

Loss of Rent Events Section

(This section only applies if stated in the Policy Schedule)

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 Damage.

Damage/Damaged

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

Indemnity Period

A For occupied Premises or occupied parts of Premises

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

B For Unoccupied buildings

- i which are not let but are tenantable and for which there is evidence of an agreement with a prospective tenant
The period beginning with the date upon which but for the Damage Rent would have commenced to be payable and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence of the Damage
- ii which are not let but are tenantable but for which there is no evidence of an agreement with a prospective tenant
The period beginning with the date upon which but for the Damage it is anticipated that Rent would have commenced to be payable and ending not later than
 - a the date upon which the building or that part of the building Damaged is restored to its pre-damaged condition and is capable of direct occupation, or

b the Maximum Indemnity Period thereafter

whichever is the earlier during which the results of the Business shall be affected in consequence of the Damage.

Maximum Indemnity Period

The period shown in the schedule.

Rent

A For occupied Premises or occupied parts of Premises

being the money paid or payable to the Insured by tenants for accommodation provided and services rendered at the Premises in course of the Business

B For Unoccupied buildings

being the amount that it is reasonably anticipated would have been paid or payable to the Insured by tenants for accommodation provided and services rendered at the Premises in course of the Business,

provided that

- i in respect of Premises which are not let but are tenantable and for which there is Evidence of an agreement with a prospective tenant such amount applying at the date upon which but for the Damage Rent would have commenced
- ii in respect of Premises which are not let but are tenantable but for which there is no Evidence of an agreement with a prospective tenant such amount and the date upon which but for the Damage Rent would have commenced will be determined having regard
 - a to actual negotiations with prospective tenants both before and after the date of the Damage
 - b to the demand for and the general level of rents applying to similar accommodation in the locality at the date of the Damage

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

Section Definitions (continued)

Evidence for the purpose of this definition shall mean leases to be signed or in course of negotiations and that such leases or negotiations are evidenced by exchange of contracts or exchange of legally binding letters of intent containing a specified completion date or similar legally binding documents

If required the advice of a professional valuer acceptable to both the Insured and the Insurer will be sought and such fees will be included in the indemnity provided.

Residential Property

The flat or a block of flats apartment block maisonette or house situate at the Premises occupied for domestic residential purposes.

Unoccupied

Any building or flat 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 of exceeding 30 consecutive days or 60 consecutive days in respect of any building solely used for residential purposes.

Cover

If property or any part of any property or Premises owned by the Insured and suffers Damage during the Period of Insurance other than by an excluded cause, and in consequence the Insured Business carried on by the Insured at the Premises be interrupted or interfered with, the Insurer will pay the Insured as indemnity the amount of the loss at the time of the Damage resulting from such interruption or interference.

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.

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

Events (continued)

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 nationalisation, confiscation, requisition, seizure or destruction by the Government or any public authority
- b** arising from cessation of work
- c**
 - i** from theft or attempted theft
 - ii** in respect of any Unoccupied buildings directly 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
- d** 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 and persons taking part in labour disturbances.

5 Earthquake.

6 Subterranean Fire.

7a 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 landslide
- 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
- 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.

9 Impact by any road vehicle or animal.

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.

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

Events (continued)

11 Accidental Damage

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, 12–14 whether Events 1–10, 12–14 are insured or not

- b** Business Interruption caused by or consisting of
 - i** gradual deterioration, wear and tear, 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, 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

- 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

- iii** theft or attempted theft (but this shall not exclude theft or attempted theft of a building or part of a building provided that at the time of the Damage there shall be in force insurance against such Damage under the Property Damage Section of this Policy)

or Business Interruption 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

or Business Interruption caused by

- vi** 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 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
 - 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

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

Events (continued)

- 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 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 Damage to
 - i** glass (other than fixed glass), sanitary ware (other than fixed sanitary ware), 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 or growing crops

but this shall not exclude such Business Interruption caused by Events 1–10 in so far as they are not otherwise excluded.

12 Theft or attempted theft excluding

- a** Business Interruption which does not involve entry to or exit from a building or part of a building by forcible and violent means or by actual or threatened assault or violence or use of force at the Premises against the Insured or any employee of the Insured or any other person lawfully on the Premises (but this shall not exclude theft or attempted theft of a building or part of a building provided that at the time of the damage there shall be in force insurance against such damage under the Property Damage Section of this Policy)
- b** Business Interruption expedited or in any way brought about by the Insured or any partner director or employee of the Insured or any other person lawfully on the Premises
- c** Business Interruption to any building or property in any building which is Unoccupied
- d** Business Interruption to Money bonds or securities of any description
- e** Business Interruption to property in transit.

