

Property Damage Events Section

Definitions

Damage/Damaged

Loss or destruction of or damage to **Property Insured**.

Premises

The **Buildings** at the address or addresses shown in the **Schedule**, including their grounds, all within the boundaries for which **the Insured** are responsible and being, unless more specifically described in the **Schedule**, occupied solely by **the Insured** for the purpose of the **Business**.

Property/Property Insured

Buildings, Contents, Stock and other items shown and/or described in the **Schedule**.

The Insurer agrees to accept the heading under which any **Property** or other item has been entered in the books of **the Insured**.

Buildings

The buildings shown in the **Schedule** being, unless more specifically described, built mainly of brick, stone, concrete or other non-combustible materials, including

- landlord's fixtures and fittings, walls, gates and fences and so far as they are not otherwise insured
- small outside buildings, annexes, gangways, conveniences and other structures
- extensions communicating with the **Buildings**
- roads, car parks, yards, paved areas, pavements and footpaths.

Contents

Machinery, plant and all other contents belonging to **the Insured** or held by **the Insured** in trust and for which **the Insured** are responsible (other than landlord's fixtures and fittings, **Stock** and other **Property** specifically described in the **Schedule**) whilst in or on the **Buildings**, including

- tenants' improvements, alterations and decorations
- contents in the open yards
- **Money**, for an amount not exceeding £1,000 in total
- deeds, documents, manuscripts and business books, but only for the cost of the materials and clerical labour expended in reproducing such records
- computer systems records, but only for the cost of the materials and of clerical labour and computer time expended in reproducing such records, for an amount not exceeding £25,000 in total
- patterns, models, moulds, plans or designs and so far as they are not otherwise insured
- employees', directors' and visitors' personal effects of every description (other than motor vehicles), for an amount not exceeding £500 for any one person.

Stock

Stock and materials in trade belonging to **the Insured** or held by **the Insured** in trust and for which **the Insured** are responsible, whilst in the **Buildings** or in the open yards.

Money

Cash, bank and currency notes, cheques, crossed bankers drafts, postal orders, luncheon vouchers, current postage stamps, trading stamps, National Insurance stamps, Holiday with Pay stamps, National Savings stamps, National Savings certificates, Premium Bonds, credit sales vouchers or receipts, VAT purchase invoices, unexpired units in franking machines, gift tokens and consumer redemption vouchers belonging to **the Insured** or for which **the Insured** are responsible.

Unoccupied

Any building or part of any building which is empty or not in use by **the Insured** or any tenant of **the Insured**.

Cover

The Insurer will pay **the Insured** for damage to **Property Insured** at the **Premises** described in the **Schedule** by the following Events, except for the Excluded Events specified in the **Schedule**.

Events

1. **Fire**, excluding **Damage** caused by
 - a. explosion resulting from fire
 - b. earthquake or subterranean fire
 - c. its own spontaneous fermentation or heating, or its undergoing any heating process or any process involving the application of heat

Lightning
Explosion

 - a. of boilers
 - b. of gas

used for domestic purposes only, but excluding any **Damage** caused by earthquake or subterranean fire.
2. **Explosion**, excluding **Damage**
 - a. caused by or consisting of the bursting by steam pressure of a boiler (not being a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus belonging to **the Insured** or under the control of **the Insured**, in which internal pressure is due to steam only
 - b. in respect of and originating in any vessel, machinery or apparatus or its contents, belonging to **the Insured** or under the control of **the Insured**, which requires to be examined to comply with any statutory regulations, unless there is in force a policy of insurance or other contract providing the required inspection service
 - c. by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
3. **Aircraft** or other aerial devices or articles dropped from them, excluding **Damage** by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.
4. **Riot, Civil Commotion, strikers, locked out workers, persons taking part in labour disturbances or Malicious Persons**, excluding:
 - a. **Damage** arising from nationalisation, confiscation, requisition, seizure or destruction by the Government or any public authority
 - b. **Damage** arising from cessation of work
 - c. **Damage**
 - i. by theft or attempted theft
 - ii. in respect of any building which is **Unoccupied** directly caused by malicious persons not acting on behalf of or in connection with any political organisation, but **the Insurer** will pay for such **Damage** caused by fire or explosion
 - d. after the application of all other terms and conditions of this Section and the Policy including any Underinsurance (Average) Basis of Settlement Adjustment, and in respect of each separate Premises, the amount of the Excess specified in the Schedule
5. **Earthquake**
6. **Subterranean Fire**

