, but not exceeding 12 months, during which You are responsible for rectifying defects.

Maximum Contract Price

The maximum price of any Contract for which We will provide indemnity as stated in The Schedule.

Practical Completion

Works which are

- (1) completed, or
- (2) complete except for the prospective buyer's or tenant's choice of decorations or final fitments.

Property Insured

Works, Your Plant and Hired in Plant which You own or are responsible for as stated in The Schedule.

Territorial Limits

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

Works

- (1) Temporary or permanent works completed or to be completed as part of any Contract and/or
- (2) materials for incorporation whilst on or adjacent to the Contract Site and in transit to or from the Contract Site other than by sea or air.

Your Plant

Plant, scaffolding, tools, equipment, site huts and temporary buildings owned by You, while anywhere within the Territorial Limits including transit other than by sea or air.

Cover

We will indemnify You in respect of Damage to the Property Insured during the Period of Insurance and within the Territorial Limits.

The maximum that We will pay in respect of any one occurrence which gives rise to a claim under this Section is

(1) Works

(Which includes any liability We may have in respect of the cover provided under the Clauses) 125% of the Estimated Original Contract Price including the value of Free Issue Materials in respect of any Contract or Works.

Asset Protection Contract Works

We will have no liability under this Section where the Estimated Original Contract Price plus the value of Free Issue Materials exceeds the Sum Insured stated in The Schedule at the time of Damage.

(2) Your Plant

The Sum Insured stated in The Schedule at the time of Damage.

(3) Hired in Plant

The Sum Insured stated in The Schedule at the time of Damage.

(4) Employees' Tools

The Sum Insured stated in The Schedule at the time of Damage.

The maximum that We will pay in respect of any one Employee is the limit stated in The Schedule.

Clauses

The following clauses apply to this Section.

Additional Interests

We will, to the extent required by the conditions of the Contract, include the interest as joint insured of any

- (1) employer, or
- (2) contractor.

Automatic Reinstatement

The Sums Insured stated in The Schedule will not be reduced by the amount of any claim unless We or You give notice to the contrary.

You must pay any additional premium required by Us to reinstate the Sums Insured.

Consecutive Damage

Damage to Property Insured at any one Contract Site during a period of 72 consecutive hours caused by

- (1) earthquake
- (2) storm, flood or other water damage
- (3) subsidence or collapse

will be considered for the purpose of applying any Excess as one occurrence of Damage.

Continuing Hire Charges

We will indemnify You in respect of Your legal liability to pay continuing hire charges as a result of Damage to any item of Hired in Plant insured under this Section.

Damage to Security Devices

If the attempted theft of any vehicle included within Your Plant or Hired in Plant results in Damage only to the vehicle immobiliser, locating, tracking or other security device, We will apply a reduced Excess of £50.

Debris Removal

We will indemnify You in respect of the costs and expenses that You incur, with Our consent, for

- (1) removing debris
- (2) dismantling or demolishing
- (3) shoring up or propping
- (4) clearing or repairing drains or service mains

following Damage to Property Insured.

The maximum that We will pay in respect of any one loss is 25% of the Estimated Original Contract Price.

We will not indemnify You in respect of costs and expenses

- (1) incurred in removing debris from anywhere other than the site of the Damage and the area adjacent to it.
- (2) arising from pollution or contamination of property not insured under this Section.
- (3) more specifically insured.

Dwellings

All Contracts or Works solely concerned with the erection of private dwellings not exceeding four storeys in height are insured under this Section irrespective of the Estimated Original Contract Price of such Contracts.

The maximum that We will pay in respect of any one loss is 125% of the Sum Insured in the description of the Contract or Works in The Schedule.

European Union and Public Authorities

Following Damage to Works, We will pay the additional cost of reinstating the Property Insured necessary to comply with any

- (1) European Union Legislation
- (2) Act of Parliament
- (3) Bye laws of any public authority.

We will not indemnify You in respect of

- (1) costs incurred
 - (a) in respect of Damage not insured by this Section.
 - (b) where notice was served on You before the Damage occurred.

Asset Protection Contract Works

- (c) where an existing requirement must be completed within a stipulated period.
 - (d) in respect of property or parts of the property, other than foundations (unless foundations are specifically excluded) which have not suffered Damage.
- (2) any charge or assessment arising from capital appreciation following compliance with this legislation.

The reinstatement, repair or replacement

- (a) must begin and be carried out as quickly as possible.
- (b) may be carried out on another site if necessary provided this does not increase Our liability.

If Our liability under this Section is reduced by the application of any terms of this policy, Our liability under this clause will be similarly reduced.

The maximum We will pay under this clause in respect of any one Contract is the Sum Insured as stated in The Schedule.

Expediting Expenses

We will indemnify You in respect of the reasonable costs and expenses that You incur for

- (1) overtime
- (2) night work
- (3) work on public holidays
- (4) special delivery

to reinstate or repair Property Insured following Damage.

The maximum that We will pay in respect of any one loss is 25% of the amount which reinstatement, repair or replacement would have cost if these expenses had not been incurred.

Free Issue Materials

The Works will include any Free Issue Materials provided You include their value in

- (1) the contract price of any Contract
- (2) the declaration required by the Adjustment of Premium Condition of this Section.

Immobilised Plant

We will indemnify You in respect of necessarily incurred costs for the withdrawal or recovery of Your Plant or Hired in Plant accidentally immobilised on or adjacent to any Contract Site.

We will not pay for withdrawal or recovery required as a result of the breakdown of Your Plant or Hired in Plant.

Incidental Hiring of Plant

We will indemnify You in respect of Damage to any item of Your Plant while it is hired or loaned to a third party.

The maximum that We will pay in respect of any one loss is £25,000.

Indemnity to Sub-Contractors

We will, to the extent required by contract conditions, provide indemnity to nominated or domestic sub-contractors in respect of Damage to the Property Insured.

Locating and Tracking Devices

We will not apply an Excess in respect of theft of a vehicle which is

- (1) insured under Your Plant or Hired in Plant, and
- (2) fitted with an activated operational locating/tracking device of a type approved by Us.

Loss of Keys

If the key to any immobiliser permanently fitted to a vehicle included as Your Plant or Hired in Plant is lost or stolen, We will indemnify You in respect of the cost of replacing the cylinder of the lock.

The maximum that We will pay in respect of any one loss is £500.

We will not indemnify You in respect of the first £50 of each claim.

Off-Site Storage

The Works includes materials, anywhere within the Territorial Limits, separately stored and identified for inclusion in any Contract.

The maximum that We will pay in respect of any one loss is either

- (1) the value of the materials as detailed in an interim certificate under any standard printed contract conditions, or
 - (2) where materials have not been included in an interim certificate under any standard printed contract conditions
 - (a) £50,000,
 - or
 - (b) £25,000 for non-ferrous metals provided they are stored in a securely locked container or building,
 - or
 - (c) 15% of the Estimated Original Contract Price
- whichever is the lower.

Professional Fees

We will indemnify You in respect of professional fees necessarily incurred in reinstating, repairing or replacing the Works following Damage.

We will not indemnify You in respect of fees

- (1) more specifically insured
- (2) incurred in preparing a claim.

Asset Protection Contract Works

Redrawing Plans or Documents

We will indemnify You in respect of the cost of rewriting or redrawing plans, drawings or other Contract documents following Damage.

The maximum that We will pay in respect of any one loss is £25,000.

Show Properties

We will indemnify You in respect of Damage to show properties including their contents.

The maximum that We will pay in respect of the contents of any one show property is £35,000.

Speculative Building

We will indemnify You in respect of Damage to any private dwelling You have erected on a speculative basis.

This indemnity will cease on

- (1) the date You sell, lease or rent the property, or
- (2) 180 days from Practical Completion

whichever is the earlier.

Taken Into Use

We will indemnify You in respect of Damage to any part of the permanent Works taken into use as private dwellings or offices.

This indemnity will cease when

- (1) a certificate of completion has been issued, or
- (2) the permanent Works have been completed and handed over to Your employer.

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of

- (1) Damage to any part of the permanent Works
 - (a) for which a certificate of completion has been issued, or
 - (b) which has been completed and handed over to Your employer, or
 - (c) taken into useunless the Damage occurs
 - (i) during the Maintenance Period but is caused before the beginning of the Maintenance Period, or
 - (ii) while You are carrying out Your obligations under the Maintenance Period, or

- (iii) within 14 days of the issue of a certificate of completion but only to the extent You are responsible under the conditions of the Contract.

- (2) Damage as a result of
 - (a) gradual deterioration or wear and tear
 - (b) rust or mildew.
- (3) repair to or replacement of any item of Your Plant or Hired in Plant caused by its own mechanical or electrical breakdown, failure, breakage or derangement other than in respect of Hired in Plant and for which You are responsible under the terms of a hire agreement not being a leasing or hire purchase agreement.
- (4) Damage to
 - (a) Existing Structures
 - (b) Money
 - (c) any mechanically propelled vehicle, including any trailer attached, licensed for road use and for which a certificate of motor insurance is required, other than a vehicle used solely as a tool of trade
 - (d) any aircraft or waterborne vessel
 - (e) property for which You are relieved of responsibility by the conditions of the Contract.
- (5) Damage
 - (a) by disappearance or shortage discovered only when an inventory is taken
 - (b) which is not traceable to an event.
- (6) Damage caused by pollution or contamination other than that of or to the Property Insured.
- (7) liquidated damages, fines or any other penalties under contract for delay or non-completion.
- (8) consequential loss or damage of any kind.
- (9) the cost of normal upkeep or making good.
- (10) Damage to and the cost necessary to reinstate or repair
 - (a) Property Insured which is in a defective condition due to a defect in
 - (i) design, plan or specification
 - (ii) materials
 - (iii) workmanshipof or of any part of that Property Insured.

Asset Protection Contract Works

- (b) other Property Insured to enable the reinstatement or repair of Property Insured excluded by (a) above.

This exception will not apply to other Property Insured which is free of the defective condition but is damaged as a result.

Property Insured will not be considered as having suffered Damage solely by virtue of the existence of any defect in design, plan, specification, materials or workmanship in, or in any part of, that Property Insured.

- (11) the Excess/Excesses.
- (12) any Damage whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - (a) Terrorism
 - (b) civil commotion in Northern Ireland
 - (c) any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above

Terrorism shall mean

- (i) in respect of Damage occurring in England Wales and Scotland only (but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man or the Channel Islands) acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto
- (ii) in respect of Damage occurring in any Territory not specified in (i) above any act or acts including but not limited to
 - the use or threat of force and/or violence and/or
 - harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

In any action suit or proceedings where We allege that any Damage results from Terrorism as defined above and is therefore not covered by this Section the burden of proving that any such Damage is covered under this Section will be upon You.

- (13) the theft of unfixed non-ferrous metals of any description unless at the time of theft
 - (a) an authorised Employee or agent of The Policyholder is actually on site, or
 - (b) such property is contained in a securely locked container or building.

Conditions

The following conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

Adjustment of Premium

If the premium is based on estimates You have supplied You must

- (1) keep accurate records (which We may require to examine) of all relevant information.
- (2) submit a declaration within one month after the expiry of the Period of Insurance so that the premium can be calculated and (subject to any minimum premium requirements) any difference paid by or to You.

Cessation of Work

If, for whatever reason, construction work at the Contract Site is suspended or stopped, You must notify Us within 30 days of the suspension or stoppage.

We may at Our option

- (i) modify Your premium
- (ii) amend the terms and conditions of this Section
- (iii) require You to make alterations to the Contract Site and/or the Works
- (iv) exercise Our right to cancel Your policy under Policy Condition (3) Cancellation.

If, in the event of any claim for Damage, You have failed to advise Us that construction work at the Contract Site has been suspended or stopped, and the suspension or stoppage has been in excess of 30 days, We may at Our option, avoid the claim.

Diminution of Damage

You shall carry out and permit any action which may be reasonably practicable to diminish Damage and, at Our request and expense, comply with and co-operate in any measures that may be reasonably required.

Endorsements

This Section is subject to any endorsements as stated in The Schedule as applying.

Revenue Protection Business Interruption

Definitions

The following definitions apply to this Section, in addition to the Policy Definitions at the front of this policy, and keep the same meaning wherever they appear in the Section, unless an alternate definition is stated to apply.

Damage

Physical loss, destruction or damage.

Cover

In respect of each item in The Schedule, We will indemnify You in respect of any interruption or interference with The Business resulting from

- (i) Damage to property used by You at The Premises for the purpose of The Business occurring during the Period of Insurance caused by any of the following Contingencies, and
- (ii) provided that such Damage is not excluded by the Property Damage – Specified Contingencies Section and/or Property Damage – All Risks Section of this policy, whichever is stated as insured in The Schedule.

The Schedule will state

- (a) which of the following Contingencies apply
- (b) any Clauses, Extensions and Additional Contingencies which apply.

The maximum We will pay in respect of any one claim is

- (a) for any Item, the Sum Insured stated in The Schedule
- (b) in aggregate, the Total Sum Insured unless stated otherwise in the Specification.

Contingencies

Fire

- (1) Fire.
- (2) Lightning.
- (3) Explosion
 - (a) of boilers
 - (b) of gas in a building not being part of any gas works used for domestic purposes or used for lighting or heating the building.

Explosion.

Aircraft

Aircraft including

- (a) other aerial devices
- (b) articles dropped from them.

Riot, Civil Commotion and Malicious Damage

Riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances or malicious persons.

Earthquake.

Underground Fire.

Spontaneous Combustion

Fire caused by spontaneous combustion.

Storm, Flood and Falling Trees.

Escape of Water/Oil

Escape of water from any tank, apparatus or pipe or escape of fuel from any fixed oil heating installation.

Impact

Impact by any vehicle, or by goods falling therefrom, or any animal.

Sprinkler Leakage

Water accidentally discharged or leaking from any automatic sprinkler installation at The Premises.

Theft

- (1) Theft or attempted theft, or
- (2) Theft involving violence or threat of violence to You, Your partners, directors or Employees.

All Risks

- (1) Any Damage not excluded by the terms of the Property Damage – All Risks Section of this policy, and
- (2) Damage not otherwise excluded by the terms of the Property Damage – All Risks Section of this policy caused by Defined Contingencies (1) to (12) to
 - (a) boilers on The Premises
 - (b) glass, china, earthenware, marble or other fragile objects
 - (c) vehicles licensed for road use including accessories on or attached to them
 - (d) caravans or trailers
 - (e) railway locomotives or rolling stock
 - (f) watercraft or aircraft
 - (g) property in the course of construction including materials for use in the construction
 - (h) land, roads or pavements, piers, jetties, bridges, culverts or excavations
 - (i) livestock
 - (j) growing crops or trees.

Revenue Protection Business Interruption

Subsidence

Subsidence or ground heave of the site of The Premises or landslip.

Conditions

The following conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

Alteration

We will not indemnify You under this Section if

- (a) Any Policyholder
 - (i) agrees a composition or arrangement with creditors, or
 - (ii) agrees a proposal for a voluntary arrangement for a composition of debts or a scheme of arrangement approved in accordance with the Insolvency Act 1986 (or any successor act), or
 - (iii) has an application made under the Insolvency Act 1986 (or any successor act) to the court for the appointment of an administrator, or
 - (iv) has a winding up order made or a resolution for voluntary winding up passed (except for the purposes of amalgamation or reconstruction), or has a provisional liquidator, receiver, or receiver and manager of The Business duly appointed, or
 - (v) has an administrative receiver, as defined in the Insolvency Act 1986 (or any successor act), appointed or has 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.
- (b) Your interest ceases otherwise than by Your death.

However, We will indemnify You if We agree otherwise in writing.

Claims Procedures

If in relation to any claim You have failed to comply with the following Claims Procedures You will lose Your right to indemnity under this Section.

You must

- (a) take any action reasonably practicable to minimise any interruption of or interference with The Business or to avoid or minimise any Damage
- (b) at Your expense, provide Us with
 - (i) a written claim, and
 - (ii) details of other insurances covering the Damagewithin 30 days after the expiry of the Indemnity Period or such further time that We may allow
- (iii) books, records and documents We require to assess Your claim

- (c) repay Us, any payment on account We have already made, if You fail to comply with this condition.

Index Linking

Renewal

Where it states in The Schedule that index linking applies, the amounts insured will be adjusted for movements in the Producer Price Index for Home Sales of Manufactured Products issued by the relevant government department or any alternative index specified by Us in Our reasonable opinion.

In the event of a negative index We will retain Your existing estimates, unless You advise Us otherwise.

Property Cover

We will not indemnify You under this Section unless

- (1) there is in force at the time of the Damage, an insurance policy covering Your interest in the property at The Premises for the Damage, and
- (2)
 - (i) payment has been made or liability admitted for such Damage, or
 - (ii) payment would have been made or liability would have been admitted for such Damage but for the exclusion of losses below a stated amount in such insurance policy.

Subrogation Rights Waiver

In the event of a claim arising under this Section, We agree to waive any rights, remedies or relief to which We may be entitled by subrogation against

- (1) any company whose relationship to You is either a parent to subsidiary or subsidiary to parent
- (2) any company which is a subsidiary of a parent company of which You are Yourself a subsidiary

as defined in, or within the meaning of the relevant Companies Act or Companies (NI) Order, current at the time of the Damage.

Payments on Account

Claim payments on account may be made to You during the Indemnity Period, if required.

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of

- (1) Damage caused by the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services.

Revenue Protection Business Interruption

However, We will indemnify You in respect of

- (a) such Damage which itself results from a cause not otherwise excluded
 - (b) subsequent Damage which is not otherwise excluded.
- (2) erasure or distortion of Data unless caused by Damage to the equipment on or in which the Data is processed or recorded.
- (3) any Damage resulting directly or indirectly from or in connection with any of the following regardless of any other cause or event contributing concurrently or other sequence to the loss
- (a) Terrorism
 - (b) civil commotion in Northern Ireland
 - (c) any action taken in controlling, preventing, suppressing, or in any way relating to (a) and/or (b) above.

Terrorism means

- (i) in respect of Damage occurring in England, Wales and Scotland only (but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man or the Channel Islands) acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence Her Majesty's government in the United Kingdom or any other government de jure or de facto
- (ii) in respect of Damage occurring in any territory not specified in (i) above any act or acts including but not limited to
 - the use or threat of force and/or violence and/or
 - harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

In any action, suit or other proceedings where We allege that any Damage results from Terrorism as defined above and is therefore not covered by this Section, the burden of proving that any such Damage is covered under this Section will be upon You.

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

However, We will indemnify You in respect of subsequent Damage to property used by You for the purposes of The Business at The Premises caused by or resulting from Defined Contingencies (1) to (11), (13) and (15) which is not otherwise excluded.

Revenue Protection Business Interruption – Extensions

Business Interruption – Extensions

The Schedule will state which of the Extensions described below apply. In some cases an Extension will apply with a standard limit unless stated otherwise in The Schedule.

The insurance by Item 1 of this Section, is extended to include Damage during the Period of Insurance

- (1) at the premises or situations, or
- (2) to the property

described below by any Contingency stated in The Schedule as applying to such premises, situations or property, which results in interruption or interference with The Business.

The maximum We will pay under each Extension in respect of any one loss will be the

- (1) 10% of the sum insured
- (2) £100,000

The amounts or limits stated below or in The Schedule are inclusive of any amounts payable under the provisions of any Clauses stated in The Schedule.

Unspecified Suppliers

Any premises of Your contracted suppliers of goods and/or services within England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

We will not indemnify You in respect of Damage at any premises of suppliers of electricity, gas, water or telecommunications services.

Unspecified Customers

Any of Your customers' premises within England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

Property Stored

Your property while stored in any premises, not occupied by You, within England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

Patterns

Your patterns, jigs, models, templates, moulds, dies, tools, plans, drawings and designs, including those for which You are responsible, while at the premises of any

- (1) machine makers
- (2) engineers
- (3) founders
- (4) other metal workers

not occupied by You, in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

Transit

Your property while in transit by

- (1) road
- (2) rail
- (3) inland waterway

all in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

Motor Vehicles

Motor vehicles belonging to You anywhere in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man but not in any premises You occupy.

Contract Sites

Any situation within England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man where You are carrying out a contract.

Exhibition Sites

- (a) Any situation where You are exhibiting or are contracted to exhibit goods or services
- (b) Your property at or while in transit to or from any such situation

in the European Economic Area.

We will also pay any costs or expenses You have necessarily and reasonably incurred in connection with the exhibition which You cannot otherwise recover.

Electricity Suppliers' Premises

Any generating station or sub-station of Your supplier(s) of electricity, in England, Wales, Scotland, Northern Ireland, the Channel Islands, the Isle of Man or France.

Gas Suppliers' Premises

Any land based premises of

- (1) Your supplier(s) of gas, and
- (2) any natural gas producer directly linked to Your supplier(s) of gas, in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

Water Suppliers' Premises

Any water works or pumping station of Your supplier(s) of water, in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

Prevention of Access

Property within one mile of the boundary of The Premises which physically prevents or restricts access to or use of The Premises.

We will not indemnify You for any interruption or interference lasting less than 12 consecutive hours.

Revenue Protection Business Interruption – Extensions

Loss of Attraction – Unspecified

Property or premises within one mile of the boundary of The Premises, which directly results in a reduction in the Turnover (or Revenue, Fees, or Rentals as insured by this Section) of The Business.

The provisions of any Automatic Reinstatement Clause do not apply in respect of this extension.

We will not indemnify You for any interruption or interference lasting less than 12 consecutive hours.

Telecommunications Suppliers' Premises

Any land based premises of Your supplier(s) of telecommunications and internet services, in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

Revenue Protection Business Interruption – Additional Contingencies

Additional Contingencies

The Schedule will state which of the following Additional Contingencies described below apply. In some instances an Additional Contingency will apply with a standard limit unless stated otherwise in The Schedule.

The insurance by Item 1 of this Section, is extended to include interruption or interference with The Business during the Period of Insurance, which results from the Additional Contingencies described below.

The maximum We will pay under each Additional Contingency in respect of any one loss will be the

- (1) amount, or
- (2) percentage of the Sum Insured (or 133^{1/3}% of the Estimated Amount) stated in The Schedule as the Limit

whichever is the lower, unless otherwise stated in The Schedule.

Provided that

- (1) The Additional Contingencies do not apply in respect of any Business Interruption Extension.
- (2) The amounts or limits stated in The Schedule are inclusive of any amounts payable under the provisions of any Clauses stated in The Schedule.

Action by Police, Government or Other Competent Authority

The prevention or restriction of access to, or closure of, The Premises, by any Police, Government or other competent Authority, due to an emergency event within one mile of the boundary of The Premises that causes or threatens a danger or disturbance.

We will not indemnify You

- (1) in respect of any action taken in controlling, preventing or suppressing the spread of any disease.
- (2) in respect of any danger or disturbance caused wholly or partly by You, or through Your misconduct, connivance, neglect or omission.
- (3) for any interruption or interference lasting less than 12 consecutive hours.

The provisions of any Automatic Reinstatement Clause does not apply in respect of this Additional Contingency.

Failure of Electricity Supply

The accidental failure of Your supply of electricity at the terminal ends of Your suppliers feed to The Premises.

The maximum We will pay in respect of any one Period of Insurance will be £50,000, unless any other limit is shown in The Schedule for Failure of Electricity Supply.

We will not indemnify You in respect of any accidental failure

- (1) caused by the deliberate act of any supplier of electricity
- (2) caused by the exercise of any supplier of electricity's power to withdraw or restrict supply or services
- (3) caused by any industrial action
- (4) other than at premises in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man
- (5) lasting less than four hours but this will not apply in respect of accidental failure resulting from Damage to any generating station or sub-station of Your supplier(s) of electricity, in England, Wales, Scotland, Northern Ireland, the Channel Islands, the Isle of Man or France.

Failure of Gas Supply

The accidental failure of Your supply of gas at the terminal ends of Your suppliers feed to The Premises.

The maximum We will pay in respect of any one Period of Insurance will be £50,000, unless any other limit is shown in The Schedule for Failure of Gas Supply.

We will not indemnify You in respect of any accidental failure

- (1) caused by the deliberate act of any supplier of gas
- (2) caused by the exercise of any supplier of gas's power to withdraw or restrict supply or services
- (3) caused by any industrial action
- (4) other than at premises in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man
- (5) lasting less than four hours but this will not apply in respect of accidental failure resulting from Damage to any land based premises of
 - (a) Your supplier(s) of gas, and
 - (b) any natural gas producer directly linked to Your supplier(s) of gas, in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

Failure of Water Supply

The accidental failure of Your supply of water at the terminal ends of Your suppliers feed to The Premises.

The maximum We will pay in respect of any one Period of Insurance will be £50,000, unless any other limit is shown in The Schedule for Failure of Water Supply.

Revenue Protection Business Interruption – Additional Contingencies

We will not indemnify You in respect of accidental failure

- (1) caused by the deliberate act of any supplier of water
- (2) caused by the exercise of any supplier of water's power to withdraw or restrict supply or services
- (3) caused by any industrial action
- (4) caused by drought or other weather conditions unless equipment has been damaged
- (5) other than at premises in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man
- (6) lasting less than four hours but this will not apply in respect of accidental failure resulting from Damage to any water works or pumping station of Your supplier(s) of water, in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

Specified Disease, Food Poisoning, Vermin Pests and Defective Sanitation, Murder or Suicide.

- (1) A Specified Disease occurring at The Premises or within five miles of the boundary of The Premises,
- (2) Any person contracting an illness caused by food or drink poisoning, which is directly attributable to food or drink supplied from The Premises,
- (3) The discovery of an organism at The Premises which is likely to result in any person contracting an illness caused by food or drink poisoning or a Specified Disease,
- (4)
 - (i) The discovery of vermin or pests, or
 - (ii) any accident causing defects in the drains or other sanitary arrangements, at The Premises,
- (5) Any occurrence of murder or suicide at The Premises which
 - (a) restricts the use of or results in closure of The Premises on the order or advice of the competent authority, and
 - (b) directly results in a reduction in the Turnover (or Revenue, Fees, or Rentals as insured by this Section) of The Business.

The provisions of any Automatic Reinstatement Clause do not apply in respect of Additional Contingency Specified Disease, Food Poisoning, Vermin Pests and Defective Sanitation, Murder or Suicide.

Definitions

For the purposes of this additional contingency, the following definitions apply:

Specified Disease

Any of the following diseases contracted by any person

- (a) Acute encephalitis, Acute poliomyelitis, Anthrax, Chicken pox, Cholera, Diphtheria, Dysentery, Erysipeloid, Legionellosis, Legionnaires Disease, Leprosy, Leptospirosis, Lyme Disease, Malaria, Measles, Meningitis, Meningococcal septicaemia, Mumps, Ophthalmia neonatorum, Paratyphoid fever, Puerperal fever, Plague, Rabies, Relapsing fevers, Rubella, Scarlet fever, Smallpox, Tetanus, Toxoplasmosis, Tuberculosis, Typhoid fever, Typhus fever, Viral hepatitis, Whooping cough and/or Yellow fever
- (b) Viral haemorrhagic fever caused by the following virus's:
Lassa virus, Junin virus, Machupo virus, Sabia virus, Guanarito virus, Ebola virus, Marburg virus, Crimean-Congo, haemorrhagic fever virus, Hanta virus, Rift Valley fever virus, Yellow fever virus and/or Dengue virus.

Indemnity Period

The period during which the results of The Business are affected due to the accident, occurrence or discovery starting from the date the Premises are closed or their use restricted and ending not later than the Maximum Indemnity Period.

Maximum Indemnity Period

Three months.

We will not indemnify You in respect of

- (a) any costs incurred in cleaning, repair, replacement, recall or checking of property,
- (b) reduction in the Turnover (or Revenue, Fees or Rentals as insured by this Section) of any premises, caused by,
 - (i) any occurrence of a Specified Disease not at The Premises or within five miles of the boundary of The Premises.
 - (ii) food poisoning, vermin, pest, defective sanitation, murder or suicide, not occurring at The Premises.

Condition

If in relation to any claim arising directly or indirectly from an occurrence of Legionellosis or Legionnaires Disease You have failed to fulfil the following condition, You will lose Your right to indemnity or payment for that claim.

At The Premises You must ensure compliance at all times with the Health and Safety Commissions Approved Code of Practice, "The Prevention and Control of Legionellosis (including Legionnaires Disease)" Ref ISBN-0-7176-1772- 6 or any supplementary, replacement or amending Code of Practice.

