

Business Interruption Events Section Estimated Gross Profit

Section Definitions

Business Interruption

Loss resulting from interruption of or interference with the **Business** carried on by **the Insured** at the **Premises** in consequence of an **Event**.

Estimated Gross Profit

The amount declared by **the Insured** as representing not less than the **Gross Profit** which it is anticipated will be earned by the **Business** during the financial year most nearly concurrent with the **Period of Insurance** (or a proportionately increased multiple of it where the **Maximum Indemnity Period** exceeds twelve months).

Event

Loss or destruction of or damage to property used by **the Insured** at the **Premises** for the purpose of the **Business**.

Gross Profit

The amount by which the sum of the amount of the **Turnover** and the amount of the closing stock and work in progress shall exceed the amount of the opening stock and work in progress and the amount of the **Uninsured Working Expenses**.

Note: The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the normal accountancy methods of **the Insured**, due provision being made for depreciation.

Indemnity Period

The period beginning with the occurrence of the **Event** and ending not later than the **Maximum Indemnity Period** thereafter during which the results of the **Business** shall be affected in consequence of any **Event**.

Maximum Indemnity Period

The period shown in the **Schedule** or the period specified within any Basis of Settlement Adjustment, Extension, Contingency or clause.

Rate of Gross Profit

The rate of gross profit earned on the **Turnover** during the financial year immediately before the date of any **Event**.

Standard Turnover

The **Turnover** during that period in the twelve months immediately before the date of any **Event** which corresponds with the **Indemnity Period**.

Turnover

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

Uninsured Working Expenses

- Purchases (less discounts received)
- Carriage, packing and freight
- Discounts allowed
- Bad debts.

Note: The words and expressions used in this definition shall have the meaning usually attached to them in the books and accounts of **the Insured**.

Unoccupied

Any building or any part of any building which;

- a at the inception of this **Policy** or on the date which any **Premises** are added to this **Policy** during the **Period of Insurance**, is empty or unfurnished or unattended or no longer in active use by **the Insured** or any tenant of **the Insured**

And,

- b at any time during the **Period of Insurance**, is empty or unfurnished or untenanted or no longer in active use by **the Insured** or any tenant of **the Insured** for a period exceeding 30 consecutive days

Business Interruption Events Section

Estimated Gross Profit (continued)

Cover

The Insurer will pay the Insured for **Business Interruption** by the following Events, except for the Excluded Events specified in the **Schedule**.

Events

- 1 Fire**, excluding **Business Interruption** 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 used for domestic purposes only
 - b** of any other boiler or economiser on the **Premises**
 - c** of gas used for domestic purposes only
- but excluding any **Business Interruption** caused by earthquake or subterranean fire.

- 2 Explosion**, excluding **Business Interruption**
- a** caused by the bursting by steam pressure of any vessel, machine or apparatus (not being a boiler or economiser on the **Premises**) belonging to **the Insured** or under the control of **the Insured**, in which internal pressure is due to steam only
 - b** 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 **Business Interruption** 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 **Business Interruption**
- a** arising from cessation of work
 - b**
 - i** caused by theft or attempted theft
 - ii** in respect of any building which is **Unoccupied** or any property therein, caused by malicious persons not acting on behalf of or in connection with any political organisation, but **the Insurer** will pay for such **Business Interruption** caused by fire or explosion
 - c** resulting from loss destruction or damage to property in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot, civil commotion, and (except in respect of **Business Interruption** by fire or explosion) strikers, locked out workers or persons taking part in labour disturbances.

5 Earthquake

6 Subterranean Fire

7a Storm

Storm, excluding **Business Interruption**

- a** caused by **Flood** whether resulting from Storm or otherwise
- b** attributable solely to change in the water table level
- c** caused by lightning, frost, subsidence, ground heave or landslip
- d** in respect of fences and gates and moveable property in the open or in transit.

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

Business Interruption Events Section

Estimated Gross Profit (continued)

Cover (continued)

- 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 **Business Interruption**

- a caused by **Escape of Water from any tank, apparatus or pipe or Sprinkler Leakage**
- b attributable solely to change in the water table level
- c caused by lightning, frost, subsidence, ground heave or landslide
- d in respect of fences and gates and moveable property in the open or in transit

8 **Escape of Water from any tank, apparatus or pipe, excluding Business Interruption**

- a caused by water discharged or leaking from any automatic sprinkler installation
- b in respect of any building which is **Unoccupied** or any property therein.