7a. Storm

Storm, excluding

- a. **Damage** caused by Flood whether resulting from Storm or otherwise
- b. **Damage** attributable solely to change in the water table level
- c. **Damage** caused by lightning, frost, subsidence, ground heave or landslip
- d. **Damage** in respect of fences and gates and moveable property in the open or in transit
- e. after the application of all other terms and conditions of this **Section** and the **Policy** including any Underinsurance (Average) Basis of Settlement, and in respect of each separate **Premises**, the amount of the **Excess** specified in the **Schedule**

7b. Flood

Flood, being

1. the escape of water from the normal confines of any natural or artificial water course, lake, reservoir, canal, drain or dam
2. inundation from the sea
3. inundation by rainwater induced runoff, other than where such inundation results solely from the ingress of water through or via the roof of a building

whether resulting from Storm or otherwise, excluding

- a. **Damage** caused by Escape of Water from any tank, apparatus or pipe or Sprinkler Leakage
- b. **Damage** attributable solely to change in the water table level
- c. **Damage** caused by lightning, frost, subsidence, ground heave or landslip
- d. **Damage** in respect of fences and gates and moveable property in the open or in transit
- e. after the application of all other terms and conditions of this **Section** and the **Policy** including any Underinsurance (Average) Basis of Settlement, and in respect of each separate **Premises**, the amount of the **Excess** specified in the **Schedule**

8. Escape of Water from any tank, apparatus or pipe, excluding:

- a. **Damage** by water discharged or leaking from any automatic sprinkler installation
- b. **Damage** in respect of any **Building** which is **Unoccupied**
- c. after the application of all other terms and conditions of this **Section** and the **Policy** including any Underinsurance (Average) Basis of Settlement Adjustment, and in respect of each separate **Premises**, the amount of the **Excess** specified in the **Schedule**

9. **Impact** by any road vehicle or animal, excluding
in respect of **Damage** by any road vehicle or animal belonging to or under the control of **the Insured** or any occupier of the **Premises** or their respective employees whilst acting in the course of their employment, after the application of all other terms and conditions of this Section and the Policy including any Underinsurance (Average) Basis of Settlement Adjustment, and in respect of each separate Premises, the amount of the Excess specified in the Schedule.

10. **Sprinkler Leakage.**

Accidental escape of water from any automatic sprinkler installation in the **Premises** not caused by

- a. freezing whilst the **Building** in so far as it is in **the Insured's** ownership or tenancy is **Unoccupied**
- b. explosion, earthquake, subterranean fire or heat caused by fire.

11. **Any other Event**

Accidental **Damage**, excluding

- a. **Damage** caused by or consisting of or arising from or attributable to
 - i. any of the Events
 - ii. any of the exclusions to the Events specified in Events 1 - 10, whether Events 1 - 10 are insured or not
- b. **Damage** caused by or consisting of
 - i. inherent vice, latent defect, gradual deterioration, wear and tear, frost, its own faulty or defective design or materials
but this shall not exclude damage which itself results from a cause not otherwise excluded
 - ii. faulty or defective workmanship by **the Insured** or any employee of **the Insured**
 - iii. operational error or omission by **the Insured** or any employee of **the Insured**
but this shall not exclude such **Damage** which itself results from other **Damage** and is not otherwise excluded, or subsequent **Damage** which itself results from a cause not otherwise excluded
 - iv. acts of fraud or dishonesty by any partner, director or employee of **the Insured**
but this shall not exclude such **Damage** not otherwise excluded which itself results from Events 1 - 10