Failure of Telecommunications

The accidental failure of Your supply of telecommunications and internet services at the incoming line terminals or receivers at The Premises.

Revenue Protection Business Interruption – Additional Contingencies

The maximum We will pay for any one loss will be

- (a) £100 for each day in respect of any one failure,
 - (b) £2,500 in respect of all failures in any one Period of Insurance,
- unless any other limit is shown in The Schedule for Failure of Telecommunications.

We will not indemnify You in respect of an accidental failure

- (1) caused by the deliberate act of any supplier of telecommunications and internet services
- (2) caused by the exercise of any supplier of telecommunications and internet services power to withdraw or restrict supply or services
- (3) caused by any industrial action
- (4) caused by drought
- (5) caused by atmospheric or weather conditions but this will not exclude accidental failure due to Damage to equipment caused by such conditions
- (6) other than at Premises in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man
- (7) caused by failure of any satellite
- (8) lasting less than 24 consecutive hours but this will not apply in respect of accidental failure resulting from Damage to any land based premises of Your supplier(s) of telecommunications and internet services, in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

Lottery Winners

An Employee or group of Employees resigning from his/her or their post(s) within The Business as a direct consequence of their securing a win in a Lottery.

We will only pay the additional costs and/or expenses You incur, including but not limited to

- (1) recruitment and additional overtime costs
- (2) the cost of employing temporary staff for amounts in excess of permanent full time rates of payment.

We will not indemnify You unless

- (1) the Employee or group of Employees resign within 14 days from the date of the successful Lottery win, and
- (2) the amount won by any one Employee is not less than £100,000.

For the purposes of this Additional Contingency

- (1) Indemnity Period means the period during which The Business results are affected due to an Employee or group of Employees resigning from his/her or their post(s) within The Business as a direct consequence of their securing a win in a Lottery, starting from the date of the first resignation and ending no later than the Maximum Indemnity Period.
- (2) Maximum Indemnity Period – One month.

The maximum We will pay in respect of any one Period of Insurance will be £50,000 unless any other limit is shown in The Schedule for Lottery Winners.

For the purposes of this Additional Contingency extension only, Lottery means

- UK National Lottery Prize Draws including Scratchcards.
- UK National Football Pools.
- Euro Millions Lottery.
- Irish National Lottery.
- UK Premium Bond Prize Draws.

Essential Personnel

- (1) Death of any of Your Principals,
- (2) or total and permanent disablement of any of Your Principals, which prevents them from attending to their normal occupation,

due to injury caused by accidental and violent means.

We will only pay the additional costs and/or expenses You necessarily and reasonably incur solely to prevent or limit a reduction in Turnover (or Revenue, Fees, or Rentals as insured by this Section,) during the Indemnity Period which but for such additional costs and/or expenses would have taken place.

The maximum We will pay in respect of any one Period of Insurance is £10,000.

Definitions

For the purposes of this additional contingency, the following Definition applies:

Principals

Any person who is an owner, partner, company director or trustee of The Business.

Revenue Protection Business Interruption – Clauses

Business Interruption Clauses

The following Clauses apply to this Section only if stated in The Schedule.

A Provisional Premium Adjustment

Part 1 of this Clause applies only in respect of any insurance which is shown in Your Specification as being on the Sum Insured Basis.

Part 1 (Sum Insured Basis)

The first and annual premiums are provisional and they represent

- (1) 75% of the premiums required at the start of the Period of Insurance, and
- (2) 25%, the balance, to be paid within six months of the end of that Period of Insurance.

However, in respect of any items on

- (1) Insured Profit or Gross Fees or Rentals or Revenue, or
- (2) Net Revenue

the premium paid will be adjusted when We receive a declaration for such items of the amount earned during the financial year most nearly concurrent with such Period of Insurance as reported by Your professional accountants.

If any Damage has occurred giving rise to a claim for loss under such items We will increase the declaration for the purpose of premium adjustment by the sum by which the amount earned was reduced during the financial year solely due to the Damage.

If the declaration

- (1) adjusted due to a claim as provided for above, and
- (2) proportionately increased where the Maximum Indemnity Period exceeds 12 months
 - (a) is less than 75% of the Sum Insured for such items for the relative Period of Insurance

We will pay to You a pro rata return premium but not more than 33 $\frac{1}{3}$ % of the provisional premium paid.

- (b) is more than 75% of the Sum Insured for such items for the relative Period of Insurance

You will pay to Us a pro rata additional premium but not more than 33 $\frac{1}{3}$ % of the provisional premium paid.

If You fail to provide a declaration within six months of the end of such Period of Insurance You must pay the balance of 25%.

Any other part of this Section dealing with an annual return premium is cancelled.

Part 2 of this Clause applies only in respect of any insurance which is shown in Your Specification as being on the Declaration Linked Basis.

Part 2 (Declaration Linked Basis)

The first and annual premiums are provisional and they are based on 75% of Estimated Insured Profit or Gross Fees or Rentals or Revenue, or Net Revenue.

The premium paid will be adjusted when We receive a declaration for Insured Profit or Gross Fees or Rentals or Revenue or Net Revenue items.

The declaration must be

- (1) of the amount earned during the financial year most nearly concurrent with the Period of Insurance
- (2) confirmed by Your professional accountant
- (3) provided by You not later than six months after the expiry of each Period of Insurance.

If any Damage has occurred giving rise to a claim for loss under such items We will increase the declaration for the purpose of premium adjustment by the sum by which the amount earned was reduced during the financial year solely due to the Damage.

If the declaration

- (1) adjusted due to a claim as provided for above, and
- (2) proportionately increased where the Maximum Indemnity Period exceeds 12 months
 - (a) is less than 75% of the Estimated Insured Profit or Gross Fees or Rentals or Revenue, or Net Revenue for the relative Period of Insurance
We will pay to You a pro rata return premium but not more than 33 $\frac{1}{3}$ % of the provisional premium paid.
 - (b) is greater than 75% of the Estimated Insured Profit or Gross Fees or Rentals or Revenue, or Net Revenue for the relative Period of Insurance
You will pay Us an additional premium, which will be pro rata to the premium paid on 75% of the Estimated Amount.

Any other part of this Section dealing with an annual return premium is cancelled.

B Salvage Sale

If following Damage, giving rise to a claim under this Section, You hold a salvage sale during the Indemnity Period, Paragraph (a) of the Basis of Settlement in respect of Insured Profit is amended so that We will pay in respect of reduction in Turnover the sum produced by applying the Rate of Insured Profit to the amount by which, due to Damage the Standard Turnover exceeds the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) from which sum shall be deducted the Insured Profit actually earned during the period of the salvage sale.

Revenue Protection Business Interruption – Clauses

C Departments

If You conduct The Business in departments and independent trading results are obtainable, the Basis of Settlement of the Insured Profit item will apply separately to each department affected by the Damage.

If the insurance is not on a declaration linked basis, if the Sum Insured by the Insured Profit item is less than the total of all the sums produced by applying the Rate of Insured Profit for each department of The Business (whether affected by the Damage or not) to its relative Annual Turnover (proportionately increased where the Maximum Indemnity Period exceeds 12 months), You will be Your own insurer for the difference and bear a rateable share of the loss.

D New Business

If, at the date of Damage, the business has not completed a full year of trading then the period between the start of the Business and the date of Damage will be proportionately adjusted and used in the calculation to determine the amount payable.

Revenue Protection Business Interruption – Endorsements

Business Interruption Endorsements

The following Endorsements only apply to this Section if stated in The Schedule.

A Rent Receivable

We will pay in respect of rent receivable the difference between

- (1) the rent which would have been receivable in respect of The Premises during the Indemnity Period but for the Damage
- (2) the amount of rent actually received during the same period

less any savings in charges or expenses of The Business, payable out of rent receivable, which reduce or cease due to the Damage.

If at the time of the Damage the Sum Insured by this item is less than the rent which, but for the Damage would have been receivable during the 12 months from the date of the Damage (proportionately increased where the Maximum Indemnity Period exceeds 12 months), You will

- (1) be Your own insurer for the difference
- (2) bear a rateable share of the loss.

The maximum We will pay is the Sum Insured stated in The Schedule.

B Additional Increased Cost of Working

We will pay the additional expenditure necessarily and reasonably incurred due to the Damage solely for the purpose of avoiding or diminishing the reduction in Turnover (or Revenue, Fees, or Rentals as insured by this Section) during the Indemnity Period and which exceeds the amount recoverable as increase in cost of working, under Item 1 of this Section.

The maximum We will pay is the Sum Insured stated in The Schedule.

C Fines or Damages

We will pay in respect of fines or damages for breach of contract, the sums You are legally liable to pay and will pay in discharge of fines or damages incurred solely due to the Damage, for non-completion or late completion of orders.

The maximum We will pay is the Sum Insured stated in The Schedule.

D Additional Cost of Rent

We will pay the additional cost of rent necessarily and reasonably incurred by You for temporary premises, beyond the Maximum Indemnity Period under Item 1 of this Section during the Additional Maximum Indemnity Period stated in The Schedule.

The maximum We will pay is the Sum Insured stated in The Schedule.

Definition

Additional Maximum Indemnity Period

The number of months stated in The Schedule in excess of the Maximum Indemnity Period under Item 1.

Revenue Protection Business Interruption Insured Profit Sum Insured Basis Specification

Item

Insured Profit Sum Insured stated in The Schedule

Definitions

The following definitions apply to this Specification in addition to the definitions stated in this Section and the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Specification.

Insured Profit

- (a) The combined value of the Turnover, closing stock and work in progress, less
- (b) the combined value of opening stock and work in progress and Uninsured Working Expenses.

The values of opening and closing stocks and work in progress will

- (i) be calculated using Your usual accounting methods
- (ii) make due provision for depreciation.

Indemnity Period

The period during which The Business results are affected due to the Damage, beginning with the date of the Damage and ending not later than the Maximum Indemnity Period.

Maximum Indemnity

The number of months stated in The Schedule, unless **Period** amended in any Additional Contingency.

Rate of Insured Profit

Insured Profit earned on and expressed as a percentage of Turnover, during the financial year immediately before the date of the Damage.

Annual Turnover

The Turnover during the twelve months immediately before the date of the Damage.

Standard Turnover

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

Rate of Insured Profit, Annual Turnover and Standard Turnover may be adjusted to reflect any trends or circumstances which

- (a) affect The Business before or after the Damage
- (b) would have affected The Business had the Damage not occurred.

The adjusted figures will represent as near as possible the results which would have been achieved during the same period had the Damage not occurred.

Turnover

Money paid or payable to You for

- (a) goods sold and delivered
- (b) services provided

in course of The Business at The Premises.

Uninsured Working Expenses

- (a) purchases of materials for production or re-sale (less any discounts received)
- (b) discounts allowed, and
- (c) any additional Uninsured Working Expenses stated in The Schedule.

The words and expressions used in this definition will have the meaning usually attached to them in Your books and accounts.

Notes

- 1 All terms in this Section exclude Value Added Tax to the extent that You are accountable to the Tax Authorities for Value Added Tax.
- 2 Any adjustment made for current cost accounting will be ignored.

Basis of Settlement

This insurance is limited to loss of Insured Profit due to

- (a) reduction in Turnover, and
- (b) increase in cost of working.

We will pay

- (i) in respect of reduction in Turnover:
the sum produced by applying the Rate of Insured Profit to the amount by which due to the Damage, the Standard Turnover exceeds the Turnover during the Indemnity Period
- (ii) in respect of increase in cost of working:
any additional expense You necessarily and reasonably incur solely to prevent or limit a reduction in Turnover during the Indemnity Period which but for such additional expenses would have taken place due to the Damage. We will not pay more than the amount produced by applying the Rate of Insured Profit to the reduction in Turnover avoided by the expenditure

less any savings during the Indemnity Period in business charges or expenses, payable out of Insured Profit, which reduce or cease due to the Damage.

If at the time of the Damage the Sum Insured is less than the sum produced by applying the Rate of Insured Profit to the Annual Turnover (proportionately increased where the Maximum Indemnity Period exceeds 12 months), You will be Your own insurer for the difference and bear a rateable share of the loss.

Revenue Protection Business Interruption Insured Profit Sum Insured Basis Specification

Clauses

The following Clauses apply to this specification.

Alternative Premises

The Turnover during the Indemnity Period will include any money paid or payable to You during the Indemnity Period for goods sold or services provided elsewhere than at The Premises.

Auditors and Professional Accountants

We will pay Your auditor's and professional accountant's reasonable charges for

- (a) producing information We require for investigating any claim and
- (b) confirming the information is in accordance with Your business books.

The maximum We will pay for any claim, including auditor's and professional accountant's charges, is the Sum Insured.

Automatic Reinstatement

The Sums Insured stated in The Schedule will not be reduced by the amount of any claim unless We or You give written notice to the contrary.

However, You must pay the additional premium required to reinstate the Sum Insured.

Return Premium

We will allow a return premium for the Period of Insurance where

- (a) You provide Us with a professional accountant's declaration of Insured Profit earned in Your financial year most closely corresponding to that Period of Insurance, and
- (b) the declared figure (proportionately increased where the Maximum Indemnity Period exceeds 12 months) is less than the Sum Insured.

The adjustment will be based on the difference between the declared figure (proportionately increased where necessary) and the Sum Insured.

The maximum We will repay is 50% of the premium paid by You for the Period of Insurance.

We will not return premium for any reduction in Insured Profit which is entirely due to a claim.

Uninsured Working Expenses

Any increase in cost of working payment will take into account any Uninsured Working Expenses (having been deducted in arriving at the Insured Profit) which have not reduced in proportion to the reduction in Turnover.

We will calculate any such payment on the basis of the proportion that the Insured Profit bears to the Insured Profit and the total Uninsured Working Expenses.

Revenue Protection Business Interruption Insured Profit Declaration Linked Basis Specification

Item

Estimated Insured Profit stated in The Schedule

Definitions

The following definitions apply to this Specification in addition to the definitions stated in this Section and the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Specification.

Estimated Insured Profit

Your estimate of Insured Profit for the financial year most closely corresponding to the Period of Insurance (proportionately increased if the Maximum Indemnity Period exceeds 12 months).

Insured Profit

- (a) The combined value of the Turnover, closing stock and work in progress, less
- (b) the combined value of opening stock and work in progress and Uninsured Working Expenses.

The values of opening and closing stocks and work in progress will

- (i) be calculated using Your usual accounting methods
- (ii) make due provision for depreciation.

Indemnity Period

The period during which The Business results are affected due to the Damage, beginning with the date of the Damage and ending no later than the Maximum Indemnity Period.

Maximum Indemnity Period

The number of months stated in The Schedule unless amended in any Additional Contingency.

Rate of Insured Profit

Insured Profit earned on the Turnover and expressed as a percentage of Turnover, during the financial year immediately before the date of the Damage.

Annual Turnover

The Turnover during the twelve months immediately before the date of the Damage.

Standard Turnover

The Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period.

Rate of Insured Profit, Annual Turnover and Standard Turnover may be adjusted to reflect any trends or circumstances which

- (a) affect The Business before or after the Damage
- (b) would have affected The Business had the Damage not occurred.

The adjusted figures will represent, as near as possible, the results which would have been achieved during the same period had the Damage not occurred.

Turnover

Money paid or payable to You for

- (a) goods sold and delivered
- (b) services provided

in course of The Business at The Premises.

Uninsured Working Expenses

- (a) purchases of materials for production or re-sale (less any discounts received)
- (b) discounts allowed, and
- (c) any additional Uninsured Working Expenses stated in The Schedule.

The words and expressions used in this definition will have the meaning usually attached to them in Your books and accounts.

Notes

- 1 All terms in this Section exclude Value Added Tax to the extent that You are accountable to the Tax Authorities for Value Added Tax.
- 2 Any adjustment made for current cost accounting will be ignored.

Basis of Settlement

This insurance is limited to loss of Insured Profit due to

- (a) reduction in Turnover, and
- (b) increase in cost of working.

We will pay

- (i) in respect of reduction in Turnover:
the sum produced by applying the Rate of Insured Profit to the amount by which, due to the Damage, the Standard Turnover exceeds the Turnover during the Indemnity Period
- (ii) in respect of increase in cost of working:
any additional expense You necessarily and reasonably incur solely to prevent or limit a reduction in Turnover during the Indemnity Period which but for such additional expense would have taken place due to the Damage. We will not pay more than the amount produced by applying the Rate of Insured Profit to the reduction in Turnover avoided by the expenditure

less any savings during the Indemnity Period in business charges or expenses, payable out of Insured Profit, which reduce or cease due to the Damage.

Revenue Protection Business Interruption Insured Profit Declaration Linked Basis Specification

Maximum Amount Payable

The maximum amount We will pay is

- (a) in respect of Insured Profit:
 - 133 $\frac{1}{3}$ % of the Estimated Insured Profit stated in The Schedule
- (b) overall:
 - 133 $\frac{1}{3}$ % of the Estimated Insured Profit stated in The Schedule, and
 - 100% of the Sums Insured by other items unless otherwise agreed by Us.

However, if at the time of the Damage the Sum Insured on Estimated Insured Profit is less than 50% of the sum produced by applying the Rate of Insured Profit to the Annual Turnover (proportionately increased where the Maximum Indemnity Period exceeds 12 months), You will be Your own insurer for the difference and bear a rateable share of the loss and the maximum amount We will pay is the Estimated Insured Profit stated in The Schedule.

Clauses

The following Clauses apply to this Specification.

Alternative Premises

The Turnover during the Indemnity Period will include any money paid or payable to You during the Indemnity Period for goods sold or services provided elsewhere than at The Premises.

Auditors and Professional Accountants

We will pay Your auditor's and professional accountant's reasonable charges for

- (a) producing information We require for investigating any claim and
- (b) confirming the information is in accordance with Your business books.

The maximum We will pay for any claim, including auditor's and professional accountant's charges, is the Maximum Amount Payable.

Automatic Reinstatement

The Estimated Insured Profit stated in The Schedule will not be reduced by the amount of any claim unless We or You give written notice to the contrary.

However, You must pay the additional premium required to reinstate the Estimated Insured Profit.

Premium Adjustment

You will supply, within six months of the expiry of each Period of Insurance, a professional accountants declaration of Insured Profit earned in Your last financial year most closely corresponding to the Period of Insurance.

We will, for the purposes of premium adjustment, increase the declared figure by the amount by which the Insured Profit was reduced during the financial year as a result of any claim.

If the declared figure (adjusted as above and proportionately increased where the Maximum Indemnity Period exceeds twelve months) for the relative Period of Insurance

- (a) is less than the Estimated Insured Profit, We will allow a pro rata return of up to 50% of the premium paid
- (b) exceeds the Estimated Insured Profit, You will pay a pro rata additional premium of up to 33 $\frac{1}{3}$ % of the premium paid.

Renewal

You will supply, prior to each renewal, the Estimated Insured Profit for the financial year most closely corresponding to the following Period of Insurance.

Uninsured Working Expenses

Any increase in cost of working payment will take into account any Uninsured Working Expenses (having been deducted in arriving at the Insured Profit) which have not reduced in proportion to the reduction in Turnover.

We will calculate any such payment on the basis of the proportion that the Insured Profit bears to the Insured Profit and the total Uninsured Working Expenses.

Revenue Protection Business Interruption Revenue Sum Insured Basis Specification

Item

Revenue Sum Insured stated in The Schedule.

Definitions

The following definitions apply to this Specification in addition to the definitions stated in this Section and the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Specification.

Annual Revenue

The Revenue during the 12 months immediately before the date of the Damage.

Standard Revenue

The Revenue during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period.

Annual Revenue and Standard Revenue may be adjusted to reflect any trends or circumstances which

- (a) affect The Business before or after the Damage
- (b) would have affected The Business had the Damage not occurred.

The adjusted figures will represent, as near as possible, the results which would have been achieved during the same period had the Damage not occurred.

Indemnity Period

The period during which The Business results are affected due to the Damage, beginning with the date of the Damage and ending no later than the Maximum Indemnity Period.

Maximum Indemnity Period

The number of months stated in The Schedule, unless amended in any Additional Contingency.

Revenue

As stated in The Schedule.

Notes

- 1 All terms in this Section exclude Value Added Tax to the extent that You are accountable to the Tax Authorities for Value Added Tax.
- 2 Any adjustment made for current cost accounting will be ignored.

Basis of Settlement

This insurance is limited to loss of Revenue due to

- (a) reduction in Revenue, and
- (b) increase in cost of working.

We will pay

- (i) in respect of reduction in Revenue
the amount by which due to the Damage, the Standard Revenue exceeds the actual Revenue during the Indemnity Period
- (ii) in respect of increase in cost of working
any additional expense You necessarily and reasonably incur solely to prevent or limit a reduction in Revenue during the Indemnity Period which but for such additional expense would have taken place due to the Damage. We will not pay more than the reduction avoided by the expenditure

less any savings during the Indemnity Period in business charges or expenses, payable out of Revenue, which reduce or cease due to the Damage.

If at the time of the Damage the Sum Insured is less than the Annual Revenue (proportionately increased where the Maximum Indemnity Period exceeds 12 months), You will be Your own insurer for the difference and bear a rateable share of the loss.

Clauses

The following clauses apply to this Specification.

Alternative Premises

The Revenue during the Indemnity Period will include any money paid or payable to You during the Indemnity Period for goods sold or services provided elsewhere than at the Premises.

Auditors and Professional Accountants

We will pay Your auditor's and professional accountant's reasonable charges for

- (a) producing information We require for investigating any claim and
- (b) confirming the information is in accordance with Your business books.

The maximum We will pay for any claim, including auditor's and professional accountant's charges, is the Sum Insured.

Revenue Protection Business Interruption Revenue Sum Insured Basis Specification

Automatic Reinstatement

The Sums Insured stated in The Schedule will not be reduced by the amount of any claim unless We or You give written notice to the contrary.

However, You must pay the additional premium required to reinstate the Sum Insured.

Return Premium

We will allow a return premium for the Period of Insurance where

- (a) You provide Us with a professional accountant's declaration of Revenue earned in Your financial year most closely corresponding to that Period of Insurance, and
- (b) the declared figure (proportionately increased where the Maximum Indemnity Period exceeds 12 months) is less than the Sum Insured.

The adjustment will be based on the difference between the declared figure (proportionately increased where necessary) and the Sum Insured.

The maximum We will repay is 50% of the premium paid by You for the Period of Insurance.

We will not return premium for any reduction in Revenue which is entirely due to a claim.

Revenue Protection Business Interruption

Revenue Declaration Linked Basis Specification

Item

Estimated Revenue stated in The Schedule.

Definitions

The following definitions apply to this Specification in addition to the definitions stated in this Section and the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Specification.

Estimated Revenue

Your estimate of Revenue for the financial year most closely corresponding to the Period of Insurance (proportionately increased where the Maximum Indemnity Period exceeds 12 months).

Indemnity Period

The period during which The Business results are affected due to the Damage, beginning with the date of the Damage and ending no later than the Maximum Indemnity Period.

Maximum Indemnity Period

The number of months stated in The Schedule, unless amended in any Additional Contingency.

Revenue

As stated in The Schedule.

Annual Revenue

The Revenue during the 12 months immediately before the date of the Damage.

Standard Revenue

The Revenue during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period.

Annual Revenue and Standard Revenue may be adjusted to reflect any trends or circumstances which

- (a) affect The Business before or after the Damage
- (b) would have affected The Business had the Damage not occurred.

The adjusted figure will represent, as near as possible, the results which would have been achieved during the same period had the Damage not occurred.

Notes

- 1 All terms in this Section exclude Value Added Tax to the extent that You are accountable to the Tax Authorities for Value Added Tax.
- 2 Any adjustment made for current cost accounting will be ignored.

Basis of Settlement

This insurance is limited to loss of Revenue due to

- (a) reduction in Revenue, and
- (b) increase in cost of working.

We will pay

- (i) in respect of reduction in Revenue
the amount by which, due to the Damage, the Standard Revenue exceeds the actual Revenue during the Indemnity Period
- (ii) in respect of increase in cost of working
any additional expenses You necessarily and reasonably incur solely to prevent or limit a reduction in Revenue during the Indemnity Period which but for such additional expense would have taken place due to the Damage. We will not pay more than the reduction avoided by the expenditure

less any savings during the Indemnity Period in business charges or expenses, payable out of Revenue, which reduce or cease due to the Damage.

Maximum Amount Payable

The maximum amount We will pay is

- (a) in respect of Revenue
133¹/₃% of the Estimated Revenue stated in the Schedule
- (b) overall
133¹/₃% of the Estimated Revenue stated in the Schedule, and

100% of the Sums Insured by other items

unless otherwise agreed by Us.

However, if at the time of the Damage the Sum Insured on Estimated Revenue is less than 50% of the Annual Revenue (proportionately increased where the Maximum Indemnity Period exceeds 12 months), You will be Your own insurer for the difference and bear a rateable share of the loss and the maximum amount We will pay is the Estimated Revenue stated in The Schedule.

Clauses

The following clauses apply to this Specification.

Alternative Premises

The Revenue during the Indemnity Period will include any money paid or payable to You during the Indemnity Period for goods sold or services or accommodation provided elsewhere than at The Premises.

Revenue Protection Business Interruption

Revenue Declaration Linked Basis Specification

Auditors and Professional Accountants

We will pay Your auditor's and professional accountant's reasonable charges for

- (a) producing information We require for investigating any claim and
- (b) confirming the information is in accordance with Your business books.

The maximum We will pay for any claim, including auditor's and professional accountant's charges, is the Maximum Amount Payable.

Automatic Reinstatement

The Estimated Revenue stated in The Schedule will not be reduced by the amount of any claim unless We or You give written notice to the contrary.

However, You must pay the additional premium required to reinstate the Estimated Revenue.

Premium Adjustment

You will supply, within six months of the expiry of each Period of Insurance, a professional accountant's declaration of Revenue earned in Your financial year most closely corresponding to the Period of Insurance.

We will, for the purposes of premium adjustment, increase the declared figure by the amount by which the Revenue was reduced during the financial year as a result of any claim.

If the declared figure (adjusted as above and proportionately increased where the Maximum Indemnity Period exceeds 12 months) for the relative Period of Insurance

- (a) is less than the Estimated Revenue, We will allow a pro rata return of up to 50% of the premium paid
- (b) exceeds the Estimated Revenue, You will pay a pro rata additional premium of up to 33¹/₃% of the premium paid.

Renewal

You will supply, prior to each renewal, the Estimated Revenue for the financial year most closely corresponding to the following Period of Insurance.

Revenue Protection Business Interruption

Increased Cost of Working – Commercial and Industrial Specification

Items

Increase in Cost of Working Sum Insured stated in The Schedule.

Auditor's and Professional Accountant's Charges stated in The Schedule

The Schedule will state

- (1) which of the above items apply
- (2) any other items which apply.

Definitions

The following definitions apply to this Specification in addition to the definitions stated in this Section and the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Specification.

Indemnity Period

The period during which The Business results are affected due to the Damage, beginning with the date of the Damage and ending not later than the Maximum Indemnity Period.

Maximum Indemnity Period

The number of months stated in The Schedule, unless amended in any Additional Contingency.

Maximum Limit

- (a) The result of dividing the Sum Insured, for Increase in Cost of Working, by the number of separate buildings at all of The Premises.
- (b) If a special limit stated in The Schedule applies to one or more building, the Maximum Limit for the building will be calculated by applying the 'Percentage Limit' shown against each building to the Sum Insured for Increase in Cost of Working.

The remainder of the Sum Insured will be divided equally between the other buildings to produce the Maximum Limit for each.

If the limit is shown as an amount, this amount will be the Maximum Limit for the building concerned.

Remainder Limit

The Maximum Limit less any sum paid or payable for loss during the first three months of the Indemnity Period.

Remainder Period

The Maximum Indemnity Period less three months.

Basis of Settlement

We will pay Your additional expenditure which has been reasonably and necessarily incurred, as a result of the Damage, to continue The Business during the Indemnity Period.

The maximum amount We will pay will not exceed

- (1) during the first three months of the Indemnity Period 25% of the Maximum Limit
- (2) for each subsequent month of the Indemnity Period the proportion of the Remainder Limit which the one month bears to
 - (a) the Remainder Period, or
 - (b) nine monthswhichever is the longer,

less any savings in such expenditure during the Indemnity Period which reduce or cease due to the Damage.

The maximum amount We will pay for any one building is the Maximum Limit.

Auditor's and Professional Accountant's Charges

We will pay Your auditor's and professional accountant's reasonable charges for

- (1) producing information We require for investigating any claim, and
- (2) confirming the information is in accordance with Your business books.