13 Subsidence or ground heave of any part of the site on which the building stands or landslip excluding

- a** Business Interruption in respect of walls gates fences roads car parks yards paved areas pavements footpaths and other surfaced areas unless a building used by the Insured at the same Premises is Damaged by the same cause at the same time
- b** Business Interruption 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** Business Interruption 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

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

Events (continued)

- d** Business Interruption which commenced prior to the inception of this Event
- e** Business Interruption occurring as a result of demolition construction structural alteration or repair of any property or as a result of groundworks or excavation at the same Premises

Provided that

Unless the Insurer agrees in writing cover shall be avoided where demolition construction groundworks or excavation on the same Premises or on any adjoining site increases the risk of Damage.

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.

Exclusions

This Section does not cover:

- 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.

Basis of Settlement

The Insurer will pay the Insured, subject to the Basis of Settlement Adjustments, in respect of each Item

- i** the loss of Rent being the actual amount by which the rent during the Indemnity Period falls short of the Rent which but for the Damage would have been received by the Insured
- ii** the costs of re-letting being the expenditure necessarily and reasonably incurred from the date of the Damage until the expiry of the Indemnity Period in consequence of the Damage in re-letting the Premises (including legal fees managing agents costs or other charges in connection with such re-letting) solely in consequence of such re-letting
- iii** the additional expenditure being the additional expenditure (other than that recoverable under ii. above) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent which but for that expenditure would have taken place during the Indemnity Period

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement (continued)

Provided that

- a** this insurance shall not apply in respect of any item on Rent unless at the time of the Damage there is in force an insurance covering the interest of the Insured in the Premises where the Damage has occurred and
 - i** payment shall have been made or liability admitted under such insurance, or
 - ii** payment would have been made or liability would have been admitted thereunder but for the operation of a proviso excluding liability for losses below a specified amount

except that this proviso shall not apply in respect of any item on Rent where another party (not being the Insured) is responsible for insuring the Premises by virtue of lease or other contractual arrangements

- b** the Insurer will not pay the Insured for
 - i** additional expenditure exceeding the loss of Rent thereby avoided
 - ii** legal fees or other charges payable by any new tenant acquired in re-letting the Premises in consequence of the Damage
 - iii** any amounts saved during the Indemnity Period in respect of any of the charges and expenses of the Business payable out of Rent that may cease or may be reduced.

Limit of Liability

The most the Insurer will pay for any one claim in any one Period of Insurance is

- A i** 200% of the Rent Sum Insured
 - ii** in respect of any other item 100% of its Sum Insured or any other limit of liability applicable to such item in this Section whichever is the less at the time of the Damage
 - iii** in total the sum of 200% of the Rent Sum Insured and 100% of the Sum Insured or limit of liability for any other items in this Section whichever is the less at the time of the 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

Irrespective of the number of insured parties the total liability of the Insurer to all of the insured parties collectively in respect of any of the Covers insured by this Section shall not exceed the total Sum Insured or in respect of any item its Sum Insured or any other stated limit of liability.

Any payment or payments by the Insurer to any one or more insured party shall reduce to the extent of that payment the liability of the Insurer to all parties arising from any one event giving rise to a claim under this Section.

Basis of Settlement Adjustments

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

1 Accountants & Legal Fees

If any of the Premises suffer Damage the Insurer will pay the reasonable charges payable by the Insured and incurred with the consent of the Insurer to

- a** their auditors or professional accountants for producing such information as may be required by the Insurer under the terms of the Additional Claims Conditions and for reporting that such information is in accordance with the Insureds accounts
- b** their lawyers for determining their contractual rights under any rent cessor clause or insurance break clause contained in the lease

but not for any other purposes in the preparation of any claim.

Provided that the Insurers liability in total in any one Period of Insurance shall in no case exceed 200% of the Sum Insured specified against the relative item or any Limit of Liability stated in the Policy whichever is the lower.

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments

(continued)

2 Additional Increase in Costs of Working

Where an item for Additional Increase in Cost of Working is shown in the Schedule, cover extends to include additional expenditure beyond that the Insurer will pay as indemnity in respect of Increase in Cost of Working under the Basis of Settlement, necessarily and reasonably incurred in consequence of Damage for the purposes of avoiding or diminishing the loss of Rent during the Indemnity Period.

The most the Insurer will pay for any one claim is the Sum Insured shown in the Schedule.

3 Alternative Premises

If during the Indemnity Period accommodation shall be provided or services 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 accommodation or services shall be taken into account in arriving at the Rent during the Indemnity Period.