- c. **Damage** caused by or consisting of
- i. corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
 - ii. change in temperature, colour, flavour, texture or finish
 - iii. theft or attempted theft
- or **Damage** consisting of
- iv. joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping connected to them
 - v. mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which such breakdown or derangement originates
- but this shall not exclude such **Damage** which itself results from other **Damage** or from any other accidental loss, destruction or damage and is not otherwise excluded, or subsequent **Damage** which itself results from a cause not otherwise excluded
- d. loss, destruction or damage caused by pollution or contamination, but this shall not exclude such destruction of or damage to **Property Insured** not otherwise excluded, caused by pollution or contamination which itself results from other **Damage** or caused by other **Damage** which itself results from pollution or contamination
- e. **Damage** caused by
- i. subsidence, ground heave or landslip, unless resulting from Events 1, 2, 5, 6 or 8
 - ii. normal settlement or bedding down of new structures
 - iii. disappearance, unexplained or inventory shortage or the misfiling or misplacing of information
- f. destruction of or damage to any **Building** or structure caused by its own collapse or cracking, but this shall not exclude such destruction or **Damage** resulting from other **Damage** in so far as it is not otherwise excluded
- g. **Damage** in respect of fences, gates and moveable **Property** in the open caused by wind, rain, hail, sleet, snow or dust
- h. **Damage** to any **Property** resulting from its undergoing any process of production, packing, treatment, testing, commissioning, service or repair
- i. **Damage** in respect of
- i. jewellery, precious stones or precious metals, bullion, furs, curiosities, works of art or rare books
 - ii. property in transit
 - iii. glass (other than fixed glass), sanitaryware (other than fixed sanitaryware), china, earthenware, marble or other fragile or brittle objects
 - iv. money, bonds or securities of any description
- but this shall not exclude other **Damage** in so far as it is not otherwise excluded
- j. **Damage** to
- i. vehicles licensed for road use (including accessories on them), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft
 - ii. property or structures in course of construction or erection and materials or supplies in connection with all such property or structures
 - iii. land, roads, pavements, piers, jetties, bridges, culverts or excavations
 - iv. livestock, growing crops or trees
- but this shall not exclude such **Property** specifically described in the **Schedule**
- k. after the application of all other terms and conditions of this **Section** and the **Policy** including any Underinsurance (Average) Basis of Settlement Adjustment, and in respect of each separate **Premises**, the amount of the **Excess** specified in the **Schedule**

Exclusions

The Insurer will not pay for

1. **Property** which at the time of the happening of **Damage** is insured by or would but for the existence of this **Section** be insured by any marine policy or policies, but **the Insurer** will pay for any excess beyond the amount which would have been payable under such marine policy or policies had this **Section** not been effected.
2. any **Property** more specifically insured by or on behalf of **the Insured**.
3. **Damage** in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot, civil commotion and (except in respect of **Damage** by fire or explosion) strikers, locked out workers, persons taking part in labour disturbances or malicious persons.
4. consequential loss or damage of any kind or description, except loss of rent when such loss is insured by this **Section**.
5. **Damage** directly or indirectly caused by or consisting of or arising from the failure of any computer or other equipment or system for processing, storing or retrieving data, whether the property of **the Insured** or not, to achieve any or all of the purposes and consequential effects intended by the use of any number to denote a date, including the failure
 - i. correctly to recognise any date as its true calendar date
 - ii. to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
 - iii. to recognise, capture, save, retain, restore and/or correctly to manipulate, interpret, calculate or process any data or information as a result of the operation of any command which has been programmed into any computer software or firmware, being a command which causes the loss of data or the inability to recognise, capture, save, retain, restore or correctly to manipulate, interpret, calculate or process any data on or after any datebut **the Insurer** will pay for subsequent **Damage** which is not otherwise excluded and which itself results from Events 1 - 10.

Basis of Settlement

The **Insurer** will pay the **Insured** the value of the **Property Insured** at the time of its loss or destruction, or the amount of the **Damage**, or at the **Insurer's** option will reinstate or replace such **Property** or any part of such **Property**.