The maximum amount We will pay is the Sum Insured, for this Item, stated in The Schedule.

Revenue Protection Book Debts

Definitions

The following definitions apply to this Section, in addition to the Policy Definitions at the front of this policy, and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Book Debts

- (1) Where declarations have been submitted monthly under the provisions of the Declaration Clause of this Section.

The total declared in the last statement given adjusted for

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

The adjusted figures will represent as near as possible, the figures which would have been obtained at the date of the Damage had the Damage not occurred.

- (2) Where declarations have not been submitted monthly under the provisions of the Declaration Clause of this Section, a reasonable estimate of the total outstanding debits at the date of the Damage, to be agreed with Us, adjustment having been made for bad debts, provided that the estimate will not exceed 75% of the Sum Insured by Item 1 of this Section.

Customers' Accounts

Your accounts for all customers who trade with You on a credit or hire purchase basis.

Damage

Physical loss, destruction or damage.

Cover

We will indemnify You, as detailed in the Basis of Settlement, in respect of loss, directly due to Damage by any of the Contingencies set out below which are stated as applying in The Schedule occurring during the Period of Insurance to Your books of account, and other business books or records at The Premises.

Contingencies

Fire

- (1) Fire
- (2) Lightning
- (3) Explosion
 - (a) of boilers
 - (b) of gas in a building not being part of any gas works used for domestic purposes or used for lighting or heating the building.

Explosion

Aircraft

Aircraft including

- (a) other aerial devices
- (b) articles dropped from them.

Riot, Civil Commotion and Malicious Damage

Riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances or malicious persons.

Earthquake

Storm, Flood and Falling Trees

Escape of Water/Oil

- (1) Escape of water from any tank, apparatus or pipe or escape of fuel from any fixed oil heating installation.
- (2) Leakage of bulk supplied beverages from fixed tanks, pipes or apparatus.

Impact

Impact by vehicle, or by goods falling therefrom, or any animal.

Sprinkler Leakage

Water accidentally discharged or leaking from any automatic sprinkler installation at The Premises.

Theft or Attempted Theft

- (1) Theft or attempted theft, or
- (2) Theft involving violence or threat of violence to You, Your partners, directors or Employees.

Revenue Protection Book Debts

All Risks

- (1) Any Damage not excluded by the terms of the Property Damage – All Risks Section of this policy, and
- (2) Damage not otherwise excluded by the terms of the Property Damage – All Risks Section of this policy caused by Defined Contingencies (1) to (12) to
 - (a) boilers on The Premises
 - (b) glass, china, earthenware, marble or other fragile objects
 - (c) vehicles licensed for road use including accessories on or attached to them
 - (d) caravans or trailers
 - (e) railway locomotives or rolling stock
 - (f) watercraft or aircraft
 - (g) property in the course of construction including materials for use in the construction
 - (h) land, roads or pavements, piers, jetties, bridges, culverts or excavations
 - (i) livestock
 - (j) growing crops or trees.

Basis of Settlement

- (1) This insurance is limited to loss of Book Debts due to Damage.

We will pay

- (a) the difference between
 - (i) the Book Debts, and
 - (ii) the total of the amounts received or traced
- (b) the additional expenditure incurred with Our consent in tracing and establishing customers' debit balances after the Damage

provided that if the Sum Insured by this item be less than the Book Debts the amount payable shall be proportionately reduced.

- (2) If We require any information to verify a claim Your professional accountants at the time of the claim may produce and report details contained in business books or records. Their report will be accepted as prima facie evidence of the details.

We will pay Your professional accountant's charges for

- (a) producing information We require for investigating any claim, and
- (b) confirming the information in accordance with Your business books.

The maximum We will pay for any claim, including professional accountant's fees, will not exceed

- (1) is the Sum Insured on each item, or
- (2) the Total Sum Insured, or
- (3) any other maximum amount payable or Limit of Liability specified in The Schedule.

Clauses

The following clauses apply to this Section.

Automatic Reinstatement

The Sum Insured stated in The Schedule will not be reduced by the amount of any claim unless We or You give written notice to the contrary.

However, You must pay the additional premium required to reinstate the Sum Insured.

Declaration

Within 30 days of the end of each month You will deposit with Us a signed statement showing the total amount outstanding in Customers' Accounts as set out in Your accounts as at the end of the said month.

On the expiry of each Period of Insurance, provided a monthly declaration has been made, the actual premium will be calculated at the rate per cent per annum on the average amount insured.

If the amount of a declaration exceeds the Sum Insured applicable at the date of such declaration, You will be deemed to have declared the Sum Insured.

If the actual premium is less than the first premium (or, in the case of the second and subsequent periods of insurance, the annual premium) the difference will be repaid to You.

We will not repay more than 50% of the first or annual premium respectively.

No return premium will be repaid for any Period of Insurance if any of the monthly declarations for that period are not received.

Temporary Removal

We will indemnify You in respect of loss, as insured by this Section, resulting from Damage occurring within England, Wales, Scotland, the Republic of Ireland, Northern Ireland, the Channel Islands or the Isle of Man to Your books of account, other business books or records whilst temporarily removed to any premises occupied by persons acting on Your behalf or whilst in transit.

Revenue Protection Book Debts

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of

- (1) Damage caused by the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services.

However, We will indemnify You in respect of

- (a) such Damage which itself results from a cause not otherwise excluded
 - (b) subsequent Damage which is not otherwise excluded.
- (2) erasure or distortion of Data unless caused by Damage to the equipment on or in which the Data is processed or recorded.
 - (3) any Damage whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event contributing concurrently or in any other sequence to the loss
 - (a) Terrorism
 - (b) civil commotion in Northern Ireland
 - (c) any action taken in controlling, preventing, suppressing, or in any way relating to (3) (a) and/or (3) (b) above.

Terrorism means

- (i) in respect of Damage occurring in England, Wales and Scotland only (but not the territorial sea adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man or the Channel Islands) acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto
- (ii) in respect of Damage occurring in any territory not specified in (i) above any act or acts including but not limited to
 - the use or threat of force and/or violence, and/or
 - harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological meanscaused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

In any action, suit or other proceedings where We allege that any Damage results from Terrorism as defined above and is therefore not covered by this Section, the burden of proving that any such Damage is covered under this Section will be upon You.

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

However, We will indemnify You in respect of subsequent Damage to property used by You for the purposes of The Business at The Premises caused by or resulting from Defined Contingencies (1) to (11), (13) and (15) which is not otherwise excluded.

- (5) theft of business records where You, Your partners, directors or Employees or any member of Your household is involved as principal or accessory.
- (6) theft from any Unattended Vehicle.
- (7) fraud, trick or deception.
- (8) the deliberate falsification of business records.
- (9) mislaying or misfiling of business records, clerical errors or omissions, wear and tear, gradual deterioration, rust, damp, mildew or vermin, mould or fungus.

Conditions

The following conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

(1) Alteration

We will not indemnify You under this Section if

- (a) any Policyholder
 - (i) agrees a composition or arrangement with creditors, or
 - (ii) agrees a proposal for a voluntary arrangement for a composition of debts or a scheme of arrangement approved in accordance with the Insolvency Act 1986 (or any successor act), or
 - (iii) has an application made under the Insolvency Act 1986 (or any successor act) to the court for the appointment of an administrator, or
 - (iv) has a winding up order made or a resolution for voluntary winding up passed (except for the purposes of amalgamation or reconstruction), or has a provisional liquidator, receiver, or receiver and manager of The Business duly appointed, or
 - (v) has an administrative receiver, as defined in the Insolvency Act 1986 (or any successor act), appointed or has 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.
- (b) Your interest ceases otherwise than by Your death.

However, We will indemnify You if We agree otherwise in writing.

Revenue Protection Book Debts

(2) Claims Procedures

If in relation to any claim You have failed to comply with the following Claims Procedures You will lose Your right to indemnity under this Section.

You must

- (a) take any action reasonably practicable to minimise any interruption of or interference with The Business or to avoid or minimise any Damage.
- (b) at Your expense, provide Us with
 - (i) a written claim, and
 - (ii) details of other insurances covering the Damagewithin 30 days after the expiry of the Indemnity Period or such further time that We may allow.
- (iii) books, records and documents We require to assess Your claim.
- (c) repay Us, any payment on account We have already made, if You fail to comply with this condition.

(3) Index Linking

Renewal

Where it states in The Schedule that index linking applies, the amounts insured will be adjusted for movements in The Producer Price Index for Home Sales of Manufactured Products issued by the relevant government department or any alternative index specified by Us in Our reasonable opinion.

In the event of a negative index We will retain Your existing estimates, unless You advise Us otherwise.

(4) Property Cover

We will not indemnify You under this Section unless

- (a) there is in force at the time of the Damage, an insurance policy covering Your interest in the property at The Premises for the Damage, and
- (b)
 - (i) payment has been made or liability admitted for such Damage, or
 - (ii) payment would have been made or liability would have been admitted for such Damage but for the exclusion of losses below a stated amount in such insurance policy.

(5) Subrogation Rights Waiver

In the event of a claim arising under this Section, We agree to waive any rights, remedies or relief to which We may be entitled by subrogation against any company

- (a) whose relationship to You is either a parent to subsidiary or subsidiary to parent
- (b) which is a subsidiary of a parent company of which You are Yourself a subsidiary as defined in, or within the meaning of the relevant Companies Act or Companies (NI) Order, current at the time of the Damage.

(6) Payments on Account

Claim payments on account may be made to You during the Indemnity Period, if required.

Additional Condition

The following additional condition applies to this Section.

Fire Resisting Storage

If in relation to any claim for Damage You have failed to fulfil the following condition, You will lose Your right to indemnity or payment for that claim.

You must ensure that all Your books of account or other business books or records in which Your Customers' Accounts are shown will be kept in fire resisting safes or cabinets when not in use.

Asset and Revenue Protection Terrorism

Definitions

The following definitions apply to this Section in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Act of Terrorism

Acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of HM Government in the United Kingdom or any other government de jure or de facto.

Computer System

A computer or other equipment or component or system or item which processes stores transmits or receives Data.

Covered Loss

All losses arising under any of the Heads of Cover as a result of damage to or the destruction of Property occurring during the Period of Insurance in the Territory, the proximate cause of which is an Act of Terrorism.

Data

Data of any sort whatever, including without limitation tangible or intangible data, and any programs or software, bandwidth, cryptographic keys, databases, documents, domain names or network addresses or anything similar, files, interfaces, metadata, platforms, processing capability, storage media, transaction gateways, user credentials, websites, or any information whatever.

Denial of Service Attack

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

Excess

The amount(s) specified in this Section and The Schedule which We will deduct from each and every claim at each separate location. The amount(s) to be deducted after the application of any Average condition.

Hacking

Unauthorised access to any Computer System, whether Your property or not.

Heads of Cover

Any of the following types of direct insurance cover

- (1) Buildings and completed structures
- (2) Other property
- (3) Business Interruption
- (4) Book Debts

insured under this policy.

Nuclear Installation

Any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State (or any successor relevant authority) from time to time by statutory instrument, being an installation designed or adapted for

- (1) the production or use of atomic energy;
- (2) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations; or
- (3) the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter, being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.

Nuclear Reactor

Any plant (including any machinery, equipment or appliance, whether affixed to land or not) designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons.

Phishing

Any access or attempted access to Data made by means of misrepresentation or deception.

Individual

Any person other than

- (1) a company, association, public body or partnership unless the partnership is not set up for the purpose of a business
- (2) a sole trader, trustee or body of trustees provided that the property insured is not solely occupied as a private residence of the sole trader or of either a trustee or beneficiary of the trust. If however, the property is a private dwelling house or a self-contained unit insured as part of a block of units (i.e. a block of flats), and is occupied as a private residence by any of the trustee(s) or any beneficiary of the trust, or sole trader(s), it will be considered that the property is insured in the name of the individual

Asset and Revenue Protection Terrorism

- (3) a person insuring property which is the subject of a trust or of an executorship of a will unless some part of it is:
 - (a) occupied by a beneficiary or a trustee of the trust in question, or by a beneficiary or an executor of the will in question; or
 - (b) located in premises owned by any such person, and the commercially occupied proportion of the property does not exceed 20%
- (4) an individual insuring property that is of sole commercial use
- (5) an individual insuring property where the commercially occupied proportion of the property exceeds 20%.

Where two or more persons have arranged insurance on a private residence or private property in their several names, and/or the name of The Policyholder includes the name of a bank, building society or other financial institution for the purpose of noting their interest in the property insured, then such persons will be deemed to be an Individual in respect of that private residence or private property.

Property

For the purposes of this Section only, all property whatsoever, but excluding:

- (1) any land or building which is occupied as a private residence or any part thereof which is so occupied, unless
 - (a) insured under the same contract of direct insurance as the remainder of the building which is not a private residence or
 - (b) not insured in the name of an Individual
- (2) any Nuclear Installation or Nuclear Reactor and all fixtures and fittings situated thereon and attached thereto and all pipes wires cables drains or other conduits or service media of any description which are affixed or connected to or in any way serve such Nuclear Installation or Nuclear Reactor.

Territory

England and Wales and Scotland (but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Channel Islands, the Isle of Man or Northern Ireland).

Treasury

The Lords Commissioners of HM Treasury from time to time or any successor relevant authority.

Virus or Similar Mechanism

Program code, programming instruction or any set of instructions constructed with the purpose and ability, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor computer programs, Computer Systems, Data or operations, whether involving self-replication or not.

The definition of Virus or Similar Mechanism includes but is not limited to trojan horses worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

Cover

We will indemnify You in respect a Covered Loss during the Period of Insurance subject to the provisions set out below.

The maximum We will pay in any one Period of Insurance will not exceed the limit of liability or Sum Insured for each of the Heads of Cover specified in the Section of this policy.

In any action, suit or proceedings where We allege that any loss is not covered by this Section, You must prove that the loss is covered.

This Section is subject to all the Definitions, Conditions and Clauses of the Sections where the Heads of Cover are insured. If there is conflict between this Section and the rest of the policy, this Section will prevail.

Conditions

The following conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

- (1) We may cancel the cover provided by this Section by sending You 30 days written notice to Your last known address.

We will refund a proportionate part of any premium paid for the unexpired period provided that there has been no

- (a) claim(s) made under this Section for which We have made a payment or which are still under consideration
- (b) incident(s) which You are aware of and are likely to give rise to a claim which has already been or is yet to be reported to us

during the current Period of Insurance.

If in relation to any claim You have failed to fulfil any of the following conditions, We will not pay that claim.

You must

- (2) declare to Us all property and/or premises owned by You, or for which You are responsible, and, if applicable, all Business Interruption and Book Debt exposures, including all property and/or premises, Business Interruption and Book Debts of subsidiary companies
- (3) purchase Terrorism cover from a Pool Reinsurance Company Limited member company in respect of all
 - (a) such property and/or premises and
 - (b) such Business Interruption and Book Debtsunless We agree otherwise in writing.

Asset and Revenue Protection Terrorism

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not indemnify You in respect of any losses whatsoever

- (1) occasioned by riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection or military or usurped power
- (2) unless and until the Treasury issues a certificate certifying the event or events in question to have been an Act of Terrorism, or, in the event of the Treasury refusing to issue such a certificate, a tribunal formed following reference by Pool Reinsurance Company Limited or the Treasury determines the event or events in question to have been an Act of Terrorism.
- (3) directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from
 - (a) damage to or the destruction of any Computer System; or
 - (b) any alteration, modification, distortion, erasure or corruption of Data;in each case whether Your property or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from Virus or Similar Mechanism or Hacking or Phishing or Denial of Service Attack

Proviso to Exception (3)

- (1) Covered Loss otherwise falling within Exception (3) will not be treated as excluded by Exception (3) solely to the extent that such Covered Loss:
 - (a) results directly (or, solely as regards (b) (iii) below, indirectly) from
 - (i) fire, explosion, flood, escape of water from any tank, apparatus or pipe (including any sprinkler system),
 - (ii) impact of aircraft or any aerial devices or articles dropped from them,
 - (iii) impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle,
 - (iv) destruction of, damage to or movement of buildings or structures, plant or machinery other than any Computer System; and
 - (b) comprises:
 - (i) the cost of reinstatement, replacement or repair in respect of damage to or destruction of Property insured under any of the Heads of Cover; or

- (ii) the amount of business interruption loss suffered directly by You by way of loss of or reduction in profits, revenue or turnover or increased cost of working and not by way of liability to any third party as a direct result of either damage to or destruction of Property insured under any of the Heads of Cover or as a direct result of denial, prevention or hindrance of access to or use of the Property insured under any of the Heads of Cover by reason of an Act of Terrorism causing damage to other Property within one mile of the Property insured under any of the Heads of Cover to which access is affected; or
 - (iii) the amount of loss caused by the cancellation, abandonment, postponement, interruption, curtailment or relocation of an event as a result of damage to or destruction of Property and any additional costs or charges reasonably and necessarily paid by You to avoid or diminish such loss; and
 - (c) is not proximately caused by an Act of Terrorism in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by, acting on behalf of or part of any de jure or de facto government of any nation, country or state.
- (2) For the purposes of this Proviso Property shall (additionally to those exclusions in the definition of Property below) exclude
 - (a) any money, currency, electronic cryptographic or virtual currency including Bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any other financial instrument of any sort whatever, including anything referred to in the definition of "Money" as set out in this policy; and
 - (b) any Data.
- (3) Notwithstanding the exclusion of Data from Property, to the extent that damage to or destruction of Property within the meaning of sub-paragraph (1) (b) above indirectly results from any alteration, modification, distortion, erasure or corruption of Data, because the occurrence of one or more of the matters referred to in sub-paragraph (1) (a) above results directly or indirectly from any alteration, modification, distortion erasure or corruption of Data, that shall not prevent cost or business interruption loss directly resulting from damage to or destruction of such Property and otherwise falling within sub-paragraphs (1) (a) and (1)(b) above from being recoverable under this Section.

In no other circumstances, however, will any loss or losses directly or indirectly caused by, contributed to by or arising from or occasioned by or resulting from any alteration, modification, distortion, erasure or corruption of Data be recoverable under this Section.

Legal Liabilities Employers' Liability

Definitions

The following definitions apply to this Section, in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Bodily Injury

Bodily injury including death, illness, disease or nervous shock.

Compensation

Damages, including interest.

Costs and Expenses

- (1) Fees for The Insured's legal representation at
 - (a) any Coroner's Inquest or Fatal Accident Inquiry
 - (b) proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty
- (2) Costs and expenses incurred with Our written consent
- (3) Any claimant's legal costs for which The Insured is legally liable in connection with any event which is or may be the subject of indemnity under this Section.

Terrorism

Any act or acts including but not limited to

- (1) the use or threat of force and/or violence, and/or
- (2) harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

The Defined Territories

Great Britain, Northern Ireland, the Isle of Man, the Channel Islands or offshore installations within the Continental Shelf around such territories.

The Insured

- (1) You.
- (2) Your personal representatives in respect of legal liability You incur.

- (3) At Your request
 - (a) any director, partner or Employee of Yours
 - (b) the officers, committees and members of Your
 - (i) canteen, social, sports, educational and welfare organisations
 - (ii) first aid, fire, security and ambulance servicesin their respective capacities as such
 - (c) any principal for whom You are carrying out a contract to the extent required by the contract conditions
 - (d) those who hire plant to You to the extent required by the hiring conditions or the personal representative of any of these personsin respect of legal liability for which You would have been entitled to indemnity if the claim had been made against You.

Each indemnified party will be subject to the terms of this Section so far as they apply.

The total amount which We will pay will not exceed The Limit of Indemnity regardless of the number of parties claiming to be indemnified.

The Limit of Indemnity

The maximum amount, stated in The Schedule, including Costs and Expenses, which We will pay in respect of any one claim or series of claims against The Insured arising out of one cause.

The Territorial Limits

Anywhere in the world in connection with The Business conducted by You from premises within The Defined Territories.

We will not provide indemnity in respect of Bodily Injury to any Employee engaged by You outside The Defined Territories for the purpose of work by any such Employee outside The Defined Territories.

Cover

We will indemnify The Insured against

- (1) legal liability to pay Compensation, and
- (2) Costs and Expenses

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

The maximum We will pay is The Limit of Indemnity.

Legal Liabilities Employers' Liability

Clauses

The following clauses apply to this Section.

Additional Activities

The Business includes

- (1) ownership, use and upkeep of Your premises.
- (2) upkeep of vehicles and plant which are owned and used by You.
- (3) canteen, social, sports, educational and welfare organisations for the benefit of any Employee.
- (4) Your first aid, fire, security and ambulance services.
- (5) Your participation in exhibitions.
- (6) private work by any Employee, with Your prior consent, for You or for any director, partner or Employee of Yours.

Contractual Liability

We will indemnify The Insured in respect of liability for Bodily Injury imposed on You solely by reason of the terms of any agreement provided that the conduct and control of any claim is vested in Us.

We will not provide indemnity in respect of any agreement for or including the performance of work outside The Defined Territories

Cross Liabilities

We will indemnify each party named as The Policyholder in The Schedule as if a separate policy had been issued to each.

The total amount payable will not exceed The Limit of Indemnity regardless of the number of parties claiming to be indemnified.

Legal Expenses arising from Corporate Manslaughter and Corporate Homicide Act 2007

We will indemnify You in respect of

- (1) legal fees and expenses incurred with Our written consent for defending proceedings, including appeals
- (2) costs of prosecution awarded against You which arise from criminal proceedings for any offence as defined in Section 1 of the Corporate Manslaughter and Corporate Homicide Act 2007.

We will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged offence committed during the Period of Insurance within The Defined Territories and in connection with The Business.
- (2) in respect of proceedings which
 - (a) result from any deliberate act or omission by You.
 - (b) relate to any person other than an Employee.

- (3) in respect of any
 - (a) fines.
 - (b) remedial or publicity orders or any steps required to be taken by such orders.
- (4) where indemnity is provided by another insurance policy.

Legal Expenses arising from Health and Safety Legislation

We will indemnify The Insured in respect of

- (1) legal fees and expenses incurred with Our written consent for defending proceedings, including appeals
- (2) costs of prosecution awarded against The Insured

which arise from any health and safety inquiry or criminal proceedings for any breach of the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978.

We will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged act, omission or incident committed during The Period of Insurance within The Defined Territories and in connection with The Business.
- (2) in respect of proceedings which
 - (a) result from any deliberate act or omission by You.
 - (b) relate to the health and safety of any person other than an Employee.
- (3) where indemnity is provided by another insurance policy.

Our Right of Recovery

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law relating to the compulsory insurance of liability to employees in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

However, You will repay to Us all sums We would not have been liable to pay but for the provisions of such law.

Payment for Court Attendance

We will compensate You if, at Our request, You, any director, partner or Employee of Yours, is attending court as a witness in connection with a claim for which The Insured is entitled to indemnity.

The maximum We will pay for

- (1) You, each director or partner is £500 per day.
- (2) each Employee is £250 per day.

Legal Liabilities Employers' Liability

Unsatisfied Court Judgments

We will, at Your request, pay any Employee or his or her personal representative, the amount of damages and costs awarded to such person as a result of a judgment which has been obtained for Bodily Injury against any company registered in or any individual domiciled in The Defined Territories and which remain unpaid six months after the date of such judgment.

Payment will only be made where

- (1) the Bodily Injury was caused during any Period of Insurance to the Employee arising out of and in the course of employment by You in The Business.
- (2) the judgment was obtained in a court within The Defined Territories.
- (3) there is no appeal outstanding to the judgment.
- (4) the Employee, or his or her personal representative, assigns the judgment debt to Us.

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not provide indemnity in respect of

- (1) work in or on and travel to, from or within any offshore
 - (a) accommodation, exploration, drilling or production rig or platform.
 - (b) support vessel.
- (2) Bodily Injury sustained by any Employee when such person is
 - (a) carried in or upon a vehicle
 - (b) entering or getting on to, or alighting from, a vehicle
where any road traffic legislation requires insurance or security.
- (3)
 - (a) liquidated damages.
 - (b) penalty clauses.
 - (c) fines.
 - (d) aggravated, restitutionary, punitive or exemplary damages or any additional damages resulting from the multiplication of compensatory damages or other non-compensatory damages.
- (4) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event
 - (a) Terrorism
 - (b) any action taken in controlling, preventing, suppressing or in any way relating to (a) above except as stated in **Special Provision – Terrorism** below

In any action, suit or other proceedings where We allege that any consequence whatsoever resulting directly or indirectly from or in connection with (4)(a) and/or (4)(b) above regardless of any other contributory cause or event is not covered under this Section (or is covered only up to a specified limit of liability) the burden of proving that any such consequence is covered (or is covered beyond that limit of liability) under this Section shall be upon You.

Special Provision – Terrorism

Subject otherwise to the terms of the policy

Neither of the exclusions in (4)(a) and (4)(b) above shall apply to the Employers' Liability Section but the Limit of Indemnity for the purpose of this Special Provision – Terrorism is limited to £5,000,000 including Costs and Expenses.

- (5) work on or in
 - (a) power stations or nuclear installations/establishments.
 - (b) oil, gas or chemical
 - (i) refineries
 - (ii) bulk storage premises
 - (ii) production premises.
 - (c) aircraft, aerospace systems or hovercraft.
 - (d) watercraft other than work, not involving the use of heat, on or in watercraft in docks, harbours, boatyards or inland waterways.
 - (e) railways, tramways, airports, aerodromes or any airbase.

Conditions

The following conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

Premium Adjustment

- (1) At renewal, where it is stated in The Schedule that index linking applies, the estimates upon which the premium is based will be adjusted for movements in The Average Weekly Earnings Index issued by the relevant government department or any alternative index specified by Us in Our reasonable opinion.

In the event of a negative index We will retain Your existing estimates, unless You advise Us otherwise.
- (2) Where it is stated in The Schedule that declarations apply
 - (a) You will, within one month after the Expiry Date shown in The Schedule, supply the information We require, and
 - (b) We will adjust the premium for the expired period subject to any minimum premium(s) applying.

Legal Liabilities Public and Products Liability (including Efficacy)

Definitions

The following definitions apply to this Section, in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Asbestos

Asbestos, asbestos fibres or any derivatives of asbestos.

Bodily Injury

Bodily injury including death, illness, disease or nervous shock.

Compensation

Damages, including interest.

Costs and Expenses

- (1) Fees for The Insured's legal representation at
 - (a) any Coroner's Inquest or Fatal Accident Inquiry
 - (b) proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty
- (2) Costs and expenses incurred with Our written consent
- (3) Any claimant's legal costs for which The Insured is legally liable in connection with any event which is or may be the subject of indemnity under this Section.

Damage

Physical

- (1) loss.
- (2) destruction.
- (3) damage.

Financial Loss

A pecuniary loss suffered by any

- (1) customer of
- (2) user of any Products Supplied by

The Insured and not caused by Personal Injury or Damage to Property.

Key(s)

Customers' keys, electronic pass cards and similar security devices.

Personal Injury

- (1) Bodily Injury.
- (2) Wrongful
 - (a) arrest, detention or imprisonment.
 - (b) eviction.
 - (c) accusation of shoplifting.

Pollution or Contamination

- (1) Pollution or contamination of buildings or other structures or of water or land or the atmosphere and
- (2) all loss, Damage to Property and Bodily Injury directly or indirectly caused by such pollution or contamination.

Products Supplied

Anything which is

- (1) manufactured, sold, supplied, processed, altered or treated
- (2) repaired, serviced or tested
- (3) installed, constructed, erected or transported

by You or on Your behalf and which is no longer in the custody or control of The Insured.

Property

Material property.

Terrorism

Any act or acts including but not limited to

- (1) the use or threat of force and/or violence, and/or
- (2) harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

The Defined Territories

Great Britain, Northern Ireland, the Isle of Man, the Channel Islands or offshore installations within the Continental Shelf around such territories.

The Employer

The party named as the employer in the contract or agreement.

Legal Liabilities Public and Products Liability (including Efficacy)

The Insured

- (1) You.
- (2) Your personal representatives in respect of legal liability You incur.
- (3) At Your request
 - (a) any director, partner or Employee of Yours
 - (b) the officers, committees and members of Your
 - (i) canteen, social, sports, educational and welfare organisations
 - (ii) first aid, fire, security and ambulance servicesin their respective capacities as such
 - (c) any principal for whom You are carrying out a contract, to the extent required by the contract conditions
 - (d) those who hire plant to You to the extent required by the hiring conditions or the personal representatives of any of these persons in respect of legal liability for which You would have been entitled to indemnity if the claim had been made against You.