- 9 **Impact** by any road vehicle or animal excluding **Business Interruption** caused 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.

10 **Sprinkler Leakage**

Accidental escape of water from any automatic sprinkler installation in the **Premises**, excluding **Business Interruption** 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**

Business Interruption, excluding

- a **Business Interruption** caused by or arising from or attributable to
 - i any of the Events
 - ii any of the exclusions to the Events

specified in Events 1 - 10 and 12 - 14, whether Events 1 - 10 and 12 - 14 are insured or not

- b **Business Interruption** caused by or consisting of
 - i wear and tear, gradual deterioration inherent vice, latent defect, frost, its own faulty or defective design or materials

but this shall not exclude subsequent **Business Interruption** which itself results from a cause not otherwise excluded

- ii faulty or defective workmanship by **the Insured** or any employees of **the Insured**
- iii operational error or omission by **the Insured** or any employees of **the Insured**

but this shall not exclude such **Business Interruption** not otherwise excluded which itself results from Events 1 - 10 and 12 - 14, or subsequent **Business Interruption** 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 **Business Interruption** not otherwise excluded which itself results from Events 1 - 10 and 12 - 14

- c **Business Interruption** 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

Business Interruption Events Section

Estimated Gross Profit (continued)

Cover (continued)

or **Business Interruption** consisting of

- iii 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
- iv mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which such breakdown or derangement originates or **Business interruption** caused by
- v the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services

but this shall not exclude such **Business Interruption** not otherwise excluded which itself results from Events 1 - 10 and 12 - 14 or from any other accidental loss, destruction or damage, or subsequent **Business Interruption** which itself results from a cause not otherwise excluded

- d loss resulting from, in any way contributed to by or in any way consisting of pollution or contamination, but this shall not exclude loss destruction of or damage to property used by **the Insured** at the **Premises** for the purpose of the **Business**, not otherwise excluded, caused by
 - i pollution or contamination at the **Premises** which itself results from Events 1-10 and 12-14
 - ii any of Events 1-10 and 12-14 which itself results from pollution or contamination
- e **Business Interruption** caused by or consisting of normal settlement or bedding down of new structures
- f **Business Interruption** arising directly or indirectly from
 - i disappearance, unexplained or inventory shortage or the misfiling or misplacing of information

- g loss resulting from destruction of or damage to any building or structure used by **the Insured** at the **Premises** caused by its own collapse or cracking, unless resulting from Events 1 - 10 and 12 - 14 in so far as they are not otherwise excluded
- h **Business Interruption** in respect of fences, gates and moveable **Property** in the open caused by wind, rain, hail, sleet, snow or dust
- i **Business Interruption** resulting from any property undergoing any process of production, packing, treatment, testing, commissioning, service or repair, but this shall not exclude such **Business Interruption** caused by fire or explosion
- j **Business Interruption** in respect of
 - i glass (other than fixed glass), sanitaryware (other than fixed sanitaryware), china, earthenware, marble or other fragile or brittle objects
 - ii vehicles licensed for road use (including accessories on them), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft
 - iii **Property** or structures in course of construction or erection and materials or supplies in connection with all such **Property** or structures
 - iv land, piers, jetties, bridges, culverts or excavations
 - v livestock, growing crops or trees

but this shall not exclude such **Business Interruption** caused by Events 1 - 10 and 12 - 14 in so far as they are not otherwise excluded.

12 Theft or attempted theft, excluding **Business Interruption**

- a which does not involve entry to or exit from a building or a part of a building at the **Premises** by forcible and violent means or hold-up by violence or threat of violence to **the Insured** or any partner, director or employee of **the Insured** or any other person who has a legal right to be on the **Premises**
- b expedited or in any way brought about by **the Insured** or any partner, director or employee of **the Insured** or any other person who has a legal right to be on the **Premises**

Business Interruption Events Section

Estimated Gross Profit (continued)

Cover (continued)

- c in respect of
 - i any building or property in any building which is **Unoccupied**
 - ii any building or property in any building whilst the **Premises** are closed for **Business** to customers or callers or are left unattended, unless all points of access are closed and secured by all locks and other protections fitted to them
 - iii property in the open or in open fronted buildings or in buildings not on permanent foundations
 - iv **Money**, deeds, securities, jewellery, precious stones or precious metals, bullion, furs, curiosities, works of art or rare books, unless such property is specifically described in the **Schedule**.