The most the **Insurer** will pay for any one claim is

- A. the **Total Sum Insured**, or for each item its individual **Sum Insured**, or any other limit of liability in this **Section** whichever is the less at the time of **Damage**
- B. the amount of the **Sum Insured** or limit of liability remaining after deduction for any other **Damage** occurring during the same **Period of Insurance**, unless the **Insurer** agrees to reinstate any such **Sum Insured** or limit of liability.

In consideration of **Sums Insured** or limits of liability not being reduced by the amount of any claim, the **Insured** will pay the appropriate additional premium on the amount of the claim from the date of **Damage** to expiry of the **Period of Insurance**.

Basis of Settlement Adjustments

In calculating the most the **Insurer** will pay for any one claim, adjustments shall be made in accordance with the following clauses.

1. Index Linking

Sums insured and/or Declared Values will be adjusted to take into account movements in the appropriate index and renewal premiums will be based on the adjusted **Sums Insured** and/or Declared Values.

For **Buildings**, the General Building Cost Index issued by the Building Cost Information Service of the Royal Institute of Chartered Surveyors (or some other suitable index the **Insurer** decides upon) will be used.

For **Contents** and other **Property** specifically described in the **Schedule** (other than **Stock**), the Retail Price Index (or some other suitable index the **Insurer** decides upon) will be used.

The above percentage changes will continue to be applied between the date of any **Damage** and the date when replacement or repair has been completed.

2. Average (Underinsurance)

The **Sums Insured** by

- a. any items for **Buildings** or **Contents** subject to the Reinstatement (Day One Basis) clause are declared to be separately subject to Average as described in Special Condition 2 of such clause
- b. any other items of **Property Insured** (other than any **Sum Insured** applying solely to rent, fees, removal of debris or private dwellings) are declared to be separately subject to Average. This means if at the time of **Damage** the **Sum Insured** for any item is less than the value of the item covered by such **Sum Insured**, the amount payable by the **Insurer** will be proportionately reduced.

3. Contribution and Average

If at the time of **Damage** any other insurance has been effected by or on behalf of **the Insured** covering any of the **Property Damaged**, **the Insurer's** liability under this **section** shall be limited to **the Insurer's** rateable proportion of such **Damage**.

If such other insurance is subject to Average (Underinsurance), this **Section** if not already subject to Average shall be subject to Average in like manner.

If such other insurance is subject to any provision which excludes it from ranking concurrently with this **Section**, either in whole or in part, or from contributing rateably, the liability of **the Insurer** under this **Section** shall be limited to that proportion of the **Damage** which the **Sum Insured** for this **Section** bears to the value of the **Property**.

4. Reinstatement (Day One Basis)

A. Subject to the Special Conditions set out below, the basis on which the amount payable for **Buildings** and **Contents** is to be calculated will be the reinstatement of the **Property** lost, destroyed or damaged.

For this purpose "reinstatement" means

- i. the rebuilding or replacement of **Property** lost or destroyed which, provided **the Insurer's** liability is not increased, may be carried out
 - a. in any manner suitable to the requirements of **the Insured**
 - b. on another site

- ii. the repair or restoration of **Property** damaged

in either case to a condition equivalent to, or substantially the same as, but no better or more extensive than its condition when new.

B. The Declared Value (shown in brackets below the **Sum Insured**), having been stated in writing by **the Insured**, has been used to calculate the premium.

"Declared Value" means the assessment by **the Insured** of the cost of reinstatement of **Property Insured** arrived at in accordance with paragraph A.i. at the level of costs applying at inception of the **Period of Insurance** (ignoring inflationary factors which may subsequently operate), together with, to the extent that cover provides, due allowance for

- i. any additional cost of reinstatement to comply with Public Authorities regulations, bye-laws or stipulations
- ii. professional fees
- iii. removal of debris costs.

Special Conditions.

1. At inception of each **Period of Insurance**, **the Insured** shall notify **the Insurer** of the Declared Value of **Property Insured**. In the absence of such declaration the last amount declared by **the Insured** will be taken as the Declared Value for the new **Period of Insurance**, appropriately adjusted if Index Linking applies.
2. If at the time of **Damage** the Declared Value of the **Property** is less than the cost of reinstatement (as defined in paragraph A. i.) at inception of the **Period of Insurance**, the amount payable by **the Insurer** will be proportionately reduced.
3. **The Insurer's** liability for the repair or restoration of **Property** damaged in part only, shall not exceed the amount which would have been payable if such **Property** had been wholly destroyed.