Each indemnified party will be subject to the terms of this Section so far as they apply.

The total amount which We will pay will not exceed The Limit of Indemnity regardless of the number of parties claiming to be indemnified.

The Limit of Indemnity

The maximum amount, stated in The Schedule, which We will pay in respect of any one event or all events of a series consequent on or attributable to one original cause.

In respect of Pollution or Contamination The Limit of Indemnity will apply to the total of all events happening in any one Period of Insurance.

The Period of Temporary Cover

Up to 28 days from the date on which The Insured enters into the contract or starts the work, whichever is the earlier.

The Territorial Limits

Anywhere in the world in connection with The Business conducted by You from premises within The Defined Territories.

The Works

All works completed or to be completed by You or on Your behalf including

- (1) all materials incorporated or to be incorporated
 - (2) plant, tools, equipment and temporary buildings used or to be used
- for the period during which You are responsible under contract conditions.

Cover

We will indemnify The Insured against

- (1) legal liability to pay Compensation, and
 - (2) Costs and Expenses
- in respect of accidental
- (a) Personal Injury
 - (b) Damage to Property
 - (c) obstruction, trespass, nuisance or interference with any right of way, air, light or water

which arises in connection with The Business and which happens during the Period of Insurance and within The Territorial Limits.

The maximum We will pay is The Limit of Indemnity and any Costs and Expenses.

However, in respect of any claim brought in

- (1) the United States of America or any territory within its jurisdiction
- (2) Canada

the maximum We will pay, inclusive of Costs and Expenses, is The Limit of Indemnity.

Clauses

The following clauses apply to this Section.

Additional Activities

The Business includes

- (1) ownership, use and upkeep of Your premises.
- (2) upkeep of vehicles and plant which are owned and used by You.
- (3) Your canteen, social, sports, educational and welfare organisations for the benefit of any Employee.
- (4) Your first aid, fire, security and ambulance services.
- (5) Your participation in exhibitions.
- (6) private work by any Employee, with Your prior consent, for You or for any director, partner or Employee.

Building Contracts Liability and Damage

Where You are required to take out insurance to comply with

- (1) Clause 6.5.1 of the joint Contracts Tribunal Standard Form of Building Contract 2005 Edition or any subsequent amendment or replacement, or
- (2) the equivalent clause in other contract conditions.

Legal Liabilities Public and Products Liability (including Efficacy)

We will indemnify You and the Employer in respect of any expense, liability, loss, claim or proceedings which The Employer may incur or sustain as a result of accidental injury or Damage to any Property occurring within The Territorial Limits during The Period of Temporary Cover and caused by

- (a) collapse
- (b) subsidence
- (c) heave
- (d) vibration
- (e) weakening of or removal of support
- (f) lowering of ground water

arising out of or in the course of or due to the carrying out of The Works.

The maximum amount We will pay in respect of any or all claims arising out of any one contract is £2,000,000 and this amount shall be independent of The Limit of Indemnity.

You must ensure that

- (1) You tell Us about each contract to which this indemnity is to apply no later than seven days of
 - (a) entering into the contract, or
 - (b) starting the workwhichever is the earlier.
- (2) You agree the terms and pay the premium as We require in respect of this indemnity and for the continuation of this indemnity.

We will not provide indemnity in respect of

- (1) the first £500 of each and every claim.
- (2) any expense, liability, loss, claim or proceedings
 - (a) as a result of the negligence, omission or default of
 - (i) You, Your agents or any Employee.
 - (ii) any sub-contractor, his employees or agents.
 - (b) as a result of errors or omissions in the planning or designing of The Works.
 - (c) which could be reasonable foreseen to be inevitable in view of the nature of the work to be executed or the manner of its execution.
 - (d) which is at the sole risk of The Employer under the terms of the contract.
- (3) liability assumed by The Employer by agreement and which would not have attached in the absence of any agreement.
- (4) Damage to Property which comprises The Works.

- (5) Damage directly caused by pressure waves from aircraft or other aerial devices.

Buildings Temporarily Occupied

We will indemnify The Insured in respect of legal liability for accidental Damage to premises (and their contents) temporarily occupied by The Insured for the purpose of carrying out The Business.

We will not provide indemnity in respect of Damage to

- (1) premises and their contents which You own or are loaned, leased, hired or rented to
 - (a) The Insured.
 - (b) any other party who is carrying out work on Your behalf.
- (2) The Works.

Legal Expenses arising from Consumer Protection Act 1987 and Food Safety Act 1990

We will indemnify The Insured in respect of

- (1) legal fees and expenses incurred with Our written consent for defending proceedings, including appeals
- (2) costs of prosecution awarded against The Insured

which arise from criminal proceedings for any breach of Part II of the Consumer Protection Act 1987 or Part II of the Food Safety Act 1990.

We will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged act, omission or incident committed during the Period of Insurance within The Defined Territories and in connection with The Business.
- (2) in respect of proceedings which result from any deliberate act or omission by You.
- (3) where indemnity is provided by another insurance policy.

Contractual Liability

We will indemnify The Insured in respect of accidental Bodily Injury or Damage to Property imposed on You solely by reason of the terms of any agreement provided that the conduct and control of any claim is vested in Us.

We will not provide indemnity in respect of any agreement for or including the performance of work outside The Defined Territories.

Cross Liabilities

We will indemnify each party named as The Policyholder in The Schedule as if a separate policy had been issued to each.

The total amount payable will not exceed The Limit of Indemnity regardless of the number of parties claiming to be indemnified.

Legal Liabilities Public and Products Liability (including Efficacy)

Data Protection

We will indemnify The Insured in respect of

- (1) legal fees and defence costs
- (2) legal liability for Compensation to an individual, the subject of personal data The Insured holds and who suffers material or non-material damage caused by inaccuracy of data, loss of the data, unauthorised destruction or disclosure of the data

arising from proceedings brought against The Insured under Section 13 of the Data Protection Act 1998 or under Article 82 of the General Data Protection Regulation (Regulation (EU) 2016/679) or under any legislation implementing the General Data Protection Regulation or under any replacement legislation in respect of any of the foregoing.

The maximum We will pay for all claims happening during any one Period of Insurance is £1,000,000.

We will not provide indemnity in respect of

- (1)
 - (a) Personal Injury other than as provided by this clause
 - (b) Damage to Property
 - (c) fraud, dishonesty, insolvency, financial default, conspiracy, conversion, deceit, intimidation, inducement of breach of contract, injurious falsehood or breach of confidence
 - (d) libel, slander or defamation.
- (2) consequential losses.
- (3) liability as a result of You having authorised the destruction or disclosure of the data or which could reasonably have been expected to arise as a result of any other deliberate act or omission by You.
- (4) liability which arises solely by reason of the terms of any agreement or in respect of liquidated damages.
- (5) liability under any penalty clause or any fine or statutory payment.
- (6) legal costs or expenses or financial losses in respect of any order for rectification or erasure of data or requiring that data to be supplemented by any other statements.
- (7) proceedings relating to Compensation for any Employee if the Employers' Liability Section of this policy is not in force.

Defective Premises

We will indemnify The Insured in respect of legal liability for accidental Bodily Injury or Damage to Property arising under

- (1) the Defective Premises Act 1972
- (2) the Defective Premises (Northern Ireland) Order 1975 or the Defective Premises (Landlord's Liability) Act (Northern Ireland) 2001

in connection with any premises which You previously owned or occupied for the purposes of The Business.

We will not provide indemnity in respect of the cost of rectifying any defect or alleged defect in such premises.

Employees' and Visitors' Personal Belongings

We will indemnify the Insured in respect of legal liability for accidental Damage to Employees' and visitors' vehicles and personal belongings which are in the custody or control of The Insured.

We will not provide indemnity where this Property is

- (1) loaned, leased, hired or rented to The Insured.
- (2) stored for a fee or other consideration by The Insured.
- (3) in the custody or control of The Insured for the purposes of being worked upon.

Hired or Rented Premises

We will indemnify The Insured in respect of legal liability for accidental Damage to premises (including fixtures and fittings) within The Defined Territories which are hired, rented or loaned to The Insured in connection with The Business.

We will not provide indemnity in respect of

- (1) the first £250 of Compensation, Costs and Expenses in respect of such Damage caused other than by fire or explosion.
- (2) liability imposed on The Insured solely by reason of the terms of any hiring or renting agreement.
- (3) Damage caused by fire or any other peril against which any hiring or renting agreement specifies that insurance is taken out by The Insured.

Legal Expenses arising from Corporate Manslaughter and Corporate Homicide Act 2007

We will indemnify You in respect of

- (1) legal fees and expenses incurred with Our written consent for defending proceedings, including appeals
- (2) costs of prosecution awarded against You

which arise from criminal proceedings for any offence as defined in Section 1 of the Corporate Manslaughter and Corporate Homicide Act 2007.

We will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged offence committed during the Period of Insurance within The Defined Territories and in connection with The Business.
- (2) in respect of proceedings which
 - (a) result from any deliberate act or omission by You.
 - (b) relate to any Employee.

Legal Liabilities Public and Products Liability (including Efficacy)

- (3) in respect of any
 - (a) fines.
 - (b) remedial or publicity orders or any steps required to be taken by such orders.
- (4) where indemnity is provided by another insurance policy.

Legal Expenses arising from Health and Safety Legislation

We will indemnify The Insured in respect of

- (1) legal fees and expenses incurred with Our written consent for defending proceedings, including appeals
- (2) costs of prosecution awarded against The Insured

which arise from any health and safety inquiry or criminal proceedings for any breach of the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978.

We will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged act, omission or incident committed during the Period of Insurance within The Defined Territories and in connection with The Business.
- (2) in respect of proceedings which
 - (a) result from any deliberate act or omission by You.
 - (b) relate to the health and safety of any Employee.
- (3) where indemnity is provided by another insurance policy.

Motor Contingent Liability

We will indemnify You in respect of Your legal liability for accidental Bodily Injury and Damage to Property which arises from any vehicle or trailer attached thereto which is

- (1) (a) not owned by
 - (b) not loaned, leased, hired or rented to You nor provided by You, and
- (2) being used in connection with The Business in The Defined Territories.

We will not provide indemnity

- (1) in respect of Damage to the vehicle or trailer or goods carried in or on the vehicle or trailer.
- (2) while the vehicle is being driven by
 - (a) You.
 - (b) any person who to Your knowledge or that of Your representatives does not hold a licence to drive the vehicle unless such person has held and is not disqualified from holding or obtaining such a licence.

- (3) where indemnity is provided by another insurance policy.

Overseas Personal Liability

We will indemnify You and, at Your request, any director, partner or Employee of Yours in respect of legal liability for accidental Bodily Injury or Damage to Property incurred in a personal capacity whilst such persons are temporarily outside The Defined Territories in connection with The Business.

We will also indemnify any accompanying spouse and children.

Where You are an individual, this indemnity will also apply to Your personal liability whilst away from Your business premises in connection with The Business but within The Defined Territories.

We will not provide indemnity

- (1) where liability arises from
 - (a) any agreement unless liability would have existed otherwise.
 - (b) ownership or occupation of land or buildings.
 - (c) the carrying on of any trade or profession.
 - (d) ownership, possession or use of wild animals, firearms (other than sporting guns), mechanically propelled vehicles, aircraft or watercraft.
- (2) where indemnity is provided by another insurance policy.

Payment for Court Attendance

We will compensate You if, at Our request, You, any director, partner or Employee of Yours, is attending court as a witness in connection with a claim for which The Insured is entitled to indemnity.

The maximum We will pay for

- (1) You, each director or partner is £500 per day.
- (2) each Employee is £250 per day.

Criminal Acts

We will indemnify You for legal liability for accidental Bodily Injury or Damage to Property as a result of any criminal acts of arson, malicious damage, theft, assault, fraud, dishonesty or embezzlement committed by Your Employees provided that the events insured by this clause

- (1) Are committed during the Period of Insurance and
- (2) Arise in connection with a contract with a customer.

Legal Liabilities Public and Products Liability (including Efficacy)

Environmental Statutory Clean Up Costs

We will indemnify The Insured for the cost of carrying out Remediation and/or paying for Clean-Up Costs following a lawful notice or demand served upon The Insured under any environmental protection legislation in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands by any Enforcing Authority provided that the cost or costs arise from Pollution or Contamination 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 will be deemed to have happened at the time such incident takes place.

The maximum We will pay, as part of The Limit of Indemnity stated in The Schedule, including Costs and Expenses, for all events in any one Period of Insurance is £1,000,000.

We will not provide cover

- (1) for any work (whether preventive or otherwise) in respect of property
 - (a) which You own or which is loaned, leased, hired or rented to The Insured.
 - (b) which is held in trust or in the custody or control of The Insured or any other party who is carrying out work on Your behalf.
 - (c) which requires to be insured under the terms of Clause 6.5.1. of the Standard Form of Building Contract issued by the Joint Contracts Tribunal or a clause of similar intent under other contract conditions.
- (2) for any work involving the reinstatement or reintroduction of flora or fauna.
- (3) for any fines or penalties.
- (4) for any Complementary or Compensatory Remediation as defined by the Environmental Damage (Prevention and Remediation) Regulations 2009 or any successor and/or amending legislation.
- (5) for costs of preventing any imminent threat of environmental damage where such costs are incurred in the absence of Pollution or Contamination caused by a sudden, identifiable, unintended and unexpected incident.
- (6) for costs of achieving any improvement or alteration in the condition of the land, atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time Remediation commences.
- (7) where cover is provided by another insurance policy.

Definitions

Clean Up Costs

Costs of Remediation.

Enforcing Authority

Any government or statutory authority or body implementing or enforcing environmental protection legislation within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

Pollution or Contamination

Pollution or contamination of buildings or other structures or of water or land or the atmosphere and all loss, Damage to Property and Bodily Injury directly or indirectly caused by such pollution or contamination.

Remediation

Remedying the effects of Pollution or Contamination as lawfully required by any Enforcing Authority to a standard reasonably achievable by the methods available at the time Remediation commences and shall include the testing for or monitoring of Pollution or Contamination.

Failure to Secure Premises

We will indemnify You in respect of legal liability for damage to Your customers property caused by the failure of You or any of Your Employees to secure the premises.

Financial Loss (Excluding Products)

We will indemnify The Insured for legal liability for Financial Loss arising from or caused by

- (1) accidental
 - (a) escape or discharge of any substance or gas from any premises owned or occupied by You
 - (b) stoppage or interference with pedestrian, rail, air, vehicular or waterborne traffic
 - (c) obstruction, loss of amenities, trespass, nuisance or similar cause
- (2) such other occurrence that is not a deliberate or intentional act by or omission of any party entitled to cover by this policy the effect of which will knowingly result in Financial Loss.

We will not provide cover for

- (1) Financial Loss as a result of
 - (a) Circumstances which, at the inception of this Extension, The Insured knew or ought to have known about and were likely to give rise to a claim
 - (b) Products Supplied
 - (c) Liability imposed on The Insured solely by reason of the terms of any contract conditions or agreement that would not have attached in the absence of such contract or agreement

Legal Liabilities Public and Products Liability (including Efficacy)

(2) The first 10 per cent or £500 whichever is the greater of each and every claim.

Definition

“Financial Loss” shall mean a pecuniary loss suffered by any party other than The Insured or any Employee and not caused by Bodily Injury or Damage to Property.

Incorrect Destruction of Property

We will indemnify the Insured for legal liability for damage caused as a result of incorrect destruction of third party Property whilst in the course of carrying out your business.

Legionella

We will indemnify You for in respect of legal liability for Pollution or Contamination caused by the discharge, dispersal, release or escape of legionella bacteria from premises owned, hired or rented by The Insured where the Pollution and Contamination is not caused by a sudden, identifiable, unintended and unexpected incident which occurs in its entirety at a specific time and place.

The maximum We will pay, including Costs and Expenses, for all events in any one Period of Insurance, is £1,000,000.

This cover only applies to claims made against You during the currency of this Clause or within 30 days of its expiry.

If We do not offer You renewal of the cover provided by this Clause We will cover The Insured for any occurrence happening during the currency of this Clause and before the expiry of the last Period of Insurance provided that

- (1) claims are made in writing within 90 days of the last Period of Insurance.
- (2) You exercise the right granted by this Clause no later than 30 days after the last Period of Insurance.
- (3) You pay the premium required by Us, which shall not exceed 20% of the annual premium, or pro rata equivalent, applicable to the last Period of Insurance.
- (4) the maximum We will pay, including Costs and Expenses, in respect of all claims made against You during the last Period of Insurance and within the amount of days shown in (1) above is the amount specified above as applying to this Clause.

If in relation to any claim You have failed to fulfil any of the following conditions, You will lose Your right to payment for that claim.

You must ensure that in connection with any premises owned, hired or rented by You that You comply with the Health and Safety Commissions Approved Code of Practice – The control of legionella bacteria in water systems Ref ISBN 0-7176-1772-6 or any amending Code of Practice.

We will not provide cover for any

- (1) occurrence happening before the inception date of this clause under this policy
- (2) agreement unless liability would have existed otherwise.

Products and Workmanship

Notwithstanding Exception 4, this Cover extends to include your legal liability arising from defective work or defective products where such work or products have caused

- (a) Bodily injury to any person other than an employee, or
- (b) Damage to Property other than products which are subject of the same contract

We will not provide indemnity in respect of the first £2,500 of each and every claim. The maximum We will pay in respect of the total of all claims in any one Period of Insurance is £25,000.

We will not provide indemnity in respect of:

- 1) Any costs incurred where the escape of water does not appear, to any reasonable person, to originate from Your installation work.
- 2) The first £500 of each and every claim.

The maximum We will pay in respect of the total of all claims in any one Period of Insurance is £100,000.

Additional Clauses

The following Clauses apply to this Section only if stated in The Schedule.

Asbestos Extension

The Exception under Your Public and Products Liability Section relating to Asbestos is deleted and replaced by the following:

We will not provide indemnity in respect of

- (a) fears of the consequences of exposure to or inhalation of
- (b) the costs incurred by anyone in repairing, removing, replacing, recalling, 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.

Damage to Third Party Plant Being Operated

We will indemnify You for Your liability for damage to customers cleaning plant and equipment whilst being operated by You for the purpose of carrying out work resulting solely from the provision of services provided that this extension does not cover for normal wear and tear and depreciation or any mechanical breakdown.

The maximum We will pay, including Costs and Expenses, for any one loss, is £100,000.

Fidelity Bonding

- 1) We will indemnify You in respect of Your legal liability for accidental Damage to Property and/or loss of Money sustained by Your customers as a result of any act of fraud, dishonesty or embezzlement committed by Your Employees

Legal Liabilities Public and Products Liability (including Efficacy)

Provided that

- a) The events insured by this clause are committed and notified to Us during the same Period of insurance or within 30 days of its expiry

and

- b) You co-operate with Us in seeking reimbursement from any defaulting Employee any sums paid or payable under this clause.

- (2) The maximum We will pay in respect of the total of all claims in any one Period of Insurance is £50,000.

- (3) We will not provide indemnity in respect of

- a) The misuse of customers telephones
- b) The first £500 of each and every claim.

Financial Loss (Products Liability)

We will indemnify The Insured in respect of legal liability for Financial Loss as a direct result of Products Supplied.

The maximum We will pay, including Costs and Expenses, for all claims made against You in any one Period of Insurance is £250,000.

This cover only applies to claims made against The Insured during the currency of this Clause or within 30 days of its expiry.

We will not provide cover for

- (1) Financial Loss as a result of
 - (a) Circumstances which, at inception of this Public and Products Liability Section, The Insured knew or ought to have known about and which were likely to give rise to a claim
 - (b) Non or late delivery of Products Supplied
 - (c) Fraud, dishonesty, insolvency, financial default, conspiracy, conversion, deceit, intimidation, inducement of breach of contract or injurious falsehood
 - (d) Passing off or infringement of any trademark, trade name, merchandise mark, registered design, copyright or patent right
 - (e) Liability under the Data Protection Act 1998 or the General Data Protection Regulation (Regulation (EU) 2016/679) or under any legislation implementing the General Data Protection Regulation or under any replacement legislation in respect of any of the foregoing
 - (f) Any diminution in value of any Property or Products Supplied
 - (g) Liability imposed on The Insured solely by reason of the terms of any contract conditions or agreement

- (h) Any consequence whatsoever directly or indirectly caused by or contributed to or arising from the presence of or release of Asbestos including any product containing Asbestos.

- (2) The first amount of Compensation, Costs and Expenses of £500 as The Excess, in respect of each and every Financial Loss claim made against The Insured.

Loss of Keys

We will indemnify The Insured for

- (1) Accidental Damage to Keys for use on locks at any premises at which The Insured are working which are not owned, hired or rented by The Insured
- (2) The reasonable costs of repair or replacement of any lock consequent upon the loss of such Keys
- (3) Any subsequent consequential loss suffered by Your customer following the loss of Keys arising from either their inability to gain access to their premises or the misuse of Keys by any person other than Your Employee
- (4) The additional temporary necessary protection to the premises of Your customer

The maximum We will pay for the total of all claims in any one Period of Insurance is £75,000.

We will not provide cover for the first 10 per cent or £250 whichever is the greater of each and every claim.

Loss of Metered Water

We will indemnify You in respect of Your legal liability in respect of loss of metered water due to Damage at the premises.

We will not provide indemnity in respect of the first £250 of each and every claim

The maximum We will pay in respect of any one claim is £5,000.

The maximum We will pay in respect of the total of all claims in any one Period of Insurance is £100,000.

Misuse of Customers Telephone

We will indemnify You in respect of Your legal liability for any loss of Money sustained by Your customers as a result of any act of fraud, dishonesty or embezzlement caused by the misuse of customers telephones by Your Employees provided that

- (a) The events insured by this clause are committed and notified to Us during the same Period of insurance or within 30 days of its expiry and
 - (b) You co-operate with Us in seeking reimbursement from any defaulting Employee any sums paid or payable under this clause.
- (1) The maximum We will pay in respect of the total of all claims in any one Period of Insurance is £50,000
 - (2) We will not provide indemnity in respect of the first £500 of each and every claim.

Legal Liabilities Public and Products Liability (including Efficacy)

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not provide indemnity in respect of

- (1) Personal Injury to any Employee arising out of and in the course of employment by You in The Business.
- (2) the ownership, possession or use by or on behalf of The Insured of any
 - (a) aircraft, aerial device or hovercraft.
 - (b) watercraft exceeding eight metres in length.
 - (c) motor vehicle, trailer or plant in circumstances where compulsory insurance or security is required by any road traffic legislation other than
 - (i) where described in the Motor Contingent Liability Clause.
 - (ii) the loading or unloading of any such vehicle, trailer or plant where indemnity is not provided by another insurance policy.
- (3) Damage to Property
 - (a) which You own or is loaned, leased, hired or rented to The Insured
 - (b) which is held in trust or in the custody or control of
 - (i) The Insured
 - (ii) any other party who is carrying out work on Your behalf other than:
 - (1) in the circumstances described in the Hired or Rented Premises Clause, the Employees' and Visitors' Personal Belongings Clause or the Buildings Temporarily Occupied Clause, or
 - (2) property in the care, custody or control of any employee providing security services.
- (4) Damage to or the cost incurred by anyone in repairing, removing, replacing, reapplying, rectifying or reinstating
 - (a) Products Supplied (other than Products Supplied under a separate contract).
 - (b) The Works.
- (5) recalling or making refunds in respect of
 - (a) Products Supplied.
 - (b) The Works.
- (6) advice, instruction, consultancy, design, formula, specification, inspection, certification or testing performed or provided separately for a fee or under a separate contract.
- (7)
 - (a) the carrying out of any work
 - (b) any Products Supplied which affects or could affect
 - (i) the navigation, propulsion or safety of any aircraft or other aerial device.
 - (ii) the safety or operation of nuclear installations.
- (8) 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 will be deemed to have happened at the time such incident takes place.
- (9)
 - (a) work in or on and travel to, from or within
 - (b) Products Supplied to any offshore
 - (i) accommodation, exploration, drilling or production rig or platform.
 - (ii) support vessel.
- (10)
 - (a) liquidated damages.
 - (b) penalty clauses.
 - (c) fines.
 - (d) aggravated, restitutionary, punitive or exemplary damages or any additional damages resulting from the multiplication of compensatory damages or other non-compensatory damages.
- (11) work on or in
 - (a) power stations or nuclear installations/establishments.
 - (b) oil, gas or chemical
 - (i) refineries
 - (ii) bulk storage premises
 - (iii) production premises.
 - (c) aircraft, aerospace systems or hovercraft.
 - (d) watercraft other than work, not involving the use of heat, on or in watercraft in docks, harbours, boatyards or inland waterways.
 - (e) railways, tramways, airports, aerodromes or any airbase.

This Exception will not apply to offices, perimeter fences and boundaries.
- (12) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event
 - (a) Terrorism

Legal Liabilities Public and Products Liability (including Efficacy)

- (b) any action taken in controlling, preventing, suppressing or in any way relating to (a) above

except as stated in **Special Provision – Terrorism** below.

In any action, suit or other proceedings where We allege that any consequence whatsoever resulting directly or indirectly from or in connection with (12)(a) and/or (12)(b) above regardless of any other contributory cause or event is not covered under this Section (or is covered only up to a specified limit of liability) the burden of proving that any such consequence is covered (or is covered beyond that limit of liability) under this Section shall be upon You.

Special Provision – Terrorism

Subject otherwise to the terms of the policy

Neither of the exclusions in (12)(a) and (12)(b) above shall apply to the Public and Products Liability Section but The Limit of Indemnity for the purpose of this Special Provision – Terrorism is limited to £5,000,000 in respect of any one event or all events consequent on or attributable to one original cause or any other amount specified in the policy for Public and/or Products Liability whichever is the lower.

- (13) the amount of Compensation, Costs and Expenses shown in The Schedule as applying in respect of each and every event resulting in Damage to Property.

You will reimburse any such amount paid by Us.

- (14) (a) exposure to
(b) inhalation of
(c) fears of the consequences of exposure to or inhalation of
(d) the costs incurred by anyone in repairing, removing, replacing, recalling, 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.

- (15) any liability arising directly or indirectly from, or in connection with, or consisting of any loss, destruction or damage, Failure or Loss of Data resulting directly or indirectly from or in connection with
(a) Virus or Similar Mechanism.
(b) Denial of Service Attack.
(c) unauthorised access to or use of Computer and Electronic Equipment.

However We will not exclude any liability in respect of any ensuing accidental Bodily Injury or accidental Damage to Property which is not otherwise excluded.

- (16) any sudden, identifiable, unintended and unexpected discharge of gas in fixed fire extinguishers.

Conditions

The following conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

Premium Adjustment

- (1) At renewal, where it is stated in The Schedule that index linking applies, the estimates upon which the premium is based will be adjusted for movements in The Average Weekly Earnings Index issued by the relevant government department or any alternative index specified by Us in Our reasonable opinion.
In the event of a negative index We will retain Your existing estimates, unless You advise Us otherwise.
- (2) Where it is stated in The Schedule that declarations apply
(a) You will, within one month after the Expiry Date shown in The Schedule, supply the information We require and
(b) We will adjust the premium for the expired period subject to any minimum premium(s) applying.

Suspension of Cover

We may, at any reasonable time, inspect any property and, in the event of any defect or danger being apparent, We may by written notice to You suspend all Our liability that might otherwise arise from such defect or danger.

Endorsements

This Section is subject to the following Endorsements

BONA-FIDE SUBCONTRACTORS INSURANCES

If in relation to any claim You have failed to fulfill any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must ensure that in connection with any work undertaken by any bona-fide sub-contractors You obtain evidence they have current policies providing indemnity for Public and Products Liabilities that

- (1) have a Limit of Indemnity of at least £2,000,000
(2) cover the work to be undertaken
(3) are effective for the duration of the contract
(4) provide an indemnity to You as principal

and that You keep a written record of their insurer and policy number.

Depth Limit

We will not provide indemnity in respect of work digging below ground where the depth below ground level exceeds the Depth Limit shown in The Schedule.

Legal Liabilities Public and Products Liability (including Efficacy)

General Builders

We will indemnify The Insured in respect of

- (1) (a) partial or total demolition
- (b) road and footpath construction
- (c) laying pipes, drains and sewers
- (d) piling work

only if this forms part of a contract undertaken by The Insured for the erection, alteration, maintenance or repair of buildings or structures.

- (2) partial or total demolition of structures not exceeding four metres in height.