13 Subsidence or Ground Heave of any part of the site on which the building stands, or **Landslip** excluding **Business Interruption**

- a in respect of walls, gates, fences, roads, car parks, yards, forecourts, patios, pavements, footpaths and similar hard surfaced areas unless a building at the same **Premises** is **Damaged** by the same cause at the same time
- b resulting from
 - i the settlement or movement of made-up ground
 - ii coastal or river erosion
 - iii defective design or workmanship or the use of defective materials
- c caused by
 - i subsidence, ground heave or landslip resulting from Events 1, 2, 5, 6, 8 or 14
 - ii normal settlement or bedding down of new structures
- d which commenced prior to the inception of this cover
- e occurring as a result of demolition, construction, structural alteration or repair of any property, or as a result of ground works or excavation, at the same **Premises**.

14 Escape of Oil from any fixed heating installation, excluding

- a **Business Interruption** in respect of any building or property in any building which is **Unoccupied**
- b **Business Interruption** unless caused by a sudden, identifiable, unintended and unexpected incident which has taken place in its entirety at a specific time and place during the **Period of Insurance**
- c the value of the oil lost.

Business Interruption Events Section Estimated Gross Profit (continued)

Section Exclusions

The Insurer will not pay for

1 Business Interruption 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 date

but **the Insurer** will pay for subsequent **Business Interruption** which is not otherwise excluded and which itself results from Events 1 - 10 and 12 - 14.

Business Interruption Events Section

Estimated Gross Profit (continued)

Basis of Settlement

The **Insurer** will pay the **Insured**, in respect of each item covered, the amount of their claim for **Business Interruption**, provided that at the time of any **Event**

- A** there is an insurance in force covering the interest of the **Insured** in the property at the **Premises** against such **Event** and that
 - i** payment has been made or liability has been admitted for payment, or
 - ii** payment would have been made or liability would have been admitted for payment but for the operation of a proviso in such insurance excluding liability for claims below a specified amount
- B** the most the **Insurer** will pay for any one claim is
 - i** 133 1/3% of the **Estimated Gross Profit**
 - ii** for any other item, 100% of the **Sum Insured** or any other limit of liability in this **Section**
 - iii** in total the sum of 133 1/3% of the **Estimated Gross Profit** and 100% of the **Sums Insured** or limits of liability for any other items.

The **Sums Insured** or limits of liability shall not be reduced by the amount of any claim as insured under this **Section** provided that

- a** the **Insurer** does not give written notice to the contrary within 30 days of the notification of any **Event**
- b** the **Insured** pays the appropriate additional premium on the amount of the claim from the date of the **Event** to the expiry of the **Period of Insurance**
- c** the **Insured** agrees to comply with any security recommendations or other measures the **Insurer** may require to reduce the risk of an **Event**.

The **Insurer** will pay the **Insured** as indemnity in consequence of **Business Interruption** for loss of **Gross Profit** due to

- A** Reduction in **Turnover**, and
- B** Increase in Cost of Working.

Reduction in **Turnover** means the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** during the **Indemnity Period** falls short of the **Standard Turnover**.

Increase in Cost of Working means the additional expenditure (subject to the Uninsured Working Expenses clause) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **Turnover** which but for that expenditure would have taken place during the **Indemnity Period**.

Basis of Settlement Adjustments

The **Insurer** will not pay the **Insured** for

- A** Increase in Cost of Working exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of reduction in **Turnover** thereby avoided
- B** any amounts saved during the **Indemnity Period** in respect of any of the charges and expenses of the **Business** payable out of **Gross Profit** that may cease or be reduced.

In calculating the amounts the **Insurer** will pay the **Insured** as indemnity, adjustments shall be made in accordance with the following clauses.

1 Alternative Premises

If during the **Indemnity Period** goods are sold or services are rendered elsewhere than at the **Premises** for the benefit of the **Business**, either by the **Insured** or by others on behalf of the **Insured**, the money paid or payable for such sales or services shall be taken into account in arriving at the **Turnover** during the **Indemnity Period**.

Business Interruption Events Section

Estimated Gross Profit (continued)

Basis of Settlement Adjustments (continued)

2 Uninsured Working Expenses

If any working expenses of the **Business** are excluded by this **Section** (having been deducted in arriving at **Gross Profit**), then in calculating the amount recoverable under this **Section** as Increase in Cost of Working, only that proportion of any such additional expenditure shall be taken into account that **Gross Profit** bears to the sum of **Gross Profit** and the **Uninsured Working Expenses**.