4. No payment beyond the amount **the Insurer** would have paid in the absence of this clause will be made
 - a. unless reinstatement commences and proceeds without unreasonable delay
 - b. until the cost of reinstatement has actually been incurred
 - c. where **Property Insured** at the time of **Damage** is covered by any other insurance effected by **the Insured**, or on behalf of **the Insured**, which is not on the same basis of reinstatement.
5. All the terms and conditions of this **Section** and the **Policy** shall apply
 - a. to any claim payable under the provisions of this clause, other than where they are expressly varied by the terms of this clause
 - b. where claims are payable as if this clause had not been incorporated, except that **Sums Insured** will be limited to 115% of Declared Values.

5. Public Authorities

Subject to the Special Conditions set out below, cover for **Buildings** and **Contents** includes an amount in respect of any additional cost of reinstatement which is incurred solely by reason of the necessity to comply with building or other regulations under or framed in pursuance of any Act of Parliament, with bye-laws of any public authority or to comply with the stipulations of European Union legislation, in consequence of **Damage**, excluding

- A. the cost incurred in complying with such regulations, bye-laws or stipulations
 - i. in respect of **Damage** occurring prior to the granting of this cover
 - ii. in respect of **Damage** not insured by this **Section**
 - iii. under which notice has been served upon **the Insured** before the date of the **Damage**
 - iv. in respect of undamaged **Property** or undamaged portions of **Property**, other than foundations (unless specifically excluded) of that portion of the **Property Damaged**
- B. the additional cost that would have been required to make good the **Property Damaged** to a condition equal to its condition when new, had the necessity to comply with such regulations, bye-laws or stipulations not arisen
- C. the amount of any charge or assessment arising out of capital appreciation, which may be payable in respect of the **Property**, by reason of compliance with any such regulations, bye-laws or stipulations.

Special Conditions

1. The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the **Damage**, or within such further time as **the Insurer** may allow, and may be carried out upon another site (if such regulations, bye-laws or stipulations so necessitate), subject to there being no resulting increase in the liability of **the Insurer**.
2. If the liability of **the Insurer** is reduced by the application of any of the terms and conditions of this **Section** or the **Policy** (other than as a result of this clause), the liability of **the Insurer** under this clause will be reduced in proportion.
3. All the terms and conditions of this **Section** and the **Policy** shall apply to any claim payable under the provisions of this clause, other than where they are expressly varied by the terms of this clause.

6. Services

Cover includes telephone, gas, water and electric instruments, meters, piping, cabling and the like and their accessories, including similar property in adjoining yards or roadways or underground, all pertaining to **Buildings** or **Contents** insured by this **Section**, being the property of **the Insured** or for which **the Insured** are responsible.

7. Alterations and Additions

To the extent that they are not otherwise insured, **Buildings** and **Contents** items include

- A. alterations, additions and improvements (but not appreciation in value in excess of **Sums Insured**) to **Buildings**, machinery and plant
- B. any newly acquired or newly erected buildings, machinery or plant

within the **United Kingdom** for no more than 10% of the **Sum Insured** for each item covered, or £500,000 in total, whichever is the less, at any one **Premises** or at any one newly acquired address elsewhere than at the **Premises**, provided that **the Insured** shall give details of such alterations and additions to **the Insurer** within 90 days of the commencement date of **the Insured's** responsibility, effect specific cover retrospective to such date and pay the appropriate additional premium.

8. Professional Fees

Sums Insured and/or Declared Values for **Buildings** and **Contents** include an amount in respect of architects', surveyors', legal and consulting engineers' fees, other than where an item covering such fees is specifically described in the **Schedule**.

Cover applies only to those fees necessarily and reasonably incurred in consequence of **Damage**, in the reinstatement or repair of **Property Insured**.