We will not provide indemnity in respect of

- (1) water diversion or the use of explosives.
- (2) the construction of or work on towers, steeples, chimney shafts, blast furnaces, viaducts, bridges, docks, tunnels, dams or reservoirs.

Height Limit

We will not provide indemnity in respect of work at a height where the drop exceeds the Height Limit shown in The Schedule.

North American Products Supplied Exclusion

We will not provide indemnity in respect of Products Supplied which The Insured knew, know or could be expected to know would be used within the United States of America or Canada.

Underground Services

- (1) If in relation to any claim You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must ensure that in connection with Damage to underground pipes, cables or other services You maintain in force a system of work for controlling the risks associated with digging, excavating, boring or similar work and before starting such work You must have

- (a) taken (or caused to be taken) all reasonable steps, including contacting the appropriate authorities, to find out whether any pipes, cables or other services, which could be at risk, are under the site
 - (b) kept a written record of the steps taken
 - (c) informed whoever is carrying out the digging, excavating or boring of the location of any pipes, cables or other services.
- (2) We will not provide indemnity for the first 10% or £1,000, whichever is the greater, of Compensation, Costs and Expenses, subject to a maximum amount of £2,500, in respect of Damage to optical fibre cables.

Use of Heat

If in relation to any claim You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must ensure that the following precautions are taken each time any

- electric, oxy-acetylene or similar welding or cutting equipment
- cutting or grinding equipment using abrasive disks or wheels
- blow lamp, blow torch, hot air gun or hot air stripper
- asphalt, bitumen, tar or pitch heater

is used away from premises which You own, hire or rent.

(1) Before Starting Work

- (a) Where You and any other person(s) for whom You are responsible are working at a site, a responsible person must be appointed for fire safety to ensure the following precautions are taken.
- (b) Fire safety checks to identify material that might be liable to catch fire must be carried out before work commences including the areas
 - (i) under floors or decks or above ceilings (including false or suspended ceilings)
 - (ii) behind walls, screens, bulkheads or partitions

and such checks must be repeated regularly while work is in progress and immediate steps taken to extinguish smouldering or flames detected.

- (c) At the point of application of heat, including, if there is a risk of ignition directly or by conduction, combustible materials including
 - (i) under floors or decks or above ceilings (including false or suspended ceilings)
 - (ii) behind walls, screens, bulkheads or partitionsmust be removed. If impracticable, combustible materials within
 - the immediate vicinity when using any blow lamp, blow torch, hot air gun or hot air stripper and/or
 - 10 metres when using any electric, oxy-acetylene or similar welding or cutting equipment, cutting or grinding equipment using abrasive disks or wheels or any asphalt, bitumen, tar or pitch heater

must be covered and protected by overlapping sheets or screens of non-combustible material.

- (d) All gaps or holes through which sparks or flames could pass must be covered by non-combustible material.

Legal Liabilities Public and Products Liability (including Efficacy)

(2) While Work Is In Progress

- (a) A sufficient number of portable fire extinguishers in full working order and suitable for dealing with the type of fire risk expected must be kept available at the point of application of heat and used immediately smoke, smouldering or flames are detected
- (b) Heat equipment
 - (i) must not be
 - lit until immediately before use
 - left unattended while lit, switched on or hot.
 - (ii) must be extinguished immediately after use.
- (c) Cylinders
 - (i) must not be changed while the equipment is hot.
 - (ii) not in use must be kept at least 15 metres from the burner.
- (d) Paraffin or petrol powered equipment
 - (i) must be filled/refilled in the open.
 - (ii) must not be filled/refilled while hot.
- (e) Paraffin or petrol powered equipment
 - (i) must only be heated in the open.
and
 - (ii) in a container designed for that purpose, placed on a non-combustible surface at ground level.

(3) After Finishing Work

- (a) Hot waste materials and welding rods must be removed and safely disposed of.
- (b) A final fire safety check must be carried out between 30 and 60 minutes after work has finished and immediate steps taken to extinguish smouldering or flames detected.

Legal Liabilities Commercial Legal Protection

Claims and helpline

As soon as You are aware of an incident, You should get legal advice from the legal helpline on **0345 300 1899** without delay. Please have Your policy number to hand.

If You think that You might need to claim, contact the helpline on **0345 300 1899** and request a claim form. We can only proceed with Your claim once We have received details of the incident in writing. A claim form is available to download at **www.aviva.co.uk/legalprotection**.

Our claims handling is undertaken by DAS Legal Expenses Insurance Company Limited or such other company as We notify You of from time to time.

Definitions

The following definitions apply to this Section in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Appointed Representative

The lawyer, accountant or other suitably qualified person, who has been appointed by Us to act on behalf of an Insured Person.

Aspect Enquiry

An examination by HM Revenue and Customs which considers one or more specific aspects of Your self-assessment and/or corporation tax return.

Attendance Expenses

- (1) The salary or wages of the Insured Person for the time they are off work
 - (a) to attend any arbitration, court or tribunal hearing at Our request
 - (b) as a defendant or while attending jury service.
- (2) We will pay for each half or whole day that the
 - (a) court
 - (b) tribunal
 - (c) employer of the Insured Personwill not pay for.
- (3) The amount We will pay is based on the following
 - (a) the time the Insured Person is off work including the time it takes to travel to and from the hearing. This will be calculated to the nearest half day assuming that a whole day is eight hours.

- (b) if the Insured Person
 - (i) works full time, the salary or wages for each whole day equals 1/250th of the annual salary or wages of the Insured Person.
 - (ii) works part-time, the salary or wages will be a proportion of the weekly salary or wages of the Insured Person.

Costs and Expenses

- (1) All reasonable and necessary legal and accountancy costs charged by the Appointed Representative and agreed by Us.
- (2) Legal costs which an Insured Person has been ordered to pay by a court or other body which We have agreed to authorise.

Date of Occurrence

- (1) In all civil cases, when the cause of action accrued (other than Contingencies 4A, 4B or 4C – Tax).
- (2) In all criminal cases, when the Insured Person first broke or is alleged to have first broken the criminal law in question.
- (3) Full Enquiries, Aspect Enquiries or Intervention Enquiries, when HM Revenue and Customs first notifies in writing the intention to make enquiries.
- (4) Employers Compliance and Value Added Tax disputes, when HM Revenue and Customs sends an assessment or written decision to You.
- (5) Licence or Registration Appeals, when You were first notified of the proposal by the relevant licensing or regulatory authority to suspend, alter the terms of, refuse to renew or cancel Your licence or British Standard Certificate of Registration.

Full Enquiry

An extensive examination by HM Revenue and Customs which considers all aspects of Your tax affairs, excluding those enquiries which are limited to one or more specific aspects of Your self-assessment and/or corporation tax return.

Legal Liabilities Commercial Legal Protection

Insured Person

- (1) You
- (2) any director of Yours, or partner, or proprietor of The Business
- (3) any employee of Yours under a contract of employment with You
- (4) any other person agreed with Us.

Intervention Enquiry

An examination by HM Revenue and Customs to measure the level of compliance in Your financial accounting records to highlight areas where errors have or may occur.

Legal Proceedings

Legal proceedings for

- (1) the pursuit or defence of a claim for damages
- (2) the defence of a criminal prosecution
- (3) appeal proceedings
- (4) specific performance or injunction

dealt with by negotiation or in a court of law, tribunal or arbitration or any other body which We have agreed to or authorised.

Limit of Indemnity

The maximum amount stated in The Schedule which We will pay for Costs and Expenses in respect of any or all claims arising out of one originating cause in connection with The Business stated in The Schedule.

Prospects of Success

In respect of all civil cases, it is always more likely than not that an Insured Person will

- (1) recover damages or obtain any other legal remedy which We have agreed to
- (2) make a successful defence
- (3) make a successful appeal or defence of an appeal.

Prospects of success will be assessed by Us or an Appointed Representative on Our behalf.

Territorial Limits

For Contingencies 2 Legal Defence (other than Contingency 2E) and 3B Bodily Injury

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 and Turkey (West of the Bosphorus).

For all other Contingencies

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

Cover

We will indemnify You or an Insured Person where specified for any Costs and Expenses and Attendance Expenses incurred in respect of Legal Proceedings following the occurrence of a Contingency stated as applying in The Schedule provided that

- (1) the Contingency occurs within the Territorial Limits and the Date of Occurrence is within the Period of Insurance
- (2) any Legal Proceedings take place within the Territorial Limits
- (3) Prospects of Success exist for the duration of the claim
- (4) in respect of any appeal or defence of an appeal, it has been reported to Us at least 10 working days prior to the deadline for any appeal
- (5) the maximum We will pay is the Limit of Indemnity
- (6) You must report an incident to Us as soon as possible and in any event no later than 180 days after the date the Insured Person knew or should have known about the incident.

Contingencies

1A Employment Disputes

We will defend You

- (1) prior to the issue of Legal Proceedings following the dismissal of an Insured Person
- (2) in the resolution of unfair dismissal disputes under the ACAS Arbitration Scheme
- (3) in Legal Proceedings in respect of any dispute with
 - (a) an Insured Person
 - (b) a former Insured Person
 - (c) a trade union acting on behalf of an Insured Person or a former Insured Personwhich arises out of, or relates to, a contract of employment with You
- (4) in Legal Proceedings in respect of any dispute with
 - (a) an Insured Person
 - (b) a former Insured Person
 - (c) a prospective Insured Person

arising from an alleged breach of their statutory rights under employment legislation.

We will not provide indemnity for any claim in respect of damages for personal injury or loss of or physical damage to material property.

Legal Liabilities Commercial Legal Protection

1B Compensation Awards

We will pay

- (1) any basic and compensatory award
- (2) an order for compensation following a breach of Your statutory duties under employment legislation

which You are ordered to pay by a tribunal or through the ACAS Arbitration Scheme, under a judgment made after full argument and approved by Us in writing in respect of a claim We have accepted under Contingency 1A – Employment Disputes.

The maximum amount We will pay in respect of compensation awards in any one Period of Insurance is £1,000,000.

We will not provide indemnity in respect of

- (1) non payment of money due under the relevant contract of employment or related statutory provision
- (2) any compensation award related to
 - (a) trade union activities, trade union membership or non-membership
 - (b) health & safety related dismissals brought under section 44 of the Employment Rights Act 1996
 - (c) statutory rights in relation to trustees of occupational pension schemes
 - (d) statutory rights in relation to Sunday shop and betting work
- (3) any award ordered as a result of a breach of National Minimum Wage laws
- (4) any compensation award or increase in compensation award ordered by the tribunal for failure to comply with a recommendation it has made including non-compliance with a reinstatement order or re-engagement order.

Conditions to Contingency 1B

If in relation to any claim You have failed to fulfil any of the following conditions You will lose Your right to indemnity or payment for that claim.

- (1) Performance and/or conduct

In cases relating to performance and/or conduct of an Insured Person, or former Insured Person You must, throughout the dispute, have either

 - (a) followed the ACAS Code of Disciplinary Practice and Procedures in Employment as prepared by the Advisory Conciliation and Arbitration Service, or
 - (b) followed equivalent codes of practice issued by the Labour Relations Agency in Northern Ireland, or
 - (c) sought and followed the advice from Our 24 hour legal helpline **(0345 300 1899)**.

- (2) Unlawful Discrimination

In respect of an order of compensation following a breach of Your statutory duties under discrimination legislation You must have at all times sought and followed the advice of Our 24 hour legal helpline since the date You knew or should have known about the employment dispute.
- (3) Redundancy

In respect of any compensation award for

 - (a) redundancy
 - (b) alleged redundancy
 - (c) unfair selection for redundancy

You must have sought and followed the advice of Our 24 hour legal helpline prior to serving notice of dismissal **(0345 300 1899)**.

1C Service Occupancy

We will negotiate for Your legal rights against an Insured Person or former Insured Person to recover possession of premises owned by You, or for which You are responsible.

We will not indemnify You in respect of any claim relating to defending Your legal rights other than defending a counter claim.

2 Legal Defence

2A Criminal Prosecution

We will defend an Insured Person

- (1) prior to the issue of Legal Proceedings when dealing with the
 - (a) Police, and/or
 - (b) Health and Safety Executive and/or Local Authority Health and Safety Enforcement Officerwhere it is alleged the Insured Person has or may have committed a criminal offence
- (2) following an event which leads to the Insured Person being prosecuted in a court of criminal jurisdiction

provided that in respect of proceedings under the Health and Safety at Work etc Act 1974, the Territorial Limits shall be all territories in which the Act applies.

We will not provide indemnity in respect of any claim which leads to the Insured Person being prosecuted for infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

Legal Liabilities Commercial Legal Protection

2B Data Protection

- (1) (a) defend the legal rights of an Insured Person following civil action taken against the Insured Person for compensation
 - (b) also pay any compensation award made against the Insured Person under Section 13 of the Data Protection Act 1998 or under Article 82 of the General Data Protection Regulation (Regulation (EU) 2016/679) or under any legislation implementing the General Data Protection Regulation or under any replacement legislation in respect of any of the foregoing,
- provided that You are registered with the Information Commissioner at the time of the incident giving rise to the action.
- (2) represent You in appealing against the refusal of the Information Commissioner to register Your application for registration.

2C Wrongful Arrest

We will defend Your legal rights following civil action taken against You for wrongful arrest in respect of an accusation of theft alleged to have been carried out during the Period of Insurance.

2D Employee Civil Legal Defence

At Your request We will defend the legal rights of an Insured Person (other than You) if

- (1) an event arising from their work as an Insured Person leads to civil action being taken against them under legislation for unlawful discrimination
- (2) civil action is being taken against them as a trustee of a pension fund set up for the benefit of Your employees.

2E Statutory Notice

At Your request We will represent the Insured Person in appealing against the imposition or terms of Statutory Notice issued under legislation affecting Your business.

2F Jury Service

We will pay the Attendance Expenses of an Insured Person for jury service.

2G Disciplinary Hearings

We will represent an Insured Person at a disciplinary hearing that they are required to attend by a regulatory authority or professional body as a result of a complaint being brought against them.

3A Property Protection

We will represent You in any Legal Proceedings for civil action relating to material property which is owned by You, or for which You are responsible, following

- (1) any event which causes or could cause physical damage or loss to such material property
- (2) any nuisance or trespass including the eviction of squatters or any person occupying premises owned by You for which You are responsible.

We will not indemnify You in respect of any claim relating to

- (1) a contract entered into by You
- (2) tenancy disputes
- (3) goods
 - (a) in transit
 - (b) lent or hired out
 - (c) at premises You do not occupy unless for
 - (i) installation, or
 - (ii) use in work to be carried out by You
- (4) mining subsidence
- (5) a motor vehicle whilst being driven by an Insured Person.

3B Bodily Injury

We will pursue the legal rights of an Insured Person and their family members, if they are accompanying an Insured Person, following an event which causes the death of, or bodily injury to them.

We will not provide indemnity in respect of any claim relating to

- (1) any illness or bodily injury which develops gradually or is not caused by a specific or sudden accident
- (2) defending the legal rights of an Insured Person or their family members other than defending a counter claim
- (3) a motor vehicle whilst being driven by an Insured Person or a family member.

4A Tax Protection

We will represent You and negotiate on Your behalf in any appeal proceedings in respect of a Full Enquiry and/or Aspect Enquiry and/or Intervention Enquiry carried out by HM Revenue and Customs.

The maximum amount We will pay for Aspect Enquiries and/or Intervention Enquiries in respect of any one claim is £5,000.

4B Employers' Compliance

We will represent You in any appeal proceedings in respect of a dispute concerning Your compliance with

- (1) Pay as You Earn, or
- (2) Social Security Regulations

following a review by HM Revenue and Customs.

Legal Liabilities Commercial Legal Protection

4C VAT Disputes

We will represent You in any appeal proceedings following an assessment by HM Revenue and Customs in respect of value added tax due.

Condition to Contingencies 4A, 4B and 4C

If in relation to any claim You have failed to fulfil the following condition You will lose Your right to indemnity or payment for that claim.

Reasonable Care

You must have taken reasonable care to ensure that all returns are complete and correct and such returns are submitted within the statutory time limits allowed.

We will not provide indemnity

- (1) in respect of any claim caused by Your failure to register for value added tax
- (2) in respect of any claim arising from any investigations or enquiries undertaken by HM Revenue and Customs Special Investigation Section or Special Compliance Office
- (3) in respect of any claim arising from any investigations or enquiry by HM Revenue and Customs into alleged dishonesty or alleged criminal offences
- (4) in respect of any claim arising from a tax avoidance scheme
- (5) for the first 10% of Costs and Expenses for Aspect Enquiries and/or Intervention Enquiries in respect of any one claim.

5 Contract Disputes

We will represent You in any Legal Proceedings for civil action relating to a contractual dispute arising from that agreement or that alleged agreement which has been entered into by You or on Your behalf for the

- (1) sale
- (2) provision
- (3) purchase
- (4) hire

of goods or services provided that

- (a) the amount in dispute exceeds £250
- (b) if the amount in dispute is payable by instalments, the instalments due and payable at the time of making the claim exceed £250
- (c) if the dispute relates to money owed to You, a claim must be made within 90 days of the money becoming due and payable.

We will not provide indemnity in respect of

- (1) any claim relating to
 - (a) the cover, claims process or settlement payable under an insurance policy other than claims for indemnity under this section

- (b) a lease, licence or tenancy of land or buildings other than a dispute with a professional adviser in connection with the drafting of a lease, licence or tenancy agreement
- (c) a loan, mortgage, pension or any other financial product
- (d) a motor vehicle owned by, hired or leased to You other than agreements relating to the sale or motor vehicles where You are engaged in the business of selling motor vehicles

- (2) a dispute with an Insured Person or former Insured Person which arises out of or relates to a contract of employment with You
- (3) a dispute relating to computer hardware, software, systems or services which have been specifically tailored
- (4) a dispute arising from the breach or alleged breach of professional duty by an Insured Person or former Insured Person
- (5) the recovery of money and interest due from another party other than disputes where the other party intimates that a defence exists.

6 Tenancy Disputes

We will represent You in any Legal Proceedings for civil action relating to a tenancy dispute between You and Your landlord arising from premises leased or rented to You. We will not provide indemnity in respect of any dispute arising from or relating to rent, service charges or renewal of the tenancy agreement.

7 Statutory Licence Protection

We will represent You in appealing to the relevant statutory or regulatory authority, court, or tribunal following an event which results in the relevant licensing or regulatory authority suspending, or altering the terms of, or refusing to renew, or cancelling Your licence or statutory registration or British Standard Certificate of Registration.

We will not provide indemnity in respect of

- (1) an original application or application for renewal of a statutory licence or British Standard Certificate of Registration
- (2) any licence appeal relating to the ownership, driving or use of a motor vehicle.

8 Debt Recovery

We will represent You in any Legal Proceedings for civil action including the enforcement of judgement to recover money and interest due from the sale or provision of goods or services provided that

- (1) the amount in dispute exceeds £250
- (2) You have exhausted all reasonable credit control and accounting procedures
- (3) We have the right to select the method of enforcement or to forego enforcing judgement if We are not satisfied that there are, or will be, sufficient assets available to satisfy judgement

Legal Liabilities Commercial Legal Protection

- (4) You supply the correct and current name and address of the debtor
- (5) a claim for debt recovery under this Contingency is made within 90 days of the money becoming due and payable.

We will not provide indemnity in respect of

- (1) any claim relating to
 - (a) the cover, claims process or settlement payable under an insurance policy
 - (b) a lease, licence or tenancy of land or buildings
 - (c) a loan, mortgage, pension or any other financial product
- (2) a dispute with an Insured Person or former Insured Person which arises out of, or relates to, a contract of employment with You
- (3) a dispute relating to computer hardware, software, systems or services which have been specifically tailored
- (4) the recovery of money and interest due from another party where the other party intimates that a defence exists.

Exceptions –

Applying to all Contingencies

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not provide indemnity in respect of any claim

- (1) if an Insured Person does not keep to the terms, exceptions and conditions of this Section. The cover will also not apply if an Insured Person can claim under another policy
- (2) if any Costs and Expenses are incurred prior to Our written acceptance of a claim
- (3) for any legal action an Insured Person takes which We have not agreed to or where the Insured Person does anything to hinder Us or the Appointed Representative
- (4) for any fines, penalties, compensation or damages which an Insured Person is ordered to pay by a court or other authority other than compensation awards covered under Contingency 1B (Compensation Awards) and Contingency 2 (Legal Defence)
- (5) relating to
 - (a) patents
 - (b) copyrights
 - (c) trademarks
 - (d) merchandise marks
 - (e) registered designs
 - (f) intellectual property
 - (g) secrecy and confidentiality agreements

- (6) relating to franchise or agency rights where You have the legal capacity to alter the legal relations of another
- (7) deliberately or intentionally caused by an Insured Person
- (8) in respect of a dispute with Us not catered for in Section Conditions 6 and 7 for a judicial review
- (9) relating to any non-contracting party's rights to enforce all or any part of this Section. The Contracts (Rights of Third Parties) Act 1999 does not apply to this policy
- (10) notified under this Section when, either at the start of or during the course of the claim You
 - (i) are bankrupt
 - (ii) have filed a bankruptcy petition or winding up petition
 - (iii) have made an arrangement with creditors
 - (iv) have entered into a deed or arrangement
 - (v) are in liquidation
 - (vi) are or part of or all of Your affairs or property are in the care or control of a receiver or administrator.

Conditions –

Applying to all Contingencies

The following Conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

(1) Claims – your duty

You must report an incident to Us as soon as possible and in any event no later than 180 days after the date the Insured Person knew or should have known about the incident.

(2) Claims – legal representation

- (a) On acceptance of a claim, if appropriate, We will appoint an Appointed Representative.
- (b) If it is necessary to start court proceedings or there is a conflict of interest, an Insured Person is free to nominate an Appointed Representative by sending to Us the name and address of the suitably qualified person.
- (c) If We do not agree to the Insured Person's choice of Appointed Representative under condition 2(b) above, an Insured Person may choose another suitably qualified person.
- (d) If there is still a disagreement with regard to the Appointed Representative, We will ask the president of a relevant national law society to choose a suitably qualified person to represent an Insured Person. We and the Insured Person must accept such choice.
- (e) In all other circumstances We will be free to choose an Appointed Representative.
- (f) An Appointed Representative will be appointed by Us and represent an Insured Person according to Our standard terms of appointment.

Legal Liabilities Commercial Legal Protection

(3) Claims – Our rights and Your obligations

- (a) We will have direct access to the Appointed Representative who will, upon request, provide Us with any information or opinion on Your claim.
- (b) An insured person must co-operate fully with Us and the appointed representative and must keep Us up-to-date with the progress of the claim.
- (c) At Our request an Insured Person must give the Appointed Representative any instructions that We require.
- (d) An Insured Person must notify Us immediately if anyone offers to settle a claim or makes a payment into court.
- (e) If an Insured Person does not accept the recommendation of the Appointed Representative to accept a reasonable offer or payment into court to settle a claim, We may refuse to pay further costs and expenses.
- (f) No agreement to settle on the basis of both parties paying their own costs is to be made without Our prior approval.

(4) Discontinuance of a claim

If an Insured Person

- (a) settles a claim or withdraws a claim without Our prior agreement
- (b) does not give suitable instructions to the Appointed Representative
- (c) dismisses an Appointed Representative without Our prior consent

the cover We provide will end immediately and We will be entitled to re-claim any Costs and Expenses We have incurred from the Insured Person.

(5) Recoveries

An Insured Person must take every available step to recover Costs and Expenses that We have to pay and must pay Us any Costs and Expenses that are recovered.

(6) Disputes

If any difference arises between Us and an Insured Person in respect of the acceptance, refusal, control or handling of any claim under this section, You can take the steps outlined in Our complaints procedure stated under Our Promise of Service.

(7) Arbitration

You have the right to refer any difference that arises between Us and an Insured Person in respect of the acceptance, refusal, control or handling of any claim under this section to arbitration, which will be decided by counsel chosen jointly by Us and an Insured Person.

If there is a disagreement with regard to the choice of counsel, We will ask the president of a relevant national law society to choose a suitably qualified person.

The arbiter's decision shall be final and binding on both parties.

All costs for resolving the difference will be met by the party whom the decision is made against.

(8) Acts of Parliament

All references to Acts of Parliament within this Section wording shall include equivalent legislation in Scotland, Northern Ireland, the Isle of Man or the Channel Islands as the case may be.

Legal Liabilities Management Liability

Definitions

The following definitions apply to this Section in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Bail Bond Costs

The reasonable premium (not including any collateral) for a bond or other financial instrument to guarantee an Insured Person's contingent obligation for bail or equivalent in any jurisdiction required by a court in respect of any Claim.

Benefit Scheme

Any

- (1) pension scheme, programme or plan
- (2) profit sharing, share option or share purchase scheme
- (3) health and welfare or other Employee benefit plan or trust

established or conducted for the benefit of the Company or any Employee and their families and dependants.

Bodily Injury

Any injury, death, illness, disease, sickness, psychological injury, emotional distress or nervous shock.

Business Activities

The activities of the Company as declared by Us in the Proposal as stated in the Schedule.

Claim

Any

- (1) demand, whether oral or in writing, for damages, compensation or specific non-pecuniary relief
- (2) notice of intention whether oral or in writing to commence civil proceedings including third party proceeding, counterclaim or arbitration proceeding including Disqualification Proceedings
- (3) notice of intention, whether oral or in writing, to commence criminal proceedings including Extradition Proceedings
- (4) notice of formal administrative or formal regulatory proceedings
- (5) official notice of a Formal Investigation
- (6) raid or on-site visit by an Official Body
- (7) self report to an Official Body of possible breach of legal or regulatory duty by an Insured Person.

Company

The Insured and any Subsidiary Companies.

Company Wrongful Act

Any

- (1) breach of duty including breach of trust
- (2) negligent act, error or omission
- (3) defamation committed in good faith
- (4) breach of warranty of authority
- (5) negligent misstatement or misleading statement

actually or allegedly committed or attempted by the Company and arising from Business Activities within the Territorial Limits.

Corporate Manslaughter

The prosecution of the Company under the Corporate Manslaughter and Corporate Homicide Act 2007 or any subsequent amendment or re-enactment.

Crisis Event

Any

- (1) allegations of fraud or corruption against an Insured Person
- (2) serious injury to an Employee or member of the public
- (3) resignation or dismissal of any member of the Company's main board of directors
- (4) Formal Investigation or Company raid by any Official Body or other institution that is sanctioned to investigate the Company's affairs

where, as a consequence of negative publicity or media attention, We agree with the Company or an Insured Person that the commercial success of the Company and/or the reputation of any Insured Person is at risk.

Defence Costs

The reasonable and necessary costs and expenses incurred by an Insured Person or the Company, with Our prior written consent, in the investigation or defence of any Claim.

Defence Costs do not include the Company's own management costs or any overtime, wages, salaries or fees of any Insured Person or any Employee.

Director

Any natural person who was, is, or becomes during the Period of Insurance a director of the Company including a de facto or Shadow Director.

Legal Liabilities Management Liability

Discovery Period

The period following the expiry of the Period of Insurance during which the Company or Insured Persons may first receive and be able to continue to notify Claims or circumstances likely to give rise to a Claim to Us.

Disqualification Proceedings

Proceedings commenced by pre-action protocol letter, summons, application or claim form against any Insured Person in their capacity as a Director or Officer of the Company, under the Company Directors' Disqualification Act 1986 or any subsequent amendment or re-enactment.

Employee

- (1) Any natural person who was, is or becomes during the Period of Insurance under a contract of service or apprenticeship with the Company
- (2) Any natural person who was, is or becomes during the Period of Insurance
 - (a) self-employed
 - (b) a voluntary helper
 - (c) engaged under a work experience or training scheme
 - (d) seasonal or temporary staff
 - (e) agency staff

while working under the Company's control in connection with the Business Activities of the Company.

Employment Wrongful Act

Any error, misstatement, misleading statement, act, omission, neglect or breach of duty actually or allegedly committed or attempted by the Company or any Insured Person in their capacity as a Director, Officer or Member within the Territorial Limits in connection with any

- (1) wrongful, unlawful or unfair dismissal, discharge or termination of employment
- (2) breach of any written or oral employment contract
- (3) employment-related misrepresentation
- (4) violation of employment discrimination laws
- (5) wrongful failure to employ or promote
- (6) wrongful demotion
- (7) wrongful disciplinary action
- (8) wrongful deprivation of a career opportunity
- (9) failure to grant tenure
- (10) failure to adopt adequate workplace or employment policies and procedures

- (11) Retaliation against whistleblowers
 - (12) negligent evaluation of personal performance
 - (13) employment-related invasion of privacy
 - (14) employment-related breach of data protection legislation
 - (15) employment-related humiliation or defamation
 - (16) failure to provide accurate job references
- regarding any former, current or prospective Employee.