3 Departmental Trading

If the **Business** is conducted in departments, the independent trading results of which can be ascertained, the Basis of Settlement for **Estimated Gross Profit** shall apply separately to each department affected.

4 Trends and Variations

Adjustments shall be made to the figures representing the **Rate of Gross Profit** and the **Standard Turnover** that may be necessary to provide for the trend of the **Business**, and for variations in or other circumstances affecting the **Business**, either before or after the **Event**, and which would have affected the **Business** had the **Event** not occurred, so that the adjusted figures represent as near as reasonably practicable results which but for the **Event** would have been obtained during the relative period after the **Event**.

5 New Business

If the **Business** is in its first year of trading during the first **Period of Insurance**, and an **Event** occurs before completion of such first **Period of Insurance**, **Rate of Gross Profit** and **Standard Turnover**, shall mean the following.

Rate of Gross Profit – the **Rate of Gross Profit** earned on the **Turnover** during the period between the date of commencement of the **Business** and the date of the **Event**.

Standard Turnover – the proportional equivalent, for the period equal to the **Indemnity Period**, of the **Turnover** realised during the period between the date of commencement of the **Business** and the date of the **Event**.

6 Auditors and Accountants Charges

If the auditors or professional accountants of the **Insured** produce any particulars or details required by the **Insurer** from the **Insured's** books of account or other business books or documents, or any other proofs, information or evidence under the terms of Condition 2 of this **Section**, the **Insurer** will pay the **Insured** the reasonable charges payable by the **Insured** to their auditors or professional accountants provided that the sum of such reasonable charges and any other amount payable under this **Section** shall not exceed the liability of the **Insurer** under this **Section**.

7 Value Added Tax

All terms in this **Section** shall be exclusive of value added tax to the extent that the **Insured** are accountable to the tax authorities for such tax.

8 Current Cost Accounting

For the purposes of this **Section**, any adjustment implemented in current cost accounting shall be disregarded.

9 Payments on Account

The **Insurer** will make payments on account during the **Indemnity Period**, if the **Insured** so request, subject to any necessary adjustment at the end of the **Indemnity Period**.

10 Salvage Sale

If following an **Event** giving rise to a claim under this **Section** the **Insured** shall hold a salvage sale during the **Indemnity Period**, the Basis of Settlement of the insurance for any item of **Gross Profit** shall for the purpose of such claims be amended as follows:

- a **Reduction in Turnover:** the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** during the **Indemnity Period** (less the **Turnover** relating to the period of the salvage sale) shall in consequence of the **Event** fall short of the **Standard Turnover** from which sum shall be deducted the **Gross Profit** actually earned during the period of the salvage sale.

Business Interruption Events Section

Estimated Gross Profit (continued)

Basis of Settlement Adjustments (continued)

11 Accumulated Stocks

In adjusting any loss account shall be taken and an equitable allowance made if any reduction in **Turnover** due to an **Event** giving rise to a claim under this **Section** is postponed by reason of the **Turnover** being temporarily maintained from accumulated stocks of finished goods in warehouses or depots.

12 Claims Preparation Expenses

Cover extends to include the necessary and reasonable costs, expenses and charges incurred by **the Insured** in producing and certifying any particulars or details required by **the Insurer** in connection with any claim under this **Section** and which are incurred with the consent of **the Insurer** and for which **the Insurer** has admitted liability, provided that

- i such costs and expenses are limited to
 - any additional costs and expenses incurred by any employees of the Insured and the cost of materials used in furnishing **the Insurer's** requirements
 - the reasonable charges payable by **the Insured** to their auditors or professional accountants for producing such information as may be required by **the Insurer**
- ii **the Insurer** shall have the right to review and audit all documentation relating to such costs and expenses
- iii such costs expenses and charges are not otherwise recoverable under this **Section** or the **Policy**
- iv an **Excess** of £1,000 shall apply in respect of each and every claim
- v the liability of **the Insurer** shall not exceed £25,000 in respect of any one claim, and such limit shall apply in addition to the **Sums Insured** or limits applying under this **Section**.