9. Removal of Debris Costs

Sums Insured and/or Declared Values for **Buildings**, **Contents** and **Stock** include an amount in respect of removal of debris costs, other than where an item covering such costs is specifically described in the **Schedule**.

Cover applies only to those costs necessarily and reasonably incurred in consequence of **Damage**, in

- A. removing debris
- B. dismantling and demolishing
- C. shoring up or propping
- D. clearing, cleaning and/or repairing drains, gutters, sewers and the like for which the Insured are responsible.

The Insurer will not pay for any costs or expenses

- A. incurred in removing debris other than from the site of such **Property Damage** and the area immediately adjacent to such site
- B. arising from pollution or contamination of **Property** not insured by this **Section**.

10. Temporary Removal

Property Insured (other than **Stock**) is covered whilst temporarily removed for cleaning, renovation, repair or similar purposes to any address elsewhere than at the **Premises**, including whilst in transit, within the **United Kingdom**.

10. The Insurer will not pay for

- A. such property more specifically insured
- B. damage to vehicles licensed for road use, in so far as they are insured by this section, occurring elsewhere than at the premises from which such vehicles are removed
- C. more than 10% of the sum insured for each item covered, for damage occurring elsewhere than at the premises.

11. Temporary Removal - Documents

If deeds and other documents (including stamps on them), manuscripts, plans and writings of every description, books and other business records are included in the **Property Insured**, such items are covered whilst temporarily removed to any address elsewhere than at the **Premises**, including whilst in transit within the **United Kingdom**.

The Insurer will not pay for

- A. such items more specifically insured
- B. more than 10% of the figure stated within the definition of contents for computer systems records
- C. more than 10% of the total value of such items.

12. Contract Price

In respect only of goods sold but not delivered, for which **the Insured** remain responsible under the terms of a contract of sale, where such contract of sale is cancelled following **Damage** by reason of its conditions, either wholly or to the extent of the **Damage**, cover will be based on the contract price.

For the purpose of this clause the value of all goods to which this basis of settlement could apply in the event of **Damage** will also be ascertained on this basis.

13. Electrical Apparatus

If any electrical apparatus or fittings are damaged by fire due to self ignition, over-running, excessive pressure, short circuiting, self heating or leakage of electricity, **the Insurer** shall not be liable for **Damage** to the particular piece of apparatus or fitting which has caused the fire, but **the Insurer** shall be liable for **Damage** to any other apparatus or fittings in consequence of such fire.

14. Customers' Goods

If **the Insured** have represented to customers that they will accept responsibility for **Damage** to the goods of customers or to goods for which such customers may be legally responsible, **the Insurer** agrees that all such goods in the **Premises** will be covered as **Stock** except in so far as they are more specifically insured.

15. Data Processing and Ancillary Equipment

Cover includes **Damage** to data processing and ancillary equipment caused by dryness or dampness of atmosphere, extremes of temperature, corrosion or rust, if directly resulting from **damage** to any air conditioning facilities.

16. Rent

Where an item covering rent is specifically described in the **Schedule**, cover applies only if a **Building** in respect of which rent is payable by or to **the Insured**, or any part of it, is unfit for occupation in consequence of **Damage**. **The Insurer** will not pay for more than the proportion of the **Sum Insured** on rent that the period necessary for reinstatement bears to the term of rent covered.

17. Dismantling and Re-erection Costs

Cover includes the cost of dismantling, re-erection, fitting and fixing of **Contents** following **Damage**.

18. Fixed Glass

Following **Damage** to glass **the Insurer** will pay the cost of

- i. any necessary temporary boarding-up of broken glass pending full replacement
- ii. replacing alarm foil, lettering, painting, embossing, silvering or other ornamental work on glass
- iii. **Damage to Contents** or **Stock** caused by broken glass
- iv. **Damage** to framework caused by broken glass
- v. removing and re-fixing window fittings and other obstacles to replacing broken glass.

The Insurer will not pay for **Damage** existing prior to inception of this **Section**.

19. Fire Extinguishers and Sprinklers

The Insurer will pay the reasonable costs incurred by **the Insured** in re-filling fire extinguishers and replacing sprinkler heads, solely in consequence of **Damage** by a Events 1 - 10.