Excess

The first part of each and every payment in relation to a Claim or Loss which is payable by the Company or any Insured Person rather than Us. The amount of the Excess is stated in the Schedule.

We will refund the Excess if a final adjudication or a complete and final settlement exonerates all Insured Persons involved in such Claim from liability and imposes no recourse.

Extended Reporting Period

The period following the expiry of the Period of Insurance during which the Company or Insured Persons may first receive and be able to continue to notify Claims or circumstances likely to give rise to a Claim to Us.

Extradition Proceedings

Proceedings brought against the Insured Person in their capacity as a Director, Officer or Member of the Company under the Extradition Act 2003, or any subsequent amendment or re-enactment, or equivalent in any other jurisdiction.

Formal Investigation

Any inquiry, hearing or investigation commenced by an Official Body to investigate the Business Activities of the Company or an Insured Person in their capacity as a Director, Officer or Member of the Company.

Health and Safety Investigation

A formal enquiry into the conduct of the Company first instituted during the Period of Insurance and conducted by an enforcing authority under the Health and Safety at Work etc. Act 1974 or any subsequent amendment or re-enactment.

Insured Person

Any natural person who was, is or becomes during the Period of Insurance a Director, Officer or Member of the Company.

International Jurisdiction

Any jurisdiction other than the jurisdiction in which the policy is issued.

Legal Liabilities Management Liability

Legal Representation Expenses

Reasonable and necessary legal representation fees, costs, expenses and related professional charges incurred by an Insured Person.

Limit of Indemnity

The maximum amount stated in the Schedule applicable to each purchased Policy Cover Section, which We will pay in respect of any one Claim (including claimant's costs and expenses and Defence Costs) and in total for all Claims first made during any one Period of Insurance for such Policy Cover Section.

A separate Limit of Indemnity applies to each Policy Cover Section, where purchased. We have no liability in excess of this Limit of Indemnity regardless of the number of Insured Persons or Companies or the number of Claims made during the Period of Insurance or Discovery Period, except where cover is expressly stated as being additional to the Limit of Indemnity.

Loss

Sums which any Insured Person or the Company is legally liable to pay in respect of any

- (1) Defence Costs
- (2) claimants costs
- (3) damages awarded by a competent court or tribunal
- (4) settlements, if concluded with Our prior written consent
- (5) additional costs and expenses for which cover is expressly extended under any Section of this policy.

This definition does not include

- (6) criminal fines or penalties imposed by law
- (7) non compensatory damages including punitive or exemplary damages (other than damages awarded for employment related defamation)
- (8) civil fines or penalties imposed by law (other than as covered under extension 8 to Cover 1).

Manslaughter Proceedings

Criminal proceedings brought in respect of a charge or investigations connected with a charge of involuntary, constructive or gross negligence manslaughter.

Member

A member of a limited liability partnership formed under the Limited Liability Partnerships Act 2000 or any subsequent amendment or re-enactment.

Officer

Any

- (1) Employee of the Company whilst acting in a managerial or supervisory capacity

- (2) Employee of the Company who, whilst acting as an employee, is joined as a party to any action against any Insured Person.

This definition does not include any external auditor, liquidator, administrator, receiver or solicitor of the Company.

Official Body

Any government body, government agency, government department, regulator, disciplinary body, criminal authority, or other body legally empowered to investigate the affairs of the Company or an Insured Person.

Outside Entity

An entity other than the Company which is registered and domiciled within the Territorial Limits

- (1) in which the Company holds any issued share capital, or
- (2) which is a tax-exempt non-profit organisation, a tax-exempt trade association or a registered charity and
- (3) which has a positive net worth at the inception of this policy, unless listed by endorsement as an Outside Entity.

This definition does NOT include any entity

- (4) which is a financial institution or financial services company, or
- (5) has any of its securities or equity traded on a primary, secondary or other market.

Outside Entity Director

Any Insured Person who was, is or becomes during the Period of Insurance, at the Company's specific written request, a Director, Officer, Member, trustee or similar position of an Outside Entity.

Pollution

Any contamination by naturally occurring or man-made substances, forces or organisms or any combination of them, whether permanent or transitory and however occurring.

Property Damage

The physical damage or destruction or loss of use of any tangible property.

Proposal

Any signed proposal form, renewal declaration, statement of fact and any additional information supplied by any Insured Person, the Company or on the Company's behalf.

Retaliation

An act carried out against an Employee relating to or alleged to be in response to whistle-blowing or on account of such Employee's exercise or attempted exercise of their legally protected rights.

Legal Liabilities Management Liability

Retired Insured Person

Insured Persons who have ceased to act in their insured capacity prior to the expiry of the Period of Insurance for reasons other than

- (1) disqualification, on grounds relating to fitness or propriety, from holding office or from managing a company
- (2) a Transaction having taken place.

Shadow Director

A shadow director, as defined in Section 251 of the Companies Act 2006 or any subsequent amendment or re-enactment.

Subsidiary Company

Any organisation in which the Company directly or indirectly

- (1) holds more than 50% of the voting rights or
- (2) holds more than 50% of the issued share capital, or
- (3) has the right to appoint or remove a majority of the board of directors, or
- (4) has the right to receive at least 50% of the net profits.

Territorial Limits

Territories specified in the Schedule.

Transaction

The occurrence of any of the following events

- (1) the Company ceases to trade, consolidating with or merging with another entity disposing of all or substantially all of its assets, or
- (2) any person or entity, whether individually or together with any other person or entity, acquiring an amount of share capital representing more than 50% of the voting rights for the election of Directors of the Company, or acquiring the voting rights for such an amount of the shares, or
- (3) the Company making a private placement or public offering of its debt securities or equity securities on any security exchange.

United Kingdom

The United Kingdom (which for the purposes of this policy shall include the Isle of Man and the Channel Islands).

USA Claim

A Claim brought or maintained within the jurisdiction of, or based upon any laws of, the United States of America, its territories or possessions.

Wrongful Act

Any

- (1) breach of duty including fiduciary or statutory duty
- (2) negligent act, error or omission
- (3) defamation committed in good faith
- (4) breach of warranty of authority
- (5) misstatement or misleading statement not made deliberately or recklessly
- (6) wrongful trading under s.214 of The Insolvency Act 1986 or any subsequent amendment or re-enactment
- (7) Employment Wrongful Act

actually or allegedly committed or attempted by an Insured Person in their capacity as a Director, Officer or Member of the Company and arising from Business Activities within the Territorial Limits.

You/Your/Insured

The limited liability partnership or company as named as the Insured in the Schedule.

Covers

This section consists of individual Covers. The policy Schedule confirms the Covers You have purchased and are insured under and gives precise details of the Limits of Indemnity of Your insurance protection.

Cover 1 – Directors & Officers Liability

Our total liability under Cover 1 – Directors & Officers Liability (except under extension 13 or extension 14 below) shall not exceed the Limit of Indemnity. Any inner limits shown are within and not in addition to the Limit of Indemnity and apply in the aggregate in the Period of Insurance.

We shall not be liable for the Excess or any lesser amount for which a Claim or Loss may be settled.

1.1 Insured Person

We will indemnify or pay the loss of any Insured Person for Loss arising from a Claim as the result of a Wrongful Act, provided that

- (a) such Claim is first made during the Period of Insurance against such Insured Person and notified to Us in accordance with the Claims Conditions and
- (b) such Loss is not recoverable by the Insured Person from the Company.

Legal Liabilities Management Liability

1.2 Company Reimbursement

In the event that the Company is required or permitted to indemnify an Insured Person, We will indemnify on the Company's behalf Loss arising from a Claim as the result of a Wrongful Act, provided that

- (a) such Claim is first made during the Period of Insurance against such Insured Person and notified to Us in accordance with the Claims Conditions and
- (b) such Loss is not recoverable by the Company from any other source, including but not limited to any more specifically relevant and collectable insurance policy.

1.3 Legal Representation Expenses

We will pay the Legal Representation Expenses, incurred with Our prior consent, of any Insured Person arising directly in relation to

- (a) Any Formal Investigation of the Company or any Insured Person, where an Insured Person is, during the Period of Insurance, in writing, first required to attend before, produce documents to, or identified as being the subject of, any examination, enquiry or investigation by an Official Body.
- (b) Any Company raid on or on-site visit by an Official Body which first occurs during the Period of Insurance involving the production, review, copying or confiscation of records, or the interview of any Insured Person.
- (c) A notification by way of self reporting first made during the Period of Insurance by the Company or any Insured Person to an Official Body that such Insured Person is or may be in breach of legal or regulatory duty.

This cover does not apply to any sector or industry wide investigation or enquiry, nor to any routine regulatory, audit, compliance, or internal review, inspection or examination.

Extensions to Cover 1 – Directors and Officers Liability

(1) Spouses, Heirs or Legal Representatives

In the event of an Insured Person's death, incapacity, insolvency or bankruptcy, We will indemnify or pay the loss of their lawful heirs, marital spouse, civil partner (as defined in the Civil Partnership Act 2004 or any subsequent amendments or re-enactment), estate or legal representatives in respect of any legal liability which arises purely by reason of that lawful status for Loss arising from a Claim as the result of a Wrongful Act provided that

- (a) such Claim is first made during the Period of Insurance and notified to Us in accordance with the Claims Conditions, and
- (b) such Loss is not recoverable from the Company in which case cover under Section 1.2, Company Reimbursement, will apply.

(2) Outside Directorships

We will indemnify or pay the loss of any Insured Person for Loss arising from a Claim as the result of a Wrongful Act while acting in their capacity as an Outside Entity Director, provided that

- (a) such Claim is first made during the Period of Insurance and notified to Us in accordance with the Claims Conditions,
- (b) such Loss is not recoverable from any other source, including but not limited to
 - (i) any directors' and officers' insurance maintained by the Outside Entity, or
 - (ii) any indemnification available from the Outside Entity
- (c) this cover shall not extend to the Outside Entity itself or to any other director, officer or employee of the Outside Entity.

(3) Bodily Injury (including Manslaughter Proceedings) Defence Costs

We will pay Defence Costs arising from any Claim made directly against an Insured Person for Bodily Injury (including Manslaughter Proceedings) as the result of a Wrongful Act provided that such Claim is first made during the Period of Insurance and notified to Us in accordance with the Claims Conditions.

We will also pay on behalf of an Insured Person their costs, incurred with Our prior written consent, of obtaining separate legal advice on their involvement or implication in any internal or external investigation concerning, or proceedings against the Company for, Corporate Manslaughter.

(4) Property Damage Defence costs

We will pay Defence Costs arising from any Claim made directly against an Insured Person for Property Damage as the result of a Wrongful Act provided that such Claim is first made during the Period of Insurance and notified to Us in accordance with the Claims Conditions.

(5) Retired Insured Persons Cover

If Cover 1 – Directors and Officers Liability is neither renewed nor replaced with similar cover Retired Insured Persons shall be entitled to an extended reporting period of 72 months. This extended reporting period shall commence from the expiry date of the Period of Insurance and shall, for each Retired Insured Person, apply only to Wrongful Acts prior to the date on which that Retired Insured Person became a Retired Insured Person.

A Claim made during an extended reporting period shall be deemed to have been made during the Period of Insurance immediately preceding that extended reporting period. If any Company takes out any other insurance policy which affords cover similar to the extended reporting period described above, then the extended reporting period shall come to an end or, if not yet obtained, cease to be available.

Legal Liabilities Management Liability

(6) Emergency Costs

If Our prior written consent to incurring Defence Costs or Legal Representation Expenses cannot reasonably be obtained, We will provide retrospective approval for reasonable and necessary Defence Costs or Legal Representation Expenses incurred during the period of 14 days only immediately following the date on which the Claim was first made or instituted.

Our total liability under this extension of cover for all Insured Persons shall not exceed 10% of the Limit of Indemnity.

(7) Personal Tax Liability

We will indemnify or pay the loss of any Insured Person for Loss arising from or in consequence of their personal liability for unpaid taxes where the Company has become insolvent. We will not provide indemnity where the personal liability arises from any Insured Person's wilful intent to breach statutory duties governing the payment of taxes.

Our total liability under this extension of cover for all Insured Persons is £50,000.

(8) Civil Fines and Penalties

We will pay, on behalf of any Insured Person, civil fines or penalties imposed by any Official Body, as a direct result of that Insured Person acting in their capacity as such, unless the civil fine or penalty is deemed uninsurable.

The total liability limit for all Insured Persons shall not exceed 25% of the Directors & Officers Liability Limit of Indemnity.

Lifestyle & Reputation Protection Costs and Expenses

(9) Crisis Event and Reputation Protection Costs

We will pay on behalf of any Insured Person any reasonable costs and expenses incurred by them for the services of a public relations or crisis management consultancy, or law firm to limit adverse publicity arising from a Crisis Event, provided that

- (a) such costs and expenses are incurred with Our prior written consent and
- (b) the Crisis Event may become the subject of a Claim under Cover 1 – Directors and Officers Liability.

Our total liability under this extension of cover for all Insured Persons is £100,000.

(10) Court Attendance Costs

We will pay to the Insured £500 per Insured Person for each day (or part thereof) any such Insured Person is required to attend court or a Formal Investigation in connection with a Claim for which there is cover under this policy.

Our total liability under this extension of cover in respect of all Insured Persons is £25,000.

(11) Bail Bond Costs

We will pay on behalf of any Insured Person, Bail Bond Costs incurred directly in connection with a Claim covered under this policy during the Period of Insurance.

Our total liability under this extension of cover for all Insured Persons is £100,000.

(12) Defence Costs for Extradition, Deportation and Asset Protection

We will pay Defence Costs on behalf of any Insured Person to defend or seek the discharge or revocation of any court order made in proceedings commenced during the Period of Insurance, concerning

- (a) confiscation, assumption of ownership and control, suspension or freezing of the Insured Person's assets
- (b) charges over the Insured Person's real property or personal assets
- (c) temporary or permanent prohibition placed upon the Insured Person by reason of holding office or performing the function of Director or Officer of the Company
- (d) restriction of the Insured Person's liberty to a specified domestic residence or an official detention
- (e) deportation of the Insured Person following a court order revoking a valid current immigration status for reasons other than the criminal conviction of the Insured Person
- (f) an official request for, or warrant for arrest for the purpose of, extradition of the Insured Person

For the purposes of this extension of cover, where We have given Our prior written consent, the definition of Defence Costs shall be extended to include reasonable and necessary fees costs and expenses for

- (i) accredited counsellors or tax advisors retained by any Insured Person in connection with Extradition Proceedings against that Insured Person
- (ii) public relations consultants retained by any Insured Person in connection with Extradition Proceedings against that Insured Person.

Our total liability under this extension of cover for all Insured Persons is £50,000.

Extensions To Cover 1 – Directors and Officers Liability: Cover In Addition to the Limit of Indemnity

(13) Additional Limit of Indemnity for Insured Persons

We will provide an additional indemnity for Loss in respect of an Insured Person if the Limit of Indemnity of Cover 1 – Directors and Officers Liability of cover for the Period of Insurance as stated in the Schedule is exhausted, provided that

- (a) further liability shall only be for Loss covered under Cover 1 Directors & Officers Liability,

Legal Liabilities Management Liability

and

- (b) We will not provide such indemnity until all other limits written specifically in excess of Cover 1 – Directors and Officers Liability of cover have been exhausted by payment of matters covered under such insurance.

Our total liability under this extension of cover for all Insured Persons which is in addition to the Limit of Indemnity is £100,000 in the aggregate during the Period of Insurance.

(14) Additional Limit of Indemnity for Non Executive Directors

We will provide an additional indemnity for Defence Costs in respect of a non- executive director of the Company if the Limit of Indemnity of Cover 1 – Directors and Officers Liability of cover for the Period of Insurance as stated in the Schedule is exhausted, provided that

- (a) further liability shall only be for Defence Costs covered under Cover 1 Directors & Officers Liability, and
- (b) We will not provide such indemnity until the Additional Limit of Indemnity for Insured Persons (Extension 13 above) has been exhausted by payment of matters covered under such extension

Our total liability under this extension of cover for all non-executive directors of the Company which is in addition to the Limit of Indemnity is 10% of the Limit of Indemnity of this policy, in the aggregate during the Period of Insurance.

Exceptions Applicable to Cover 1 – Directors and Officers Liability Only

We will not provide indemnity in respect of or make any payment for

(1) Bodily Injury

any Claim for Bodily Injury except for Defence Costs covered under extension 3 to Cover 1 or any Claim for emotional distress in connection with an Employment Wrongful Act.

(2) Professional Services and Advice

any Claim arising directly or indirectly from or in consequence of or in any way relating to the provision of, or failure to provide, professional service or professional advice or a breach of any contract for the provision of professional services or professional advice, unless arising from a failure to provide supervision.

(3) Pollution

any liabilities arising directly or indirectly from or in consequence of or in any way relating to Pollution clean up, removal, containment or treatment costs.

(4) Insolvency Conduct

Where this exclusion applies, We will not indemnify or pay the loss of an Insured Person for, or make any other payment in respect of, Loss arising from a Claim if and to the extent that such Loss arises directly or indirectly from any court declaration, in the course of the winding up of the Company and on the application of the liquidator or administrator, that an Insured Person is liable to make a contribution to the Company's assets.

This exclusion applies in relation to an Insured Person if:

- a) the Company has gone into insolvent liquidation or insolvent administration;
- b) before the commencement of the winding up of the Company, the Insured Person knew or ought to have known that there was no reasonable prospect that the Company would avoid going into insolvent liquidation or insolvent administration; and
- c) that Insured Person was a Director or Member of the Company at that time.

Cover 2 – Employment Practices Liability

We will indemnify or pay the loss of the Company for Loss arising from any Claim first made during the Period of Insurance against the Company for any Employment Wrongful Act and notified to Us in accordance with the Claims Conditions.

Our total liability under Cover 2 – Employment Practices Liability shall not exceed the Limit of Indemnity.

We shall not be liable for the Excess or any lesser amount for which a Claim or Loss may be settled

Extensions to Cover 2 – Employment Practices Liability

(1) Disability Obligation Defence Costs

We will pay Defence Costs, on behalf of the Company in the investigation or defence of any Claim arising from an actual or alleged breach of legal obligation by the Company to make any reasonable adjustments to premises or working practices to meet the needs of a person with a disability.

(2) Injunctive & Non-Monetary Relief Defence Costs

We will pay Defence Costs, on behalf of the Company in the investigation or defence of any order for, grant of or agreement to provide perpetual or interim injunctive relief or any non-monetary relief.

(3) Employee Reinstatement Defence Costs

We will pay Defence Costs, on behalf of the Company in the investigation or defence of any Claim arising from a court or other order for the reinstatement of an Employee.

Legal Liabilities Management Liability

Exceptions Applicable To Cover 2 – Employment Practices Liability Only

We will not provide indemnity in respect of or make any payment for

(1) Strikes & Trade Union Activity

any Claim arising directly or indirectly from or in consequence of or in any way relating to strikes, lockouts, collective bargaining agreements or involvement in other trade union activities (however this exception will not apply to a Claim for Retaliation).

(2) Insurance Obligation

any Claim arising directly or indirectly from or in consequence of or in any way relating to an actual or alleged breach of legal obligation to obtain or maintain insurance or any legal obligation to obtain or maintain insurance relating to any legally required sickness, healthcare, disability, pension, benefit or national insurance system (however this exception will not apply to a Claim for Retaliation).

(3) Disability Obligation

any Claim arising directly or indirectly from or in consequence of or in any way relating to an actual or alleged breach of legal obligation by the Company to make any reasonable adjustments to premises or working practices to meet the needs of a person with a disability, other than as provided under extension 1 to Cover 2.

(4) Employee Payments

any Claim arising directly or indirectly from or in consequence of or in any way relating to any payment due to an Employee in accordance with

- (a) the contract of employment including
 - (i) compensation payable in respect of contractual or statutory notice periods and payments due on redundancy (however this exception does not apply to a Claim for Retaliation)
 - (ii) the repayment of deductions wrongfully made from salary, wages or benefits or from any other form of payment due
- (b) any law or duty relating to any minimum wage legislation (however this exception does not apply to a Claim for Retaliation).

(5) Injunctive & Non-Monetary Relief

the cost of compliance or non compliance with any order for, grant of or agreement to provide perpetual or interim injunctive relief or any non-monetary relief, other than as provided under extension 2 to Cover 2.

(6) Employee Reinstatement

the cost of complying or refusing to comply with a court or other order for the reinstatement of an Employee, other than as provided under extension 3 to Cover 2.

(7) Company & Employee Benefit Claims

any Claim arising directly or indirectly from or in consequence of or in any way relating to any

- (a) Benefit Scheme
- (b) activities of any corporate pension trustee company.

Cover 3 – Corporate Legal Liability

We will indemnify or pay the loss of the Company for Loss arising from any Claim first made during the Period of Insurance against the Company for any Company Wrongful Act and notified to Us in accordance with the Claims Conditions.

Our total liability under Cover 3 – Corporate Legal Liability shall not exceed the Limit of Indemnity. Any inner limits shown are within and not in addition to the Limit of Indemnity and apply in the aggregate in the Period of Insurance.

We shall not be liable for the Excess or any lesser amount for which a Claim or Loss may be settled.

Extensions to Cover 3 – Corporate Legal Liability

(1) Breach of Contract Defence Costs

We will pay Defence Costs arising from a Claim for a breach of an express written contractual obligation or agreement.

Our total liability under this extension of cover is £50,000.

(2) Copyright Infringement Defence Costs

We will pay Defence Costs arising from a Claim for misappropriation, infringement or breach of copyright, patent, trademark, trade secret or intellectual property rights as a result of a Company Wrongful Act.

Our total liability under this extension of cover is £100,000.

(3) Bodily Injury and Corporate Manslaughter Defence Costs

We will pay Defence Costs arising from a Claim for any Bodily Injury as the result of a Company Wrongful Act including proceedings for Corporate Manslaughter.

Our total liability under this extension of cover is £100,000. This cover will only apply in excess of any other more specifically relevant and collectable insurance and/or indemnification available from any other source.

Legal Liabilities Management Liability

(4) Health and Safety Investigation Costs

We will pay the Company for Defence Costs incurred by them arising from the Company or any Company's representative's involvement in any Health and Safety Investigation first commenced during the Period of Insurance.

Our total liability under this extension of cover is £100,000.

(5) Identity Fraud Investigation Costs

If parties other than any Employee or person with the authorisation of the Company enter into agreements with any third party organisation fraudulently representing themselves as the Company then We will pay any reasonable and necessary fees, costs and expenses incurred by the Company in establishing that such fraudulent misrepresentation has occurred should the third party organisation seek to enforce such agreements against the Company.

Our total liability under this extension of cover is £50,000.

(6) Pollution Defence Costs

We will pay Defence Costs arising from a Claim for Pollution resulting from a Company Wrongful Act.

Our total liability under this extension of cover is £250,000.

(7) Crisis Event and Reputation Protection Costs

We will pay on behalf of the Company any reasonable costs and expenses incurred by it for the services of a public relations or crisis management consultancy, or law firm to limit adverse publicity arising from a Crisis Event, provided that

- (a) such costs and expenses are incurred with Our prior written consent and
- (b) the Crisis Event may become the subject of a Claim under Cover 3 – Corporate Legal Liability.

Our total liability under this extension of cover is £100,000.

Exceptions Applicable to Cover 3 – Corporate Legal Liability Only

We will not provide indemnity in respect of or make any payment for

(1) Competition & Trade Interference

any Claim arising directly or indirectly from or in consequence of or in any way relating to a breach of law or regulation or other legal obligation concerning competition or for interference with trade.

(2) Insured Person and Company Claims

any Claim arising directly or indirectly from or in consequence of or in any way brought by the Company or any Insured Person.

(3) Breach of Contract

any Claim arising directly or indirectly from or in consequence of or in any way relating to any actual or alleged breach of contractual obligation except for Defence Costs covered under extension 1 to Cover 3.

(4) Intellectual Property, Confidentiality & Data Protection

any Claim arising directly or indirectly from or in consequence of or in any way relating to any misappropriation, infringement or breach of copyright, patent, trademark, trade secret, misuse of confidential information, infringement of data law protection, the tort of passing-off or intellectual property rights except for Defence Costs covered under extension 2 to Cover 3.

(5) Pollution

any Claim arising directly or indirectly from or in consequence of or in any way relating to Pollution, except for Defence Costs under extension 6 to Cover 3.

(6) Tax

any Claim for direct or indirect tax obligations.

(7) Professional – Services and Advice

any Claim arising directly or indirectly from or in consequence of or in any way relating to the provision of, or failure to provide, professional services or professional advice or a breach of any contract for the provision of professional services or professional advice.

(8) Company & Employee Benefit Claims

any Claim arising directly or indirectly from or in consequence of or in any way relating to any

- (a) Benefit Scheme
- (b) activities of any corporate pension trustee company.

(9) Bodily Injury

any Claim for Bodily Injury except for Defence Costs covered under extension 3 to Cover 3.

(10) Employment Practices Liability

Any Claim arising directly or indirectly from or as a consequence of or in any way relating to any Employment Wrongful Act.

(11) Insolvency

We will not indemnify or pay the loss of the Company for, or make any other payment to the Company in respect of, Loss arising from a Claim if and to the extent that such Loss arises directly or **Indirectly** from or in consequence of or in any way relating to the insolvency or liquidation or receivership or administration (voluntary or otherwise) of the Company.

Legal Liabilities Management Liability

Claims Conditions Applicable to all Sections of Cover

Important Notice

If, in relation to any Claim, the Company or any Insured Person fails to fulfil or observe the requirements imposed upon it by conditions (1a), (1c), (2) or (3) the Company or any Insured Person will lose their right to indemnity or payment for that Claim.

(1) Claims Notification

If during the Period of Insurance, or any applicable Discovery Period or Extended Reporting Period, and irrespective of the effect of any applicable Excess, the Company or any Insured Person

- (a) receives any Claim or notice of intention to make a Claim, the Company shall give written notice to Us as soon as practicable,
- (b) becomes aware of any circumstance that might give rise to a Claim, the Company shall give written notice to Us of such circumstance as soon as practicable. Any Claim subsequently arising from any circumstance notified to Us shall be deemed to have first been made during the Period of Insurance in which the notice of such circumstance was first received by Us,
- (c) has a reasonable cause for suspicion of any dishonesty or fraud on the part of any Insured Person, whether giving rise to a Claim or not, the Company shall give written notice to Us of such discovery as soon as practicable,

provided always that any such written notice above must be received by Us during the Period of Insurance or within 30 days of the expiry of the Period of Insurance or within any applicable Discovery Period or Extended Reporting Period.

Any written notice should be sent to:

The Senior Claims Manager

Aviva Corporate and Speciality Risk
80 Fenchurch Street
London
EC3M 4AE
Tel. 020 7157 2569

Email: prclms@aviva.co.uk

(2) Admission of Liability

In the event of a Claim or the discovery of a circumstance that might give rise to a Claim, the Company or any Insured Person must not admit liability for or settle or attempt to settle any Claim, or incur any related costs or expenses, without Our prior written consent.

(3) Claims Control and Subrogation

In the event of a Claim or the discovery of a circumstance that might give rise to a Claim, We will be entitled but not obliged, at Our own expense and at any time, to take over and conduct in the name of the Insured Person or the Company the investigation, defence or settlement of any such Claim or the investigation of any such circumstance.

We shall not settle without the consent, not to be unreasonably withheld, of the Insured Person or the Company. If however the Insured Person or the Company shall refuse to consent to any settlement recommended by Us, then Our liability for such Claim (including Defence Costs) shall not exceed the amount for which the Claim could have been settled inclusive of Defence Costs, up to the date of such refusal and then only up to the Limit of Indemnity stated in the Schedule.

If We do take over and conduct the investigation, defence or settlement of any such Claim or the investigation of any such circumstance, the Company or any Insured Person shall give Us all such information and assistance as We may reasonably require and that is in the Company's or any Insured Person's power to provide.