4 Automatic Reinstatement of Sum Insured

Following Damage as insured by this Section the Sums Insured or limits of liability shall not be reduced by the amount of any claim

provided that

- a** the Insurer does not give written notice to the contrary within 30 days of the notification of any Damage
- b** the Insured pays the appropriate additional premium on the amount of the claim from the date of Damage to the expiry of the Period of Insurance.

5 Book Debts

Cover extends to include the Insured's loss in respect of Outstanding Debit Balances following Damage to the Insured's Records.

The most the Insurer will pay for any one claim is the Sum Insured shown in the Schedule.

The following Definitions apply in respect of this cover:-

Geographical Limits

At the Premises or any other premises in the United Kingdom occupied by persons acting on behalf of the Insured, to which Records have been temporarily removed in transit, including sea or air transit, within the United Kingdom.

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.

The following Basis of Settlement applies in respect of this cover:-

The Insurer will pay the Insured the amount of their claim for Outstanding Debit Balances if in consequence of Damage within the Geographical Limits the Insured are unable to trace or establish Outstanding Debit Balances in whole or in part.

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments

(continued)

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

- 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.

Except that if the Sum Insured at the time of the Damage is less than the Outstanding Debit Balances, the amount payable will be proportionately reduced.

Provided that

- 1 Outstanding Debit Recording
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.
- 2 Additional Claims Condition
In the event of Damage in consequence of which the Insured make or may make a claim under this Basis of Settlement Adjustment, the Insured shall at their own expense deliver to the Insurer full information in writing of the particulars of the claim, together with details of all other policies covering Outstanding Debit Balances or any part of them, and the amount of any resulting Outstanding Debit Balances. 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 Underinsurance (Average)
If the Sum Insured at the time of the Damage is less than the Outstanding Debit Balances, the amount payable will be proportionately reduced.

6 Break Clause

The insurance shall not be prejudiced by any insurance or causality break clause in a lease which enables a lessee to determine the lease in event of Damage deeming the property to be uninhabitable.

7 Buildings Awaiting Sale

If at the time of the Damage the Insured shall have contracted to sell their interest in the Premises or shall have accepted an offer in writing to purchase their interest in the Premises subject to contract and the sale is cancelled or delayed solely in consequence of the Damage the Insured may opt for the amount payable by the Insurer to be as follows:

- A during the period prior to the date upon which but for the Damage the Premises would have been sold, the loss of Rent being the actual amount of the reduction in Rent solely in consequence of the Damage
- B during the period commencing with the date upon which but for the Damage the Premises would have been sold and ending with the actual date of sale or when the Premises or that part of the Premises capable of direct occupation and affected by the Damage is restored to its pre-damaged condition or the Maximum Indemnity Period whichever is the earlier during which the results of the Business shall be affected in consequence of the Damage
 - a the loss in respect of interest being
 - i the actual interest incurred on capital borrowed (solely to offset in whole or part the loss of use of the sale proceeds) for the purpose of financing the Business
 - ii the investment interest lost to the Insured on any balance of the sale proceeds (after deduction of any capital borrowed as provided under a. i.

less any amount receivable in respect of Rent

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments

(continued)

- b** the additional expenditure being
 - i** the additional expenditure necessarily and reasonably incurred in consequence of the Damage solely to avoid or minimise the loss payable under A. and B. above but not
 - ii** the additional legal fees and other expenditure incurred solely as a result of the cancellation or delay in consequence of the Damage but not exceeding an amount equivalent to the expenditure incurred immediately prior to the Damage.

Provided that

- i** the Insured shall make all reasonable efforts to complete the sale of the Premises as soon as practicable after the Damage
- ii** the assessment of the actual loss of interest shall be at a rate of not more than 2% above the London Interbank Offered Rate applying during the Indemnity Period exceeding the amount of loss avoided by such expenditure
- iii** the amount payable under this Section shall not exceed the amount of Rent that would have been earned had the Premises been leased or rented
- iv** the Insurer's liability in total in any one Period of Insurance shall in no case exceed 10% of the Rent Sum Insured specified against the relevant item or £100,000 whichever is the lower, unless stated otherwise in the Schedule.

8 Capital Additions

Cover includes Rent in respect of alterations additions and improvements to Premises situate within the United Kingdom,

provided that

- a** the maximum liability of the Insurer for any one claim shall not exceed
 - i** 20% of the Total Sum Insured for each item covered, or
 - ii** £2,000,000 in respect of any one Premises occupied solely for office, retail or residential purposes

- iii** £1,000,000 in respect of any one Premises occupied for any other purposes, or
- iv** £250,000 in respect of any one Unoccupied building

- b** the Insured shall give details of such alterations and additions to the Insurer within 6 calendar months of the commencement date of the Insured's interest in such Rent and effect specific cover retrospective to such date and pay the appropriate additional premium
- c** this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Newly Acquired Buildings or Inadvertent Omission to Insure Basis of Settlement Adjustments.