20. Metered Water

Cover includes additional metered water charges incurred by **the Insured** up to an amount of £25,000 any one claim, in consequence of **Damage**, but **the Insurer** will not pay for such charges incurred in respect of any **Building** which is **Unoccupied**.

The basis on which the amount payable is to be calculated will be the amount of the water charges for the period during which **Damage** occurs, less the charge paid by **the Insured** for the corresponding period in the preceding year, adjusted for changes in the water suppliers' charges and for variations affecting the water consumption of **the Insured** during the intervening period.

21. Exhibitions

Property Insured is covered whilst at any exhibition within the **United Kingdom** including whilst in transit to and from such exhibition.

The most **the Insurer** will pay in respect of any one exhibition is £25,000.

22. Trace and Access

In the event of **Damage** in consequence of escape of water or fuel oil from any tank, apparatus or pipe, **the Insurer** will pay costs necessarily and reasonably incurred by **the Insured** in locating the source of such **Damage**, and in the subsequent making good of **Damage** caused as a consequence of locating such source, up to an amount of £10,000 any one claim.

23. Seventy Two Hours Clause

Damage occurring within 72 consecutive hours of and arising from Event 7 (Storm or Flood) is deemed to be one claim.

The Insured have the right to select the moment from which the 72-hour period shall be deemed to have commenced within the terms of this **Section**, provided that such **Damage** occurred prior to expiry of the **Period of Insurance**.

24. Interested Parties

The Insurer agree

- a. that without prejudice to rights and liabilities of **the Insured** or **the Insurer**, if at the time of **Damage** **the Insured** have contracted to sell their interest in any **Building** covered, and the purchase has not been but shall afterwards be completed, the purchasers on completion of the purchase shall be entitled to benefit under this **Section** until completion, except in so far as such **Building** is more specifically insured by or on behalf of the purchaser
- b. to note the interest of any party notifying their interest in any of the **Property Insured** in writing, the nature and extent of such interest to be disclosed in the event of **Damage**.

25. Landscaped Grounds

Cover includes costs incurred by **the Insured** in consequence of **Damage** to **Property Insured** at the **Premises**, up to the amount of £25,000 any one claim, in restoring landscape grounds to their original appearance when first laid out and planted, but **the Insurer** will not pay for costs arising due to the failure of trees, shrubs, plants, turf and the like to germinate or become established.

Section Conditions

1. Precautions

The Insured must

- a. keep the **Premises** secure and in a good state of repair
- b. ensure that all trade and/or domestic refuse is removed from
 - i. the **Buildings** at the end of each working day
 - ii. the **Premises** at least once a week
- c. install any additional protections asked for by the **Insurer**
- d. remove all keys including duplicate keys relative to the security of the **Premises** and to any safe or strongroom on the **Premises** from such secured **Premises**, when they are closed for **Business** or left unattended.

2. Alteration in Risk

The Insured must notify the **Insurer** as soon as possible if during the **Period of Insurance** there is any alteration in the ownership of the **Insured**, or if in respect of any of the **Property Insured** there is any alteration

- a. due to its disposal or removal
- b. in respect of which the interest of the **Insured** ceases except by will or operation of law
- c. in respect of the risks of subsidence, ground heave or landslip where any demolition, construction, ground works or excavation work is being carried out on any adjoining site
- d. to the facts or matters set out in the **Schedule** or otherwise comprising the risk presentation made by the **Insured** to the **Insurer** at inception, renewal or variation of the **Policy**

which materially increases the risk of **Damage** as insured by this **Section**.

Upon being notified of any such alteration, the **Insurer** may, at its absolute discretion

- a. continue to provide cover under this **Section** on the same terms
- b. restrict the cover provided by this **Section**
- c. impose additional terms
- d. alter the premium
- e. cancel this **Section** and the **Policy**.