Without prejudice to the generality of the above, this duty to assist Us includes

- (a) providing all such information, assistance, signed statements as may be required to facilitate compliance with any civil procedure rules, practice directions and pre-action protocols as may be issued
- (b) allowing Us to present the best possible defence of a Claim within the time constraints available
- (c) ensuring ready access to all and any information that We may require in the defence of a Claim or investigation of a Loss
- (d) ensuring the payment, on demand, of the Excess in conjunction with the terms of any settlement agreed by Us

We retain all rights of recovery available to the Company or any Insured Person in respect of any payment which may be made under this policy, and shall be entitled to prosecute any party, for Our benefit, in the name of the Company or any Insured Person, in respect of such payment.

If a Claim or circumstance is made against both the Company and an Insured Person, We shall only pay such proportion of any Loss and/or any reasonable Defence Costs and/or expenses incurred by the Insured Person and/or Company with Our prior written consent.

The Company or any Insured Person shall refund any Defence Costs and/or expenses paid by Us if it is later established by Us that the Company or any Insured Person is not entitled, for any reason, to an indemnity under the Policy.

Legal Liabilities Management Liability

(4) Originating Cause

All Claims or Losses arising directly or indirectly from or attributable to one source or originating cause shall be treated for the purposes of the Limit of Indemnity as a single Claim or Loss and shall be deemed to have been first made and reported at the date of the first of such related matters.

Conditions

The following conditions apply to all parts of this Section in addition to the Policy Conditions at the back of this policy.

(1) Change of Control

If during the Period of Insurance, in respect of any insured limited company

- (a) an offer is made, and declared or made unconditional, for the whole, or a controlling interest in the issued share capital of the Company, or
- (b) there is a change in ownership of the controlling interest of the share capital of the Company, or
- (c) a person or persons acting in concert acquires a majority of the voting rights to appoint or remove Directors of the Company

We will only provide indemnity in respect of any Wrongful Act committed prior to the date such offer was declared or made unconditional or the change of ownership became effective or the majority of the voting rights were acquired.

If during the Period of Insurance, in respect of any insured limited liability partnership

- (a) the number of Members of the limited liability partnership becomes reduced to 50% or less of the number of Members of the limited liability partnership at the start of the Period of Insurance, or
- (b) the number of Members of the limited liability partnership at the start of the Period of Insurance is 10 or more and, during the Period of Insurance, that number becomes increased by 100% or more

the limited liability partnership must give written notice of that reduction or increase, and such information as We may require, to Us within 90 days following the time when that reduction or increase is reached. We shall have the right to amend the terms of this cover, including charging an additional premium and including terminating cover, but only with effect from 90 days after the time when that reduction or increase occurs.

(2) Acquisition, Creation or Disposal of Another Company

We will automatically extend the indemnity available under this policy where the Company establishes or acquires a new Subsidiary Company during the Period of Insurance, provided that the newly established or acquired Subsidiary Company

- (a) is not registered and does not have any employees, operations or assets, outside of the United Kingdom or any other territory where the Company already holds such registration or has employees, operations or assets, and
- (b) is not quoted on any stock exchange, and
- (c) does not have gross consolidated assets in excess of 30% of the gross consolidated assets of the Company as declared in the Company's last audited accounts.

Unless automatic coverage applies, as set out above, the Company must

- (a) give Us written notice of any such events as soon as practicable, together with such additional information as We may require, and
- (b) accept any notified alteration to the terms of this policy, and
- (c) pay any additional premium required by Us.

Unless otherwise agreed, We will only provide indemnity for Loss in respect of a Wrongful Act committed after the date the new or additional Subsidiary Company was established or acquired by the Company.

In the event of the liquidation or sale of a Subsidiary Company during the Period of Insurance, We will continue to provide an indemnity for Loss in respect of such Subsidiary Company but only in respect of any Wrongful Act committed prior to the date of liquidation or sale.

(3) Discovery Period

If this policy is not renewed by either You or Us at the end of the Period of Insurance and no similar insurance policy is effected elsewhere, You have a 90 day Discovery Period commencing immediately following the date of expiry but only in relation to Wrongful Acts committed during the Period of Insurance. Such Claims and circumstances notified to Us during the Discovery Period are deemed to have been made during the Period of Insurance.

If You elect to purchase an Extended Reporting Period then the Discovery Period shall be part of and not in addition to the Extended Reporting Period. No Discovery Period will be available following a cancellation of the policy in accordance with the provisions of Policy Condition (12) Cancellation.

Legal Liabilities Management Liability

(4) Extended Reporting Period

- (a) If this policy is not renewed by either You or Us at the end of the Period of Insurance and no similar insurance policy is effected elsewhere, You are entitled to purchase an Extended Reporting Period on the terms set out below
 - (i) 12 months for 75% of the last annual premium payable in respect of this policy
 - (ii) 36 months for 150% of the last annual premium payable in respect of this policy.

The application to purchase any Extended Reporting Period must be made and the premium paid to Us (such premium being non-refundable) within 90 days of the expiry of the Period of Insurance. Cover for this Extended Reporting Period will only apply to Wrongful Acts committed prior to the expiry of the Period of Insurance.

The offer of renewal terms and conditions or premiums different from those in effect prior to renewal shall not constitute Us declining to renew.

- (b) If a Transaction takes place, the Company is not entitled to purchase an Extended Reporting Period on the terms as set out above. However the Company will have the right within 30 days of the expiry of the Period of Insurance to request an offer from Us of an Extended Reporting Period policy of up to 72 months. We may offer cover on such terms as We may reasonably consider appropriate.
- (c) A Claim made during an Extended Reporting Period shall be deemed to have been made during the Period of Insurance immediately preceding that Extended Reporting Period. If any Company takes out any other insurance policy which affords cover similar to the Extended Reporting Period described in (a) and (b) above, then the Extended Reporting Period shall come to an end or, if not yet obtained, cease to be available.

No Extended Reporting Period will be available following cancellation of the policy in accordance with the provisions of Policy Condition (12) Cancellation.

(5) Allocation

We will do all that is reasonably required to determine a fair and equitable allocation between any Loss which is covered and any other losses or costs which are not covered under this policy taking into account the relative legal liability of each party involved.

If We cannot agree on a fair and equitable allocation with the Company or any Insured Person, then the issue will be referred to a senior barrister (to be mutually agreed upon by the Insured Person, the Company and Us within 14 days, failing which the appointment to be made by the president of the London Court of International Arbitration) for arbitration whose decision shall be based on the same principle as above and binding on all parties

(6) Authorisation

You shall act on behalf of any Company or any Insured Person or any other persons who may be entitled to indemnity under this policy in respect of:

- (a) notification of any Claims in accordance with the policy Claims Conditions
- (b) payment of premiums or the receiving of any return premiums that may become due under this policy
- (c) negotiation, agreement to and acceptance of renewal terms and endorsements applying to this policy.

(7) Severability of Exceptions

For the purposes of determining whether an exception applies, no fact pertaining to the conduct of any Insured Person or Subsidiary Company shall be imputed to any other Insured Person or Subsidiary Company.

(8) Contracts (Rights of Third Parties)

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

(9) Liquidation

In the event of Your liquidation, this policy shall remain in force until the expiry date of the Period of Insurance where the full premium for the policy has been paid. We will continue to provide indemnity but only in respect of any Claim or other covered Loss which is the result of a Wrongful Act committed prior to the date of liquidation. Where the premium is paid by instalments and any amounts remain unpaid at the date of liquidation, then all cover under this policy will cease with effect from the date of liquidation.

The date of liquidation will be deemed to be the date on which

- (a) resolution for voluntary liquidation is passed by You, or
- (b) a petition for compulsory liquidation is presented to the relevant authority.

(10) Other Insurances

If an Insured Person or the Company is, or would be, but for the existence of this policy, entitled to indemnity under any other more specifically relevant and collectable insurance policy in respect of any Claim or Loss, We shall not be liable for any Loss except in respect of any amount in excess of that which would have been payable under such insurance had this policy not been effected.

Where an Outside Entity may provide indemnity and/or has its own relevant and collectable insurance for the benefit of any Insured Person, We will only be liable under this policy in excess of such other indemnity or insurance.

Legal Liabilities Management Liability

(11) Severability of Proposal

Nothing in the Proposal, known or done by any Insured Person, shall be imputed to any other Insured Person in determining any right or obligation under this policy.

Exceptions

The following Exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy (for which there is no Indemnity under this Policy)

The following Policy Exceptions apply to all Covers under this Section:

We will not provide indemnity in respect of or make any payment for

(1) Prior or Pending Proceedings or Investigations

any Claim arising directly or indirectly from or in consequence of or in any way relating to any administrative, civil, criminal or regulatory proceedings or investigations which have been issued or commenced prior to, or which are pending at, the prior and pending litigation date stated in the Schedule applicable to the relevant Policy Cover Section, or which is based on the same or essentially the same facts as alleged in any such Claim.

(2) Prior Claims and Circumstances

any Claim or circumstance that might give rise to a Claim

- (a) which has been notified to and accepted under any other insurance attaching prior to the inception of any operative Policy Cover Section or
- (b) against an Insured Person which such Insured Person should after reasonable enquiry have been aware of prior to the inception of Cover 1 or
- (c) against the Company which the Company should after reasonable enquiry have been aware of prior to the inception of Policy Cover Sections 2 or 3.

(3) Conduct

any Claim arising directly or indirectly from or in consequence of or in any way relating to

- (a) any dishonest or fraudulent act or omission or deliberate breach of any statute or regulation by any Insured Person, any Company or any Outside Entity
- (b) any Insured Person, any Company or any Outside Entity having gained directly, or for any other party, any profit, remuneration or advantage to which they were not legally entitled

if either admitted in writing or established by a court judgement or other final adjudication.

(4) Property Damage

any Claim for Property Damage except for Defence Costs of an Insured Person covered under extension 4 to Cover 1.

(5) Public Share Offering in the USA or Canada

any Claim or Loss arising directly or indirectly from or in consequence of or in any way relating to any actual or proposed offering to the public of the share capital of the Company made in the United States of America, its territories or possessions or Canada except where We have agreed separately and in writing to extend cover in this regard and subject to prior payment of any additional premium and prior acceptance of any amended or additional terms and conditions We may require, by You.

(6) Territorial Limits

any Claim or Loss arising directly or indirectly from or in consequence of or in any way relating to Business Activities in countries outside the Territorial Limits.

(7) USA Claims brought by any Company

Any USA Claim which is brought by or on behalf of any Company against any Company or Insured Person, or by any Outside Entity against any Outside Entity Director.

This Exception shall not apply to

- (a) Any USA Claim against any Insured Person
 - (i) Pursued by any security holder or member of any Company or Outside Entity whether directly or derivatively, or pursued as a class action, and that has not been solicited or brought with the voluntary intervention, assistance or active participation of any Insured Person or Company, other than an Insured Person engaged in 'whistle-blower' activity protected pursuant to Sarbanes-Oxley Act 2002 or similar legislation
 - (ii) If the Company or Outside Entity is the subject of a bankruptcy case (or the equivalent in International Jurisdiction), brought by the liquidator, receiver or administrative receiver provided that such Claim is not solicited or assisted by any Insured Person
- (b) Defence Costs of an Insured Person.

Legal Liabilities Professional Indemnity

Definitions

The following definitions apply to this Section in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Approved Person

- (1) A Fellow or Professional Member of the Royal Institution of Chartered Surveyors (RICS).
- (2) A Member of the Institution of Civil Engineers (MICE).
- (3) A Member of the Institution of Structural Engineers (MIStructE).
- (4) A Fellow or Associate of the Faculty of Architects and Surveyors (FFAS).
- (5) A Fellow or Associate of the Royal Institute of British Architects (RIBA).
- (6) A Fellow or Associate of the Royal Incorporation of Architects in Scotland (RIAS).
- (7) Any person who has at least 5 years experience of undertaking Professional Activities and Duties but only in respect of advice or services which are normally undertaken by (1) to (6) above.

Asbestos Survey

Any management survey or refurbishment or demolition survey as described in HSG264 published by the Health and Safety Executive in connection with Regulation 4 of the Control of Asbestos Regulations 2006, or any other comparable inspection, whether of commercial or residential land or property.

Bodily Injury

Any injury including death, illness, disease, sickness, psychological injury, emotional distress or nervous shock.

Business

The provision of professional advice or professional services by You which are directly connected to the activities stated in the Schedule.

Claim

Demand made against You consisting of or arising from any

- (1) demand, whether oral or in writing, for damages or compensation
- (2) notice of intention, whether oral or in writing, to commence legal proceedings
- (3) communication invoking any pre-action protocols
- (4) notification of arbitration, ombudsman or adjudication proceedings.

Collateral Warranty or Duty of Care Agreement

Any contractual or other agreement entered into by You which acknowledges or accepts that You owe a duty of care to, or are or may be responsible for, the losses of any party other than Your direct client to whom You are contracted to provide services.

Computer system

Any

- (1) computer, data processing equipment, media or part thereof
- (2) electronic system of data storage and retrieval, or electronic communications system, network, protocol or part thereof
- (3) electronic storage device, microchip integrated circuit, real time clock system or similar device
- (4) computer software (including but not restricted to application software, operating systems, runtime environments or compilers), firmware or microcode
- (5) electronic documents utilised in the ownership, security and management of Your electronic communication system, worldwide web site, internet site, intranet site, extranet site, or web address.

Documents

Any

- (1) project models or displays
- (2) deeds, wills or agreements
- (3) maps, plans, records, photographs, negatives, calculations or drawings
- (4) written or printed books, letters, certificates, documents or forms of any nature whatsoever
- (5) computer software, files, documents and systems records, digitised data, information recorded or stored in a format for use with a computer

which are Your property, are under Your custody or control, or for which You are responsible.

This definition does not include bearer bonds, evidence of share ownership (whether in electronic or other form), coupons, bank or currency notes and other negotiable paper.

Employee

Any person who is or has been under a contract of service or apprenticeship with You while working under Your control in connection with the Business.

Environmental Audit

An investigation specifically intended to assess whether or not there is Pollution present.

Legal Liabilities Professional Indemnity

Excess

The first part of each and every payment in relation to a Claim or loss which is payable by You rather than Us. The amount of the Excess is stated in the Schedule.

The Excess does not apply to Other Costs or the Additional Cover section.

Joint Venture

Any limited liability company, limited liability partnership, partnership or other contractual arrangement formed by a Named Policyholder with others to engage in a joint business enterprise for profit under the terms of a legally binding joint venture agreement.

Limit of Indemnity

The maximum amount stated in the Schedule We will pay in respect of any one Claim or loss and in total for all Claims first made or losses first discovered during any one Period of Insurance.

All Claims or losses arising from any dishonesty or fraud committed by a person acting alone or in collusion with others shall be treated as one Claim or loss.

Other Costs

All costs and expenses incurred in the investigation, defence or settlement of any Claim or loss in so far as those costs and expenses have been incurred with Our written consent.

Pollution

Any pollution or contamination by naturally occurring or man-made substances, forces or organisms or any combination of them, whether permanent or transitory and however occurring.

This definition does not include pollution or contamination by asbestos.

Professional Activities and Duties

The performance by any Approved Person of any professional

- (1) design or specification
- (2) supervision of construction
- (3) feasibility study including work in relation or to applications for planning consent
- (4) surveying
- (5) planning supervisory services
- (6) estimation of construction costs.

Proposal

Any signed proposal form, renewal declaration, statement of fact or any additional information supplied to Us by You or on Your behalf.

Terrorism

Any act or acts including but not limited to

- (1) the use or threat of force and/or violence and/or
- (2) harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

caused or occasioned by any person(s) or group(s) of persons, or so claimed, in whole or in part for political, religious, ideological or similar purposes.

You/Your/The Policyholder/The Insured

- (1) Any individual, partnership, limited liability partnership, company or limited company named in the Schedule (hereinafter referred to as a 'Named Policyholder) or any predecessor in business of such individual, partnership, limited liability partnership, company or limited company as declared to Us.
- (2) Any person who is or has been or who becomes a director, partner, member, principal or Employee of any person or body referred to in (1) above but only in respect of work undertaken for or on behalf of any person or body referred to in (1) above.
- (3) The estate, heirs, executors, legal or personal representatives of any person or body referred to in (1) or (2) above in the event of their death, incapacity, insolvency or bankruptcy.

Cover

- (1) We will indemnify You in respect of any Claim (including Other Costs associated with such Claim) arising out of the conduct of Your Business, first made against You during the Period of Insurance and notified to Us in accordance with the Claims Conditions, for any civil liability including claimant's costs and expenses arising from
 - (a) any negligent act, negligent error or negligent omission committed by You
 - (b) any negligent act, negligent error or negligent omission committed on Your behalf by specialist designers, consultants or sub-contractors engaged by You. We will not provide indemnity if Your rights of recourse against any specialist designers, consultants or sub-contractors engaged by You are waived or otherwise impaired
 - (c) any dishonest or fraudulent act committed by any of the past or present partners, directors or Employees of The Policyholder(s) named in the Schedule
 - (d) any loss of or damage to Documents
 - (e) Your failure to warn a client of any deficiency, alleged or otherwise, of professional Activities and Duties provided by others which should reasonably have been identified by You in the conduct of the Business.

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- (2) We will indemnify You for reasonable costs and expenses incurred by You in respect of any reasonable action taken to mitigate a loss or potential loss or Claim that would otherwise be the subject of indemnity under this policy provided that
- (a) We give prior written consent to You incurring such costs and expenses and
 - (b) You prove to Our satisfaction that the amount of the costs and expenses to be incurred are less than any likely award of damages arising from the same potential Claim or (as applicable) any potential loss.

- (3) We will indemnify You in respect of any Claim (including Other Costs associated with such Claim) arising out of the conduct of the business of a Joint Venture, first made against You during the Period of Insurance and notified to Us in accordance with the Claims Conditions, for any civil liability including liability for claimant's costs and expenses attaching to You and arising from any negligent act, negligent error or negligent omission committed by You arising out of and in the course of Your participation in such Joint Venture.

Provided that

- (a) all fees/turnover from such Joint Venture have been declared to and accepted by Us
 - (b) this extension only applies to You and
 - (i) no other participant in the Joint Venture or any other parties have any rights to indemnity under this policy
 - (ii) We have no liability to pay any contribution to any insurer of any other participant in the Joint Venture.
- (4) We will indemnify You in respect of any Claim (including Other Costs associated with such Claim) arising out of the conduct of Your Business, first made against You during the Period of Insurance and notified to Us in accordance with the Claims Conditions, arising from a negligent act, error or omission committed by You and concerning sudden or accidental Pollution.

We will not provide indemnity in respect of any Claim arising directly or indirectly from any Environmental Audit.

Our total liability under this Pollution cover, which is part of and not in addition to the Limit of Indemnity, in respect of any one Claim and in total for all Claims (including claimant's costs and expenses and Other Costs) during any one Period of Insurance shall not exceed the amount stated in The Schedule.

- (5) We will indemnify You in respect of any Claim (including Other Costs associated with such Claim) arising directly or indirectly from asbestos first made against You during the Period of Insurance and notified to us in accordance with the Claims Conditions arising solely from a negligent act, negligent error or negligent omission committed by You in the conduct of Your Business.

We will not provide indemnity in respect of any Claim arising directly or indirectly

- (a) from any Asbestos Survey carried out by You
- (b) out of or in any way involving Bodily Injury or fear of Bodily Injury related to, in consequence of, contributed to or aggravated by asbestos.

Our total liability under this Asbestos cover, which is part of and not in addition to the Limit of Indemnity, in respect of any one Claim and in total for all Claims (including claimant's costs and expenses and Other Costs) during any one Period of Insurance shall not exceed the amount stated in The Schedule.

In respect of any Claim or loss, We will not provide indemnity to any person committing or conspiring to commit or condoning any dishonest or fraudulent act or omission.

Our total liability under this Cover clause including Other Costs shall not exceed the Limit of Indemnity.

If the total cost of a Claim is more than the Limit of Indemnity, the most We will pay for Other Costs will be the same proportion that the Limit of Indemnity bears to the total cost of the Claim.

We shall not be liable for the Excess or any lesser amount for which a Claim or loss may be settled.

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not provide indemnity in respect of

- (1) any Claim or loss arising directly or indirectly from or caused by any dispute between You and any present or former Employee or any person who has applied for or been offered employment with You.
- (2) any Claim or loss arising directly or indirectly from or caused by
 - (a) any Bodily Injury of any Employee whilst in the course of their employment with You
 - (b) any other Bodily Injury or loss of or damage to property unless arising from an alleged breach of professional duty in the conduct of Your Business.
- (3) any fines or penalties or any punitive, multiple, aggravated or exemplary damages where such can be identified separately within any award of any court or tribunal.
- (4) any Claim brought by any entity
 - (a) in which You exercise a controlling interest
 - (b) which exercises a controlling interest over Your Business by virtue of having a financial or executive interest in You

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unless such Claim arises from or is caused by a claim made against such entity by an independent third party.

- (5) any Claim made against You solely in Your capacity as a director, officer or trustee unless arising from an alleged breach of professional duty in the conduct of Your Business.
- (6) any Claim or loss arising from any plan, programme or scheme established or maintained to provide benefits to You or any Employee.
- (7) any Claim or loss arising directly or indirectly from or caused by the ownership, possession or use, by You or on Your behalf, of any aircraft, watercraft, hovercraft, motor vehicle or trailer.
- (8) any Claim or loss arising directly or indirectly from or caused by
 - (a) the ownership, possession or use, by You or on Your behalf, of any buildings, structures, premises or land, or
 - (b) that part of any building leased, occupied or rented by You, or
 - (c) any other property (mobile or immobile) belonging to You.
- (9) any Claim or loss arising from any dishonest or fraudulent act or omission
 - (a) committed by any person after the discovery, in relation to that person, of reasonable cause for suspicion of any dishonest or fraudulent act or omission
 - (b) unless Your annual accounts have been prepared or certified by an independent and properly qualified accountant or auditor.
- (10) any Claim or loss arising from any defamation unless You can show that it was committed by You in good faith.
- (11) any Claim or loss arising out of liability assumed by You under any contractual agreement, warranty, Collateral Warranty or Duty of Care Agreement
 - (a) whereby You assumed a standard of care greater than that reasonably expected of Your profession, or
 - (b) by which you warranted or guaranteed a particular outcome, or
 - (c) by which You agreed to pay a contractual penalty or liquidated damages in the event of breach, or
 - (d) which provides greater benefit or a longer lasting benefit than that given to the party with whom You originally contracted, or
 - (e) for losses caused otherwise than through Your negligent acts or omissions

unless such liability would have attached to You in the absence of the features listed above.

For the avoidance of doubt this exception does not apply simply because any such agreement may have been executed as a deed rather than by hand.

- (12) any Claim or loss arising directly or indirectly from or caused by Pollution other than as specifically stated in Cover (4) above.
- (13) any Claim or loss arising directly or indirectly from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity, whether alleged or actual other than as specifically stated in Cover (5) above.
- (14) any Claim or loss arising out of or relating directly or indirectly to Your insolvency or bankruptcy.
- (15) any Claim or loss arising from any trading losses or trading liabilities incurred by any business managed by or carried on by You.
- (16) any liability arising from
 - (a) the defective workmanship of any construction, installation, repair, alteration or maintenance work
 - (b) any manufacturing defect in any goods or products supplied by You.
- (17) any Claim or loss arising directly or indirectly from or caused by any work undertaken by You or on Your behalf prior to any retroactive date stated on the Schedule.
- (18) any Claim or loss where You are entitled to indemnity under any other policy except in respect of any excess beyond the amount which would have been payable under such insurance had this policy not been effected.
- (19) any Claim, circumstance that might give rise to a Claim, or loss which
 - (a) has been notified under any other insurance attaching prior to the inception of this policy
 - (b) You were or should, after reasonable enquiry, have been aware of prior to the inception of this policy.
- (20) any Claim
 - (a) instituted or pursued in the United States of America, its territories and possessions and/or Canada (including without limitation the enforcement of a judgement or finding of a court or tribunal of another jurisdiction or otherwise)
 - (b) in which it is contended that the laws of the United States of America, its territories and/or possessions or Canada should or do apply
 - (c) which involves the enforcement or attempted enforcement of a judgement or finding of a court or tribunal of the United States of America, its territories and/or possessions or Canada.
- (21) any Claim or loss arising directly or indirectly from or caused by the transmission or receipt of any computer virus or any other computer program or code designed to produce unexpected, unauthorised or undesirable effects or operations.

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- (22) any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
- (23) any Claim, loss or consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event
- (a) war, invasion, act of foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of, or amounting to, an uprising, military or usurped power
 - (b) Terrorism
 - (c) any action taken in controlling preventing suppressing or in anyway relating to (a) and/or (b) above.

In any action, suit or other proceedings, where We allege that any Claim or loss falls within (a) and/or (b) above, regardless of any other contributory cause or event, We shall not be required to prove the operation of the relevant exception. The burden of proving that the relevant exception does not apply shall be upon You.

- (24) any Claim or loss arising from any loss of or damage to Documents which are stored on a Computer System unless such Documents are backed up with the intention that in the event of loss or damage the back up can be used as the basis for restoring the Documents to their original status.
- (25) any Claim or loss arising out of a survey or valuation, unless it was undertaken by
- (a) anyone who is
 - (i) a Fellow, a Professional Member, a Technical Member or an Associate Member of the Royal Institution of Chartered Surveyors (RICS); or
 - (ii) a Fellow or Associate of the Incorporated Society of Valuers and Auctioneers (ISVA); or
 - (iii) a Fellow or Associate of the Architects and Surveyors Institute (ASI); or
 - (iv) a Fellow or Associate of the Faculty of Architects and Surveyors (FFAS); or
 - (v) a Fellow or Associate of the Royal Institute of British Architects (RIBA); or
 - (vi) a Fellow or Associate of the Royal Incorporation of Architects in Scotland (RIAS); or
 - (vii) a RICS Registered Valuer in accordance with the RICS Valuation Standards; or
 - (b) anyone who has not less than five years' experience of such work or

- (c) any other person delegated by You to execute such work subject always to
 - (i) supervision of such work by a person qualified in accordance with (a) (i) and (ii) above, or
 - (ii) agreement in writing having been obtained from Us prior to cover being granted.

Additional Cover

(1) Payment for Court Attendance

We will compensate You, subject to Our prior written consent, if We require You to attend court as a witness in connection with a Claim for which You are entitled to indemnity under this policy.

Our total liability under this clause shall not exceed the amount stated in the Schedule as applying to this clause.

(2) Representation Costs

We will pay on Your behalf any reasonable costs and expenses incurred by You for representation at properly constituted hearings, tribunals or proceedings provided that

- (a) such costs and expenses are incurred with Our prior written consent and
- (b) the subject of the hearing, tribunal or proceedings relates to a circumstance first notified to Us during the Period of Insurance which may become a Claim and in respect of which We may be obliged to provide an indemnity under the terms of this policy.

Our total liability under this clause shall not exceed the amount stated in the Schedule as applying to this clause.

Claims Conditions

If in relation to any Claim or loss You fail to fulfil or observe the requirements imposed upon You by any of these Claims Conditions You will lose Your right to indemnity or payment for that Claim or loss.

- (1) You shall give written notice to Us as soon as practicable if, during the Period of Insurance and regardless of any Excess, You
 - (a) receive any Claim, or
 - (b) receive any notice of intention to make a Claim, or
 - (c) discover a reasonable cause for suspicion of any dishonesty or fraud on the part of any past or present director, partner, member or Employee of Yours, whether giving rise to a Claim or not.

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In the event that it is not possible to give Us such notice before the end of the Period of Insurance then You must do so not later than 10 days after the end of the Period of Insurance.

- (2) It is a condition precedent to Our liability that if You become aware of any circumstance that might give rise to a Claim or loss, You shall give written notice to Us of such circumstances as soon as practicable and in any event not later than the last day of the Period of Insurance.

Any Claim or loss subsequently arising from any circumstance notified to Us shall be deemed to have been made during the Period of Insurance in which the notice of such circumstances was first received by Us.

All written notices should be sent to

The Senior Claims Manager

Aviva Corporate and Speciality Risk

80 Fenchurch Street

London

EC3M 4AE

Tel. 020 7157 2569

- (3) Notwithstanding Claims Conditions (1) and (2) above, in respect of any adjudication
- (a) You shall notify Us within 72 hours of
- (i) receipt of any notice of adjudication served on You
- (ii) You becoming aware of any circumstance which may give rise to notice of adjudication being served on You.
- (b) You do not serve any notice of intention to adjudicate, notice of adjudication, referral notice or any adjudication notice pursuant to contract without Our prior consent unless, in Your reasonable opinion, service of such notice will not give rise to a Claim.
- (4) In the event of a Claim or loss or the discovery of a circumstance that might give rise to a Claim or loss You must not admit liability for or settle any Claim or incur any related costs or expenses without Our written consent.
- (5) In the event of a Claim or loss or the discovery of a circumstance that might give rise to a Claim or loss, We will be entitled, at Our own expense at any time, to take over and conduct in Your name (but at Our sole discretion) the defence or settlement of any such Claim or loss provided always that, if there is any dispute between You and Us as to whether a Claim should be defended, We cannot require You to continue to defend a Claim unless a Queen's Counsel (whose identity is agreed with Us) advises that the Claim should be defended.