13 Fines and Damages

Cover extends to indemnify **the Insured** against fines, penalties or damages imposed by the conditions of any contract between **the Insured** and their customer for breach of contract, and the amount payable shall be such sums as **the Insured** shall be legally liable to pay and shall pay in discharge of fines, penalties or damages for non-completion or late completion of orders or contracts, or in respect of cancellation of orders or contracts, and incurred directly and solely as a result of **Business Interruption** at the **Premises**, provided that **the Insurer**

- i shall not be liable for the amount of any loss which is incurred after a period of 12 months beginning with the date of the occurrence of the **Event**
- ii shall not be liable for more than £10,000 in respect of any one claim.

14 Additional Rent – Data Processing and Ancillary Equipment

Cover extends to indemnify **the Insured** against the payment of additional rental arising in consequence of **Business Interruption** at the **Premises** to any data processing and/or ancillary equipment necessitated by the cancellation of the lease/hire contract in force at the date of the **Business Interruption** and its replacement by a new contract for similar equipment in respect of the period commencing after the expiry of the **Maximum Indemnity Period** and ending not later than 12 months thereafter or the expiry of the lease/hire contract in force at the date of the **Business Interruption** whichever is the sooner, provided that **the Insurer** shall not be liable for more than £25,000 in respect of any one claim.

Business Interruption Events Section

Estimated Gross Profit (continued)

Basis of Settlement Adjustments (continued)

15 Research and Development Costs

Cover extends to indemnify **the Insured** in respect of additional expenditure necessarily and reasonably incurred during the **Indemnity Period** solely to re-constitute records and re-work projects and to restore research and development projects to a state substantially similar to that which existed before the date of the **Event**, provided that

- i **the Insurer** shall not be liable for more than one third of the limit shown below in respect of such additional expenditure arising in the first quarter of the **Indemnity Period** following the date of the **Event** nor more than an equal proportion of the balance of the limit shown below per month in respect of the additional expenditure in the remainder of the **Indemnity Period**
- ii the **Maximum Indemnity Period** in respect of this clause shall not exceed 12 months
- iii **the Insurer** shall not be liable for more than £25,000 in respect of any one claim.

16 Essential Personnel

Cover extends to include additional expenditure necessarily and reasonably incurred by **the Insured** during the **Indemnity Period** as a consequence of the death or permanent disablement of any principal, director or partner of **the Insured** by accidental and external means preventing the carrying out of their usual employment or occupation for the sole purpose of avoiding or diminishing any interruption of or interference with the **Business** carried on by **the Insured** at the **Premises** which but for that expenditure would have taken place during the **Indemnity Period**, provided that

- i the **Maximum Indemnity Period** in respect of this clause shall not exceed 12 months
- ii **the Insurer** shall not be liable for more than £25,000 in respect of any one claim.

17 Public Relations Expenses

In the event of **Business Interruption** at the **Premises** Cover extends to include the additional expenditure necessarily and reasonably incurred during the **Indemnity Period** of employing suitable public relations personnel to deal with press and public announcements and other activities, provided that

- i the **Maximum Indemnity Period** in respect of this clause shall not exceed 3 months
- ii **the Insurer** shall not be liable for more than £10,000 in respect of any one claim.

18 Theft Damage to Buildings

Cover extends to include **Business Interruption** caused by or consisting of theft or attempted theft of a building or part of a building where insured under the Theft Damage to Buildings Basis of Settlement Adjustment clause under the Property Damage Section.

19 Book Debts Extension

The Insurer will pay **the Insured** the amount of their claim for Outstanding Debit Balances if in consequence of Damage

- a at the **Premises**
- b at any premises in the **United Kingdom** occupied by persons acting on behalf of **the Insured**, to which **Insured Records** have been temporary removed
- c in transit, including sea or air transit within the **United Kingdom**,

to the **Insured's Records** within the **Period of Insurance**, **the Insured** are unable to trace or establish Outstanding Debit Balances in whole or in part

The cover is limited to loss sustained by **the Insured** directly due to such Damage and the amount payable shall not exceed

Business Interruption Events Section

Estimated Gross Profit (continued)

Basis of Settlement Adjustments (continued)

- a the difference between
 - i the Outstanding Debit Balances, and
 - ii the total of the amounts received or traced in respect of such balances
- b the additional expenditure incurred with **the Insurer's** previous consent in tracing and establishing customers' debit balances after the Damage.
- c the **Sum Insured** shown in the **Schedule**.