If the **Insured** fails to notify the **Insurer** of any such alteration, the **Insurer** may

- a. treat this **Section** and the **Policy** as if it had come to an end as at the date of the alteration of the risk, returning a proportionate amount of the premium for the unexpired **Period of Insurance**, if the **Insurer** would have cancelled this **Section** and the **Policy** had it known of the increase in risk
- b. treat this **Section** and the **Policy** as if it had contained such terms (other than relating to premium) or other restrictions (if any) from the date of the alteration in risk as the **Insurer** would have applied had it known of the increase in risk
- c. reduce proportionately the amount paid or payable on any claim, the proportion for which the **Insurer** is liable being calculated by comparing the premium actually charged as a percentage of the premium which the **Insurer** would have charged had it known of the increase in risk.

3. Unoccupied Premises

Unless the **Insurer** agrees in writing, if any **Premises** or parts of **Premises** are described in the **Schedule** as **Unoccupied**, or if any **Premises** or parts of **Premises** described in the **Schedule** become **Unoccupied** after the commencement of this **Section**, until such **Premises** or parts of **Premises** again become occupied the **Insured** must

- a. turn off electricity, gas and water supplies at the mains and drain down the water system
- b. organise an inspection of such **Premises** to be carried out by a responsible adult at least once in every 7 days
- c. board-up all ground floor and any other easily accessible external doors and windows.

4. Non Invalidation

This **Section** shall not be invalidated by

- a. any act or omission or by any alteration unknown to or beyond the control of the **Insured** by which the risk of **damage** is increased, provided that the **Insured** shall give notice to the **Insurer** (and pay an additional premium if required) immediately they become aware of such act, omission or alteration.
- b. workmen on the **premises** carrying out repairs, general maintenance work or minor structural or other alterations.

5. Additional Claims Conditions

In the event of damage, the Insured shall at their own expense deliver to the Insurer

- a. within 30 days after such **Damage** (7 days in the case of **Damage** by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons or theft) or such further time as **the Insurer** may allow in writing
 - i. full information in writing of the **Property Insured Damaged**, and the amount of **Damage**
 - ii. details of any other insurances on the **Property Insured** covered by this **Section**
- b. all such proof and information relating to the claim as may reasonably be required
- c. if required, a statutory declaration of the truth of the claim and of any matters connected with it.

The Insurer will not pay for any claim unless the terms of this condition have been complied with.

6. Reinstatement

If any property is to be reinstated or replaced by **the Insurer**, **the Insured** shall at their own expense provide all plans, documents, books and information as may reasonably be required. **The Insurer** shall not be bound to reinstate exactly, but only as circumstances permit, and in a reasonably sufficient manner and shall not in any case be bound to expend for any one item of this **Section** more than its **Sum Insured**.

7. The Insurer's Rights following a Claim

In respect of **Damage** for which a claim is made, **the Insurer** and any person authorised by **the Insurer** may without incurring any liability or diminishing any of **the Insurer's** rights in respect of the cover under this **Section**, enter take or keep possession of the **Premises** where such **Damage** has occurred, and take possession of or require to be delivered to **the Insurer** any **Property Insured**, and to deal with such **Property** for all reasonable purposes and in any reasonable manner.

No **Property** may be abandoned to **the Insurer**, whether taken possession of by **the Insurer** or not.

The Insurer will not pay for any claim unless the terms of this condition have been complied with.

8. Subrogation

Any claimant under this **Section** shall, at **the Insurer's** request and expense, take or permit to be taken all necessary steps for enforcing rights against any other party in the name of **the Insured**, before or after **the Insurer** makes any payment.

The Insurer agrees to waive any such rights to which **the Insurer** might become entitled by subrogation against any company standing in relation of parent to subsidiary (or subsidiary to parent) to **the Insured** or against any company which is a subsidiary of a parent company of which **the Insured** are themselves a subsidiary, in each case within the meaning of the Companies Act or Companies (Northern Ireland) Order current at the time of the **Damage**.

9. Arbitration

If any difference arises as to the amount to be paid under this **Section** (liability being otherwise admitted by **the Insurer**), such difference shall be referred to an arbitrator to be appointed by **the Insured** and **the Insurer** in accordance with statutory provisions.

Where any difference is referred to arbitration in accordance with this condition, the making of an award shall be a condition precedent to any right of action against **the Insurer**.

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