If We do take over and conduct the defence or settlement of any such Claim or loss You shall give Us (and any consultants, agents or advisers who may be appointed by Us) all such information and assistance as We may reasonably require and that is in Your power to provide.

Without prejudice to the generality of the above, Your duty to assist Us includes

- (a) providing all such information, documents (including access to those held in computerised or electronic format), assistance, signed statements or depositions as may be required to facilitate compliance with any civil procedure rules, practice directions and pre-action protocols as may be issued
- (b) ensuring that all documents and records that might be relevant or otherwise required by Us as preserved (and, in the case of documents or records that are computerised or otherwise held electronically, ensuring that they are retained in a readily-retrievable form)
- (c) allowing Us to present the best possible defence of a Claim within the time constraints available
- (d) ensuring ready access to all and any information that We may require in the defence of a Claim or investigation of a loss
- (e) ensuring the payment, on demand, of the Excess, in conjunction with the terms of any settlement agreed by Us.

Conditions

The following Conditions apply to this Section in addition to the Policy Conditions at the back of this policy.

- (1) In connection with any Claim, We may at any time pay You the amount of the Limit of Indemnity (after deduction of any sums already paid as damages or claimant's costs and expenses in respect of such Claim) or any lesser amount for which We believe that such Claim can be settled and thereupon We shall relinquish the control of such Claim and be under no further liability in connection therewith except for costs and expenses incurred prior to the date of such payment and for which We may be responsible under this policy.
- (2) The Limit of Indemnity and the Excess apply to all of You jointly. If more than one Insured is named in the Schedule, the total amount We will pay will not exceed the amount We would be liable to pay to any one of You.
- (3) If any payment is made by Us to You under the terms of this policy, You grant to Us all rights of recovery that You would have had against any parties from whom a recovery may be made and You will take all reasonable steps to preserve and not to prejudice such rights.
- (4) A person or company 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.

Legal Liabilities Professional Indemnity

- (5) Where a Claim or loss involves the dishonest or fraudulent act or omission of any former or present partner, director, member, consultant or Employee of Yours
- (a) You shall at Our request and expense take all reasonable steps to obtain reimbursement from such person or from their estates or legal or personal representatives
 - (b) any monies which but for the dishonest or fraudulent act or omission would be due to such persons from You or any monies of such persons held by You shall be deducted from any amount payable under this policy
 - (c) no indemnity in respect of such Claim or loss shall be afforded to any person committing or condoning such dishonest or fraudulent act or omission
 - (d) nothing herein shall preclude Us from exercising any right of subrogation against any person committing or condoning such dishonest or fraudulent act or omission.
- (6) You shall not be required to contest any legal proceedings unless a senior barrister (to be mutually agreed upon between You and Us) shall advise that such action has a reasonable prospect of success.
- (7) You must pay the premium and any relevant taxes when due. Failure to do so will entitle Us to cancel the policy in accordance with the Cancellation Condition. If the premium has not been paid on the due date, whether or not We elect to cancel the policy, We will not be liable to indemnify You in respect of any Claims made or pay any losses occurring prior to the date on which the premium is received.
- (8) We will automatically extend this policy to indemnify any entity acquired by You during the Period of Insurance provided that
- (a) In the 12 month period immediately preceding such acquisition, the revenue of the entity did not exceed 10% of Your annual revenue
 - (b) In the five year period immediately preceding the acquisition, the entity has had no claims or losses in excess of £25,000 in the aggregate and is not aware of any circumstance which may give rise to a claim
 - (c) You have undertaken due diligence prior to the acquisition and are not aware of any potential liability which could result in a claim under this policy
 - (d) The entity is domiciled in and provides all of its services within the United Kingdom
 - (e) The services performed by the acquired entity are similar to those provided by You.
- Any acquisition which does not meet provisos (a) – (e) above will be automatically indemnified by this policy for a period of 30 days following the acquisition or (if earlier) until the expiry of the Period of Insurance for acts committed after the date of acquisition. We are under no obligation to extend cover to the entity beyond that date. We may provide Our written consent to extend cover subject to You complying with any additional terms, conditions, endorsements and paying any additional premium which We, at Our sole discretion, deem appropriate.
- If We decide not to extend cover, or Our amended terms, conditions or additional premium are not acceptable to You, We may cancel this policy.

Employee Benefits Personal Accident

Definitions

The following definitions apply to this Section in addition to the Policy Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Accidental Bodily Injury

(1) injury caused by accidental and/or violent means

(2) exposure

occurring within 24 months from the date of the accident by which such injury is caused.

Gross Wages

The Insured Person's wages plus the average annual overtime/commission/bonus payments received in the three years immediately preceding the date of accident (all prior to deductions) or for weekly paid employees 52 times the Insured Person's weekly wage plus the average weekly overtime/commission/bonus payments received in the 156 weeks immediately preceding the date of accident (all prior to deductions).

Insured Journey

Any authorised journey in connection with The Business which begins during the Period of Insurance and

(1) starts from the time the Insured Person leaves their home or, if later, their place of business to travel within the Geographical Limits stated in The Schedule, and

(2) continues during the entire period of the journey, and

(3) terminates at the time of return to their home, or if earlier, their place of business.

If the Insured Journey is solely within the United Kingdom, cover will only be operative only if the journey involves an air flight and/or overnight stay away from home.

Any period of holiday which is purely ancillary to the Insured Journey shall be deemed to be included within the period of the Insured Journey provided that it is otherwise within the period set out above.

Insured Person

(1) You

(2) any director of Yours, or partner, or proprietor of The Business

(3) any Employee of Yours under a contract of employment with You

aged 80 or under.

Loss of Limb

Shall mean in respect of

(1) an arm – physical severance of all four fingers at or above the metacarpal phalangeal joints (where the fingers join the palm of the hand), and/or

(2) a leg – physical severance at or above the level of the ankle (talo-tibial joint)

and shall also mean permanent total loss of use of an entire hand or arm at or above the metacarpal phalangeal joints (where the fingers join the palm of the hand), or leg at or above the level of the ankle (talo-tibial joint).

Terrorism

Any act or acts including but not limited to

(1) the use or threat of force and/or violence, and/or

(2) harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.

Cover

We will pay compensation to You or Your personal representatives for Accidental Bodily Injury to an Insured Person occurring during the Period of Insurance which, solely, directly and independently of any other cause, results in any of the following Contingencies

(1) death

(2) total and permanent loss of sight in one or both eyes and/or total and permanent loss of hearing in one or both ears

(3) loss of one or more limbs

(4) any other total and permanent disablement which lasts without interruption for more than 12 months from the date of the accident and prevents the Insured Person from pursuing any occupation

(5) temporary total disablement which prevents the Insured Person from pursuing their normal occupation

(6) temporary partial disablement which prevents the Insured Person from pursuing a substantial part of their normal occupation.

We will not provide compensation in respect of any claim relating to any non-contracting parties rights to enforce all or any part of this Section. The Contracts (Rights of Third Parties) Act 1999 does not apply to this Section.

The amount of compensation payable to You for any Insured Person shall be the amount as stated in The Schedule for that category of Insured Person.

Employee Benefits Personal Accident

Clauses

The following clauses apply to this Section.

(1) Amounts Payable

We will pay

- (a) the compensation stated in The Schedule with weekly benefit being paid at four weekly intervals
- (b) compensation under contingencies (5) and/or (6) for a maximum of two years from the date that the disablement started
 - but where We pay compensation under any of contingencies (1) to (4)
 - (i) any weekly benefit being paid for the same injury will stop
 - (ii) this insurance will end for the Insured Person.

We shall not be liable for any amount in excess of the maximum accumulation limit of £1,000,000 in respect of any one accident. If the aggregate amount of all benefits payable exceeds the maximum accumulation limit, the benefit payable to each Insured Person shall be proportionately reduced until the total of all benefits does not exceed the maximum accumulation limit.

(2) Disappearance

If an Insured Person has been missing for a period of 180 consecutive days and there is sufficient evidence to support the conclusion that death has been caused by Accidental Bodily Injury, that person will be presumed to have died.

However, You will repay any compensation if the Insured Person is found to have been alive or is found alive.

(3) Medical Evidence

- (a) We may, at Our expense, arrange for an Insured Person to undergo
 - (i) a medical examination, or
 - (ii) a post mortem examination
- (b) You or Your legal representative will supply to Us, at Your expense, any
 - (i) certificate
 - (ii) information
 - (iii) evidence

in the format We require.

(4) Medical Expenses

When We pay compensation under contingencies (5) or (6), We will also pay up to 30% of this amount in respect of medical expenses incurred, subject to a maximum of £10,000 in respect of any one Insured Person.

(5) Gross Wages

Where compensation is on a wages basis, the amount payable shall be the average weekly wage

- (a) in the 12 week period before the date of the Accidental Bodily Injury, or
- (b) any shorter period if the Insured Person has been employed by You for less than 12 weeks.

We will not include overtime, commission or bonus payments unless these are guaranteed.

Exceptions

The following exceptions apply to this Section in addition to the Policy Exceptions at the back of this policy.

We will not pay compensation for Accidental Bodily Injury directly or indirectly caused by

- (1)
 - (a) the Insured Person suffering from any disability due to a gradually operating cause
 - (b) suicide or attempted suicide
 - (c) deliberate exposure to danger (except in an attempt to save human life)
 - (d) the Insured Person's own criminal act
 - (e) the Insured Person being in a state of insanity
 - (f) flying or other aerial activities (except while travelling as a passenger by a recognised airline)
 - (g) pregnancy or childbirth
- (2) an Insured Person practising for or taking part in
 - (a) mountaineering or rock climbing requiring use of ropes or guides
 - (b) pot-holing
 - (c) winter sports
 - (d) any kind of racing (except foot races)
 - (e) speed or time trials
 - (f) naval military or air force service or operations
- (3) the effects of alcohol or drugs (other than drugs prescribed by a doctor)
- (4) any treatment for drug addiction

Employee Benefits Personal Accident

- (5) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event
- (a) Terrorism
 - (b) any action taken in controlling, preventing, suppressing or in any way relating to (a) above

except as stated in **Special Provision – Terrorism** below

In any action, suit or other proceedings where We allege that any consequence whatsoever resulting directly or indirectly from or in connection with (5)(a) and/or (5)(b) above regardless of any other contributory cause or event is not covered under this Section (or is covered only up to a specified limit) the burden of proving that any such consequence is covered (or is covered beyond that limit) under this Section shall be upon You.

Special Provision – Terrorism

Subject otherwise to the terms of the policy

Neither of the exclusions in (5)(a) and (5)(b) above shall apply to this Section provided that the total amount payable in respect of all losses arising out of any one occurrence shall not exceed the lesser of

- (i) any limits, amounts payable or maximum accumulation stated in The Schedule,
or
- (ii) £1,000,000

In the event of a claim exceeding the total amount payable under this **Special Provision – Terrorism** Our liability in respect of each Insured Person claimed for shall be proportionately reduced until the total does not exceed such total amount payable.

Policy Conditions

Policy Conditions

All of the following Policy Conditions apply in addition to the conditions contained in each Section of the policy.

(1) Alteration of Risk

If

- (a) there has been any alteration to the Property Insured and/or The Premises and/or The Business after the effective date of this insurance which increases the risk of loss, destruction, damage, accident or injury, or
- (b) Your interest ceases except by will or operation of law

We will at Our option avoid the policy from the date of such alteration or when Your interest ceases, unless We accept the alteration.

(2) Arbitration

If We accept liability but You disagree with the amount We offer to pay, the claim will be referred to an arbitrator who will be jointly appointed in accordance with statutory provisions.

(3) Cancellation

Applicable to the Management Liability Section

This policy section may not be cancelled except for non-payment of the premium by the Insured.

Where the premium is due in a single payment and has not been paid by the due date, We will cancel this policy with effect from the effective date. Such cancellation will be confirmed in writing by Us to Your last known address.

Where the premium is payable by an Aviva credit agreement which finances this policy and there is a default under such credit agreement, We may cancel this policy by providing notice in writing to You in accordance with the default termination provisions set out in Your Aviva credit agreement.

Applicable to all other Sections insured by this Policy

- (a) You may cancel this policy at any time after the date We have received the premium, by providing 30 days notice in writing to Us.
- (b) If there is a default under Your Aviva credit agreement which finances this policy, We may cancel this policy by providing notice in writing to You in accordance with the default termination provisions set out in Your Aviva credit agreement.

If Your policy is cancelled under (a) or (b) above, and provided that there have been no:

- (i) claim(s) made under the policy for which We have made a payment
- (ii) claim(s) made under the policy which are still under consideration
- (iii) incident(s) which You are aware of and are likely to give rise to a claim which has already been or is yet to be reported to Us

during the current Period of Insurance We may, at Our discretion, refund to You a proportionate part of the premium paid for the unexpired period.

- (c) Where there is no Aviva credit agreement to finance this policy, We will cancel this policy from the inception date if the premium has not been paid and no return premium will be allowed. Such cancellation will be confirmed in writing by Us to Your last known address.
- (d) We may also cancel this policy at any time by sending not less than 30 days notice in writing to Your last known address.

We will refund a proportionate part of the premium for the unexpired period provided that there have been no:

- (i) claim(s) made under the policy for which We have made a payment
- (ii) claim(s) made under the policy which are still under consideration
- (iii) incident(s) which You are aware of and which are likely to give rise to a claim which has already been or is yet to be reported to Us

during the current Period of Insurance.

(4) Claims Procedure

Applicable to the Commercial Crime Section insured by this Policy

If in relation to any claim, You fail to fulfil or observe the requirements imposed upon You by these claims conditions You may lose Your right to cover or payment for that claim.

Claims Notification

You must

- (1) tell Us as soon as reasonably practicable after Discovery and in any event no later than 60 days after Discovery, and
- (2) provide Us with all information and help We require in respect of the claim and, at Your expense, a written claim containing as much information as possible of the loss including the amount of the claim, and
- (3) provide Us with conclusive proof of loss with full details within six months of the date of Discovery.

Any written notice should be sent to:

The Senior Claims Manager

Aviva Corporate and Speciality Risk

80 Fenchurch Street

London

EC3M 4AE

Tel: 020 7157 2569

Email: prclms@aviva.co.uk

Policy Conditions

Applicable to all other Sections insured by this Policy

If in relation to any claim You have failed to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim.

You must

- (a) tell Us immediately of any event or occurrence which may result in a claim.
- (b) notify the police immediately of loss, destruction or damage caused by malicious persons or thieves.
- (c) at Your expense, provide Us with a written claim containing as much information as possible of the loss, liability, destruction, damage, accident or injury, including the amount of the claim within
 - (i) 30 days, or
 - (ii) seven days in the case of loss, destruction or damage caused by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances or malicious persons of You becoming aware of the event or occurrence, or such further time that We may allow.
- (d) provide Us with all information and help We require in respect of the claim.
- (e) pass to Us unanswered, immediately, all communications from third parties in relation to any event which may result in a claim under this policy.
- (f) not admit or repudiate liability, nor offer to settle, compromise, make payment which may result in a claim or pay any claim under this policy without Our written agreement.
- (g) allow Us to take over and conduct in Your name the defence or settlement of any claim. You will also allow Us to prosecute at Our own expense and for Our own benefit, any claim for indemnity or compensation against any other person and You must give Us all information and assistance required.

(5) Contribution

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

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

Applicable to all other Sections insured by this Policy

- (b) Where any loss, destruction, damage or liability covered by the policy is also covered by another policy, (or would be but for the existence of this policy), We will only pay a rateable share of the loss.
- (c) If the other insurance is subject to a condition of average and this policy is not, this policy will become subject to the same condition of average.

- (d) If the Property Insured covered by the other insurance is subject to a provision excluding proportional payment in whole or in part, the payment We make will be limited to the proportion of loss, destruction or damage as the Sum Insured bears to the value of the property.

(6) Discharge of Liability

We may at any time pay

- (a) the Limit of Indemnity, or
- (b) the Sum Insured, or
- (c) a smaller amount for which a claim can be settled after deduction of any sum already paid.

We will not make any further payment except for costs and expenses incurred prior to the payment of the claim.

(7) Fraud

Applicable to the Commercial Crime Section insured by this Policy

If a claim made by You or anyone acting on Your behalf is fraudulent or fraudulently exaggerated or supported by a false statement or fraudulent means or fraudulent evidence is provided to support the claim, We may

- (1) refuse to pay the claim
- (2) recover from You any sums paid by Us to You in respect of the claim
- (3) by notice to You cancel the policy with effect from the date of the fraudulent behaviour without any return of premium.

If We cancel the policy under (3) above, then

- (1) We may refuse all liability in respect of any Loss first Discovered after the time of the fraudulent behaviour.

This will not affect any liability We may have in respect of any Loss first Discovered before the time of the fraudulent behaviour, and

- (2) there will be no Discovery Period

Applicable to all other Sections insured by this Policy

If a claim made by You or anyone acting on Your behalf is fraudulent or fraudulently exaggerated or supported by a false statement or fraudulent means or fraudulent evidence is provided to support the claim, We may

- (a) refuse to pay the claim
- (b) recover from You any sums paid by Us to You in respect of the claim

Policy Conditions

- (c) by notice to You cancel the policy with effect from the date of the fraudulent act without any return of premium

If We cancel the policy under (c) above, then We may refuse to provide cover after the time of the fraudulent act. This will not affect any liability We may have in respect of the provision of cover before the time of the fraudulent act.

If this policy provides cover to any person other than You and a claim made by such person or anyone acting on their behalf is fraudulent or fraudulently exaggerated or supported by a false statement or fraudulent means or fraudulent evidence is provided to support the claim, We may

- (a) refuse to pay the claim
- (b) recover any sums paid by Us in respect of the claim (from You or such person, depending on who received the sums or who benefited from the cover provided)
- (c) by notice to You and such person cancel the cover provided for such person with effect from the date of the fraudulent act without any return of premium in respect of such cover

If We cancel a person's cover under (c) above, then We may refuse to provide cover after the time of the fraudulent act. This will not affect any liability We may have under such cover occurring before the time of the fraudulent act.

(8) Identification

The policy and The Schedule will be read as one contract.

(9) Non Disclosure, Misrepresentation or Misdescription

(a) Before this policy was entered into

If You have breached Your duty to make a fair presentation of the risk to Us before this policy was entered into, then:

- where the breach was deliberate or reckless, We may avoid this policy and refuse all claims, and keep all premiums paid;
- where the breach was neither deliberate nor reckless, and but for the breach:
 - We would not have agreed to provide cover under this policy on any terms, We may avoid this policy and refuse all claims, but will return any premiums paid;
 - We would have agreed to provide cover under this policy but on different terms (other than premium terms), We may require that this policy includes such different terms with effect from its commencement and/or

- We would have agreed to provide cover under this policy but would have charged a higher premium, Our liability for any loss amount payable shall be limited to the proportion that the premium We charged bears to the higher premium We would have charged, as outlined in Schedule 1 to the Insurance Act 2015.

(b) Before a variation was agreed

If You have breached Your duty to make a fair presentation of the risk to Us before any variation to this policy was agreed, then:

- where the breach was deliberate or reckless, We may cancel this policy with effect from the date of the variation, and keep all premiums paid
- where the breach was neither deliberate nor reckless, and but for the breach:
 - We would not have agreed to the variation on any terms, We may treat this policy as though the variation was never made, but will return any additional premiums paid
 - We would have agreed to the variation but on different terms (other than premium terms), We may require that the variation includes such different terms with effect from the date it was made, and/or
 - We would have agreed to the variation but would have increased the premium, or would have increased it by more than We did, or would not have reduced it or would have reduced it by less than We did, Our liability for any loss amount payable shall be limited on a proportionate basis, as outlined in Schedule 1 to the Insurance Act 2015.

This condition operates in addition to any provisions relating to underinsurance in this policy.

(10) Reasonable Precautions

You must

- (a) maintain The Premises, machinery, plant and equipment in a satisfactory state of repair.
- (b) take all reasonable precautions to prevent
- (i) loss, destruction or damage to the Property Insured
 - (ii) accident or injury to any person or loss, destruction or damage to their property.
- (c) comply with all legal requirements and safety regulations and conduct The Business in a lawful manner.
- (d) keep books with a complete record of purchases and sales.

Policy Conditions

(11) Reinstatement

When We decide, or are required to reinstate or replace any property, You will at Your expense provide

- (a) plans
- (b) documents
- (c) books
- (d) information

which We require.

We will not be obliged to reinstate property exactly but only in a satisfactory manner as circumstances allow.

The maximum amount We will pay in respect of one item is the Limit of Indemnity or Sum Insured for that item.

(12) Subrogation

Anyone making a claim under this policy must, at Our request and expense, do everything We reasonably require to

- (a) enforce a right or remedy, or
- (b) obtain relief or indemnity

from other parties to which We will become entitled or subrogated because of payment for or making good loss, destruction, damage, accident or injury.

We may require You to carry out such actions before or after We make any admission of or payment of a claim.

(13) Index Linking

- (a) Renewal.

Where it states in The Schedule that index linking applies, the amounts insured will be adjusted for movements in the following indices or any alternative index specified by Us in Our reasonable opinion

- (i) any buildings and tenants improvements item

The General Building Cost Index issued by the Building Cost Information Service of the Royal Institution of Chartered Surveyors.

- (ii) other items

The Producer Price Index for Home Sales of Manufactured Products issued by the relevant government department.

In the event of a negative index We will retain Your existing amounts insured, unless You advise Us otherwise.

- (b) Claims.

These adjustments will continue during the

- (i) Period of Insurance
- (ii) period of repair, replacement or reinstatement provided that such work is carried out and completed without undue delay.

(14) Subjectivity

At the inception of or during each Period of Insurance, the insurance provided by this policy may be subject to You

- (a)
 - (i) providing Us with any additional information
 - (ii) completing any actions agreed between You and Us
 - (iii) allowing Us to complete any actions agreed between You and Us.
- (b) If required by Us, allowing Us access to The Premises and/or The Business to carry out survey(s) and Your compliance with any risk improvements identified.

If this is the case, then The Schedule will clearly state the information required and/or the actions to be completed and the dates We require such information or the actions to be completed by.

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

- (i) modify Your premium,
- (ii) amend the terms and conditions of this policy,
- (iii) require You to make alterations to The Premises and/or to comply with any risk improvements identified,
- (iv) exercise Our right to cancel Your policy under Policy Condition (3) Cancellation,
- (v) leave the policy terms, conditions, and premium unaltered.

If We proceed with any of (i) (ii) and (iii) above, You have the right to cancel this policy from a date agreed by You and Us and, providing no claims have been made, We will refund a proportionate part of the premium paid for the unexpired period of cover.

Policy Exceptions

Exceptions

The following Policy Exceptions apply to all Sections unless otherwise stated and in addition to the Exceptions contained in each Section.

We will not indemnify You in respect of

- (1) any consequence whatsoever which is the direct or indirect result of any of the following, or anything connected with any of the following, whether or not such consequence has been contributed to by any other cause or event
 - (a)
 - (i) war, invasion, act of a foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power
 - (ii) mutiny or military uprising, martial law
 - (b) nationalisation, confiscation, requisition, seizure, damage or destruction by or by order of any government or any local or public authority, and
 - (c) any action taken in controlling, preventing, suppressing or in any way relating to (1) (a) and/or (1) (b) above.

However,

- (1) exception (1) (a) (ii) shall only apply in respect of the following Sections, when insured by this policy
 - (a) Property Damage – Specified Contingencies
 - (b) Property Damage – All Risks
 - (c) Theft
 - (d) Computer
 - (e) Electronic Equipment
 - (f) Business All Risks
 - (g) Goods in Transit
 - (h) Money and Assault
 - (i) Glass
 - (j) Engineering
 - (k) Contract Works
 - (l) Business Interruption
 - (m) Book Debts
 - (n) Loss of Licence.

- (2) exceptions (1) (a) (b) and (c) do not apply to the following Sections, when insured by this policy
 - (a) Terrorism
 - (b) Employers' Liability
 - (c) Professional Indemnity
 - (d) Directors and Officers Liability
 - (e) Management Liability.
 - (3) exception (1) (b) does not apply to the following Sections, when insured by this policy
 - (a) Public and Products Liability
 - (b) Personal Accident.
 - (4) exceptions (1) (a) and (1) (c) do not apply to the Personal Accident Section and Business Travel Sections, when insured by this policy, while the Insured Person is undertaking an Insured Journey.
- (2) death or disablement, loss or destruction of or damage to any property, any loss or expense whatsoever, any consequential loss or any legal liability directly or indirectly caused by or contributed to by or arising from
 - (a)
 - (i) ionising radiations or contamination by radioactivity from nuclear fuel or from nuclear waste 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 nuclear component thereof.
 - (b) the use of any weapon or device
 - (i) dispersing radioactive material and/or ionising radiation, or
 - (ii) using atomic or nuclear fission and/or fusion or other like reaction.
 - (c) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this will not apply in respect of radioactive isotopes at The Premises (other than nuclear fuel or nuclear waste) used in the course of The Business for the purposes for which they were intended.

However,

- (1) in relation to the Employers' Liability Section, exception (2) (a) only applies when You under a contract or agreement have undertaken to
 - (a) indemnify another party, or
 - (b) assume the liability of another party

Policy Exceptions

- (2) exceptions (2) (a) and (2) (b) do not apply to the following Sections, when insured by this policy
- (a) Professional Indemnity
 - (b) Directors and Officers Liability
 - (c) Management Liability.
- (3) exceptions (2) (a), (2) (b) and (2) (c) do not apply to the Terrorism Section when insured by this policy.
- (3) (a) Money, negotiable instruments and specie
- (b) securities and bonds
 - (c) jewellery
 - (d) precious stones
 - (e) precious metals
 - (f) bullion
 - (g) furs
 - (h) curios and antiques
 - (i) rare books
 - (j) works of art
 - (k) goods held in trust or on commission
 - (l) documents
 - (m) manuscripts
 - (n) business books
 - (o) computer systems records
 - (p) explosives and hazardous substances
 - (q) property in transit
- unless specifically mentioned.
- However, exceptions (3) (a) to (q) do not apply to the following Sections, when insured by this policy
- (1) Terrorism
 - (2) Employers' Liability
 - (3) Public and Products Liability
 - (4) Commercial Legal Protection.
- (4) any claim which arises directly or indirectly from or consists of the failure or inability of any
- (a) electronic circuit, microchip, integrated circuit, microprocessor, embedded system, hardware, software, firmware, program, computer, data processing equipment, telecommunication equipment or systems, or any similar device
 - (b) media or systems used in connection with anything referred to in (a) above
- whether Your property or not, at any time to achieve any or all of the purposes and consequential effects intended by the use of any number, symbol or word to denote a date and this includes without any limitation the failure or inability to recognise, capture, save, retain or restore and/or correctly to manipulate, interpret, transmit, return, calculate or process any date, data, information, command, logic or instruction as a result of
- (i) recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time
 - (ii) the operation of any command or logic which has been programmed or incorporated into anything referred to in (a) and (b) above.
- However,
- (1) We will not exclude any claim for subsequent loss or destruction of or damage to any property or consequential loss which itself results from a Defined Contingency arising under any of the following Sections, but only to the extent that such claim would otherwise be insured under that Section
 - (a) Property Damage
 - (b) Money and Assault
 - (c) Engineering
 - (d) Computer
 - (e) Electronic Equipment.
 - (f) Business Interruption.
 - (2) exceptions (4) (a) and (4) (b) do not apply to the following Sections, when insured by this policy
 - (a) Commercial Crime
 - (b) Loss of Licence
 - (c) Terrorism
 - (d) Employers' Liability
 - (e) Personal Accident
 - (f) Professional Indemnity
 - (g) Directors and Officers.

Policy Exceptions

Definition

The following definition only applies to this exception

'Defined Contingency'

fire, lightning, explosion, aircraft and other aerial devices or articles dropped from them, 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, impact by any road vehicle or animal, or theft.