Provided that at the end of each month **the Insured** shall record the total amount outstanding in customers' accounts at that time, and keep a copy of such records at a place other than **the Insured's Premises**.

The following Definitions apply in respect of this cover:

Damage

Loss or destruction or Damage

Insured's Records

The Insured's books of account or other business books or records.

Outstanding Debit Balances

The total recorded by **the Insured** under the provisions of the Outstanding Debit Recording Condition adjusted for

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

so that the adjusted figures represent as near as reasonably practicable results which but for the Damage **the Insured** would have obtained at the date of the Damage had the Damage not occurred.

20 Lottery Winners

In the event an Employee or group of Employees resigns from their post(s) within the **Business** as a direct consequence of their securing a win in a Lottery, cover extends to include the additional expenditure reasonably and necessarily incurred by **the Insured**, including but not limited to

- a recruitment and additional overtime costs
- b the cost of employing temporary staff for amounts in excess of permanent full time rates of payment

provided that

- i the Employee or group of Employees resigns within 14 days from the date of the successful Lottery win, and
- ii the amount won by any one Employee is more than £100,000
- iii **the Insurer's** liability shall not exceed £25,000 in any one **Period of Insurance**

For the purposes of this clause the following definitions apply:

Indemnity Period

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.

Maximum Indemnity Period

One month.

Business Interruption Events Section

Estimated Gross Profit (continued)

Basis of Settlement Adjustments (continued)

Lottery

- UK National Lottery Prize Draws including Scratchcards
- UK National Football Pools
- Euro Millions Lottery
- Irish National Lottery
- UK Premium Bond Prize Draws.

Employee

- a** Any person under a contract of service or apprenticeship with **the Insured**
- b** any of the following persons whilst working for the Insured in connection with the **Business**
 - i** any labour master or labour only subcontractor or person supplied by them
 - ii** any self-employed person providing labour only
 - iii** any home worker or outworker
 - iv** any trainee or person undergoing work experience
 - v** any voluntary helper
 - vi** any person who is borrowed by or hired to **the Insured**

Section Extensions

Any claim resulting from interruption of or interference with the **Business** in consequence of

- A** accidental physical loss, destruction or damage at any Situation or to any Property shown below, or
- B** any of the under-noted Contingencies

occurring during the **Period of Insurance** and within the **United Kingdom**, shall be understood to be **Business Interruption** by an **Event** covered by this **Section**, provided that after the application of all other terms, conditions, exclusions and provisions of this **Section**, the **Policy** and the terms set out below the liability of **the Insurer** for any one claim or claims arising out of or in connection with the same originating cause shall not exceed in the whole 133 1/3% of the **Estimated Gross Profit**, or the percentage of 133 1/3% of the **Estimated Gross Profit**, or the amount shown below (or the amount as specified otherwise in the **Schedule**) against any of the Situations or any of the Property or any Contingency as the Limit, whichever is the less.

To the extent that a claim or claims arising out of or in connection with the same originating cause are covered under more than one Extension, or under one Extension and the general cover afforded by this **Section**, **the Insurer's** maximum liability under this **Section** and all the Extensions combined shall not exceed the largest of any applicable Limits or **Sums Insured**.

Business Interruption Events Section

Estimated Gross Profit (continued)

Situations

Suppliers

The premises of any of **the Insured's** suppliers, manufacturers or processors of components, goods or materials, but excluding the premises of any separately specified supplier or of any supply undertaking from which **the Insured** obtain electricity, gas, water or telecommunications services.

Limit 10% or £100,000 whichever is the less.

Customers

The premises of any of **the Insured's** customers, but excluding the premises of any separately specified customer.

Limit 10% or £100,000 whichever is the less.

Contract Sites

Any situation not in the occupation of **the Insured** where **the Insured** are carrying out a contract.

Limit 10% or £100,000 whichever is the less.

Exhibition Sites

Any exhibition site where **the Insured** are exhibiting goods or services, excluding any such site under canvas or in the open.

Limit £25,000.

Property

Property Stored

Property of **the Insured** whilst stored elsewhere than at premises occupied by **the Insured**. Limit 10% or £100,000 whichever is the less.

Transit

Property of **the Insured** whilst in transit by road, rail or inland waterway, but only in respect of **Business Interruption** due to or arising from a **Specified Event**.

Limit 10% or £100,000 whichever is the less.