9 Contracting Purchaser's Interest

The Insurer agrees that without prejudice to the rights and liabilities of the Insured or the Insurer, if at the time of Damage the Insured shall have contracted to sell their interest in any Premises for which Rent is insured under this Section and the purchase has not been but is subsequently completed, the purchaser shall be entitled on completion of the purchase to benefit under this Section for loss of Rent in consequence of such Damage until completion, to the extent that such Rent is not otherwise insured by the purchaser or on their behalf.

10 Current Cost Accounting

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

11 Inadvertent Omission to Insure

The Insured having notified the Insurer of their intention to insure Rent in respect of all property which they own or for which they are responsible situate within the United Kingdom (unless otherwise agreed in writing by the Insurer) from the inception date of this Section of the Policy and it being the Insured's belief that all such property is insured then the Insurer agrees to extend Cover under this Section so that if subsequently any such property is found to have inadvertently been left uninsured by the Insured during the Period of Insurance then the Insurer will deem such property to be insured by this Section,

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments

(continued)

provided that

- a** the maximum liability of the Insurer any one claim shall not exceed
 - i** £3,000,000 in respect of any one premises occupied solely for office, retail or residential purposes
 - ii** £1,000,000 in respect of any one premises occupied for any other purposes, or
 - iii** £250,000 in respect of any one Unoccupied building
 - iv** Nil in respect of any one Building occupied by Excepted Trades
- b** the Insured carry out at not less than twelve month intervals a check to ensure that effective insurance is in force for all property which they own or for which they are responsible
- c** the Insured shall give details in writing immediately an omission is discovered and within 30 days of the date of discovery shall provide the Insurer with the Rent sum insured to apply and effect specific cover retrospective to such date and pay the appropriate additional premium
- d** the value of the property which has been inadvertently omitted shall for the purpose of the Underinsurance (Average) Basis of Settlement Adjustment be added to the Sum Insured on the item to which the premises relates
- e** this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Newly Acquired Buildings or Capital Additions Basis of Settlement Adjustments or in respect of any appreciation in value

Excepted Trades shall mean nuclear risks generally, or as a minimum, as specified under the relevant local market legislation and radioactive contamination other than radioactive isotopes, waste processing and/or treatment risks, manufacture of tobacco products, manufacture sale or supply of arms and munitions, businesses where the sole activity is animal testing, manufacturing of chemical and paints, manufacturing of glass products, manufacturing of wood and wood products, waste processing and recycling activities, manufacturing of food and drink, manufacturing of plastics and fibreglass.

12 Loss of Investment Income on Late Payment of Rent

If as a result of Damage the Insurer is paying indemnity in respect of loss of Rent and the payment by the Insurer to the Insured is made later than the date upon which the Insured would normally have expected to receive the Rent from a lessee the Insurer will pay a further sum representing the investment interest lost to the Insured during the delay period

Provided that

- i** the assessment of the interest lost shall be at a rate of not more than 2% above the London Interbank Offered Rate applying during the Indemnity Period
- ii** the Insurer's liability in total in any one Period of Insurance shall in no case exceed 200% of the Sum Insured specified against the relative item or any Limit of Liability stated in this Section whichever is the lower.

13 Newly Acquired Premises

Cover includes Rent in respect of Premises situate within the United Kingdom

- i** from the date of exchange of contracts for premises newly acquired by the Insured
- ii** from the date of practical completion for premises previously insured under a construction policy in the United Kingdom to the extent that the Insured's interest is not protected by any other or more specific insurance

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments

(continued)

Provided that

- a** the Insured shall give details in writing of such premises as soon as reasonably practicable and shall effect specific cover retrospective to such date of exchange or date of practical completion and pay the appropriate additional premium
- b** this cover shall operate for a maximum period of 30 days from the date the Insured acquired their interest in the premises
- c** this insurance shall not apply in respect of any cause or cover otherwise excluded from this Section
- d** the maximum liability of the Insurer for any one claim shall not exceed
 - i** £3,000,000 in respect of any one Premises occupied solely for office, retail or residential purposes
 - ii** £1,000,000 in respect of any one Premises occupied for any other purposes, or
 - iii** £250,000 in respect of any one Unoccupied building
 - iv** Nil in respect of any one Building occupied by Excepted Trades
- e** this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Capital Additions or Inadvertent Omission to Insure Basis of Settlement Adjustments

Excepted Trades shall mean nuclear risks generally, or as a minimum, as specified under the relevant local market legislation and radioactive contamination other than radioactive isotopes, waste processing and/or treatment risks, manufacture of tobacco products, manufacture sale or supply of arms and munitions, businesses where the sole activity is animal testing, manufacturing of chemical and paints, manufacturing of glass products, manufacturing of wood and wood products, waste processing and recycling activities, manufacturing of food and drink, manufacturing of plastics and fibreglass.