Supply Undertakings

Property

- A** at any land based premises
- B** comprising any land based cable or pipe connecting to the terminal connecting point at the **Premises** or any pylon through which any such cable runs of any supply undertaking service provider or producer from which **the Insured** directly obtains
 - i** electricity (including generating stations or sub-stations)
 - ii** gas (including any natural gas producer provided that it supplies gas directly to the supply undertaking or service provider which supplies gas to **the Insured**)
 - iii** water (including water works and pumping stations)
 - iv** telecommunications services (excluding intranet or extranet services)
 - v** other telecommunications services providing intranet or extranet services

Provided that:

- a** the **Maximum Indemnity Period** shall not exceed 1 month beginning with the date on which the damage occurred
- b** **the Insurer** shall not be liable
 - i** unless the loss, destruction or damage results in a complete cessation of the supply of the relevant service to the **Premises** for more than 48 consecutive hours
 - ii** for the first 48 consecutive hours of cessation of the supply of the relevant service to the **Premises**
 - iii** for any **Business Interruption** caused by loss or destruction of or damage to any overhead transmission and distributing cables or lines and their supporting structures (including pylons), other than where such loss, destruction or damage occurs to such cables, lines and structures situated within 1 mile of the **Premises**

Business Interruption Events Section

Estimated Gross Profit (continued)

Situations (continued)

- iv for more than £1,000,000 for each occurrence (of loss, damage or destruction to the supply undertaking's, service provider's or producer's property) or series of occurrences arising out of or in connection with the same originating cause, irrespective of the number of the **Premises** which are affected by the occurrence or series of occurrences. Where the same originating cause results in loss, damage or destruction to the property of more than one supply undertaking, service provider or producer, **the Insurer** shall not be liable to pay more than £1,000,000 under this Extension in respect of all occurrences of loss, destruction or damage combined and in the aggregate, irrespective of the number of supply undertaking's, service provider's or producer's properties affected.

Denial of Access – Damage

Property in the immediate vicinity of the **Premises**, which prevents or hinders the use of or access to the **Premises** whether the **Premises** or property in the **Premises** is destroyed or damaged or not,

provided that

- a the **Maximum Indemnity Period** shall not exceed 3 months beginning with the date on which the damage occurred
- b **the Insurer** shall not be liable for any **Business Interruption**
 - i that does not involve hindrance or prevention of access to the **Premises** for at least 4 consecutive hours
 - ii resulting from loss or destruction of or damage to
 - A the property of any supply undertaking from which **the Insured** obtains electricity, gas, water or telecommunications services which prevents or hinders the supply of such services to the **Premises**
 - B any property situated more than 1 mile from the **Premises**

Limit £5,000,000 or the **Sum Insured** in the **Schedule** whichever is less in respect of any one claim and in total during the **Period of Insurance**

Moulds, Tools and Dies

Moulds, tools and dies belonging to **the Insured** or for which **the Insured** are responsible whilst at the **Premises** or at any premises not in the occupation of **the Insured** or in transit by road, rail or inland waterway.

For the purposes of this Extension, 'tools' shall mean tooling such as machine tools and jigs, and does not include portable hand tools or power tools.

Limit £25,000.

Contingencies

Failure of Supply

Accidental failure of supply of

- i electricity at the terminal ends of the service provider's feeders at the **Premises**
- ii gas at the service provider's meters at the **Premises**
- iii water at the service provider's main stop cock serving the **Premises**
- iv land based telecommunications services (excluding intranet or extranet services) at the incoming line terminals or receivers at the **Premises**
- v other telecommunications services (including intranet or extranet services) at the incoming line terminals or receivers at the **Premises**

Provided that

- a the **Maximum Indemnity Period** shall not exceed 1 month beginning with the date on which the failure of the supply first started occurring
- b **the Insurer** shall not be liable
 - i unless there is a complete cessation of the supply of the relevant service to the **Premises** of more than 48 consecutive hours
 - ii for the first 48 consecutive hours of cessation of the supply of the relevant service to the **Premises**
 - iii for any **Business Interruption** resulting from the deliberate act of any supply undertaking or service provider, or from any such undertaking or provider exercising its power to withhold or restrict supply or services or otherwise not performing its services

Business Interruption Events Section

Estimated Gross Profit (continued)

Contingencies (continued)

- iv** for any **Business Interruption** resulting from failure of supply caused by
 - strikes or any labour or trade dispute
 - Riot or civil commotion
 - drought
 - other atmospheric or weather conditions, but this shall not exclude failure due to physical damage caused by such conditions
 - the acts of any government or nation state or any person acting on their behalf
 - energy, supply or fuel shortages, schemes of rationing and rota disconnections and pre-planned supply outages
- v** for any **Business Interruption** caused by the failure of any overhead transmission and distributing cables, lines and their supporting structures (including pylons), other than where such failure occurs to such cables, lines and structures situated within 1 mile of the **Premises**
- vi** for any **Business Interruption** resulting from the failure of telecommunications services delivered via satellite
- vii** for any **Business Interruption** which is insured under the Supply Undertakings Extension
- viii** for more than £25,000 for each failure of supply or series of failures arising out of or in connection with the same originating cause, irrespective of the number of the **Premises** which are affected by the failures. Where the same originating cause results in failure of supply from more than one supply undertaking or service provider, **the Insurer** shall not be liable to pay more than £25,000 under this Extension in respect of all failures of supply combined and in the aggregate, irrespective of the number of supply undertakings or service providers involved.

Section Conditions

1 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 any alteration in or to the **Business** at the **Premises**

- a** due to the **Business** being wound up or carried on by a liquidator or receiver or permanently discontinued
- b** in respect of which the interest of **the Insured** ceases other than by death
- 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 an **Event** and any other loss or expenditure 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

Business Interruption Events Section

Estimated Gross Profit (continued)

Section Conditions (continued)

- 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.

2 Additional Claims Conditions

If any **Event** or other circumstances in consequence of which **the Insured** make or may make a claim under this **Section**, **the Insured** shall at their own expense deliver to **the Insurer**

- A within 28 days of its happening, full details of **Business Interruption** caused by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons or theft
- B not later than 30 days after expiry of the **Indemnity Period**, or such further time that the Insurer may allow, full information in writing of the particulars of the claim, together with details of all other policies covering property used by **the Insured** at the **Premises** for the purpose of the **Business** or any part of the **Business**, and the amount of any resulting **Business Interruption**
- C such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence that **the Insurer** may reasonably require for the purpose of investigating or verifying the claim, together with, if required, a statutory declaration of the truth of the claim and of any matters connected with it.

Particulars or details contained in **the Insured's** books of account or other business books or documents, which may be required by **the Insurer** for the purpose of investigating or verifying any claim under this **Section**, may be produced by professional accountants if at the time they are regularly acting for **the Insured**. Their report shall be prima facie evidence of the particulars and details to which such report relates.

The Insurer will not pay for any claim unless the terms of this condition have been complied with, and any payment on account already made shall be repaid to the Insurer.

3 Contribution

If at the time of any **Event** resulting in a claim under this **Section** there is any other insurance effected by or on behalf of **the Insured** covering such loss or any part of it, the liability of **the Insurer** under this **Section** shall be limited to **the Insurer's** rateable proportion of such loss.

4 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 **Business Interruption**.

Business Interruption Events Section

Estimated Gross Profit (continued)

Section Conditions (continued)

5 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**.

6 Declarations

Prior to each renewal date, **the Insured** shall provide **the Insurer** with the **Estimated Gross Profit** for the financial year most nearly concurrent with the ensuing **Period of Insurance**.

Not later than 2 months after the expiry of each **Period of Insurance**, **the Insured** shall provide **the Insurer** with a declaration confirmed by **the Insured's** auditors of the **Gross Profit** earned during the financial year most nearly concurrent with the expired **Period of Insurance**. If any **Event** has occurred giving rise to a claim for loss of **Gross Profit**, such declaration will be increased by the Insurer for the purpose of premium adjustment, by the amount by which the **Gross Profit** was reduced during such financial year solely in consequence of the **Event**.

Premiums are provisional. If the declaration of **Gross Profit** provided by **the Insured** and confirmed by **the Insured's** auditors, proportionately increased where the **Maximum Indemnity Period** exceeds 12 months, is

- A** less than the **Estimated Gross Profit** for the relative **Period of Insurance**, **the Insurer** will allow a pro rata return of premium on the **Estimated Gross Profit** not exceeding 50% of such premium paid
- B** greater than the **Estimated Gross Profit** for the relative **Period of Insurance**, **the Insured** shall pay a pro rata addition to the premium paid on the **Estimated Gross Profit**.

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