14 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.

15 Relocation of Tenants

In the event that the tenant is relocated to an empty Premises of the Insured following Damage the claim for any resultant loss of Rent in relation to the Damaged Premises will not be reduced

provided that

- a** the Buildings are insured under the Property Damage Section of this Policy
- b** the maximum the Insurer will pay by any item is the Sum Insured.

16 Rent Free Period

If at the date of the Damage no Rent is receivable in respect of all or any part of the Premises due solely to the existence of a contractual agreement granting any tenant or lessee a Rent Free Period then at the option of the Insured and in respect only of that part of the Premises subject to such agreement then for the purpose of this Basis of Settlement Adjustment the following shall apply:

The Maximum Indemnity Period shown in the Schedule shall be adjusted by adding the unexpired portion of the Rent Free Period at the date of the Damage to the number of months shown in the Schedule provided that such additional period does not exceed 12 months (unless otherwise agreed by the Insurer in writing).

In respect of the cost of re-letting such costs and expenses which are necessarily and reasonably incurred during the Rent Free Period shall be regarded as having been incurred during the Indemnity Period.

When assessing the amount of any charge or expense ordinarily payable out of Rent which shall cease or reduce the sum saved during the Rent Free Period shall be deducted from the amount otherwise payable.

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

Basis of Settlement Adjustments

(continued)

Underinsurance Condition: Rent shall mean the actual annual Rent that applies from the date immediately after the Rent Free Period ceases proportionately increased where the Indemnity period exceeds one year.

Rent Free Period shall mean the period between the completion date of the lease and the commencement date of the payment of Rent.

Subject to

- i allowance for the amount of the actual future Rent having been included in the Sums Insured under this Section
- ii the liability of the Insurer in total in any one Period of Insurance shall in no case exceed 200% of the Sum Insured specified against the relative item or any limit of liability stated in this Section whichever is the lower.

17 Seventy Two Hours Clause

Damage occurring at any one Premises within 72 consecutive hours of and arising from the Specified Events of 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.

18 Service Charges and Other Charges

Rent is deemed to include

- i service charges and other income paid or payable to the Insured for the use of the Premises and services provided in connection therewith and for car parking facilities
- ii insurance premiums where there is a cessor clause in the lease which enables the lessee to cease paying such premiums or part thereof in the event of Damage

unless otherwise stated in the Schedule.

19 Trends and Variations

Adjustments shall be made in arriving at the actual Rent during the Indemnity Period and the Maximum Indemnity Period to reflect any trends or circumstances (including but not limited to prospective increases in Rent under the terms of the lease or leases of the Premises) which affect the Business either before or after the date of the Damage and which would have affected the Business had the Damage not occurred so that the adjusted figure will represent, as near as possible, the results which would have been achieved during the relative period had the Damage not occurred.

20 Underinsurance (Average)

If the Sum Insured by any Item on Rent at the commencement of the Period of Insurance is less than the Calculated Rent for that item the amount payable will be proportionately reduced.

For the purpose of this Condition Calculated Rent means

For occupied Premises or occupied parts of Premises
The amount of the actual annual Rent at commencement of the Period of Insurance plus increases as a result of rent reviews known to be due during such Period of Insurance proportionately increased when the Maximum Indemnity Period exceeds 12 Months

For Premises or parts of Premises that are Unoccupied
The amount of annual Rent at commencement of the Period of Insurance that it is reasonably anticipated would have been paid or payable to the Insured during such Period of Insurance proportionately increased when the Maximum Indemnity Period exceeds 12 Months

For Premises subject to a Rent Free Period concession the actual annual Rent that applies from the date immediately after the Rent Free Period ceases.

21 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.

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

Section Extensions

Any claim resulting from interruption of or interference with the Business at any situation or to any property shown below, within the United Kingdom, shall be understood to be Business Interruption as covered by this Section

Provided that after the application of all other terms, exclusions, conditions and provisions of this Section the liability of the Insurer for any one claim shall not exceed the Limit stated in respect of each extension

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 of Sums Insured.

1 Managing Agents Premises

Damage to property at any location in the United Kingdom owned or occupied by the Insureds managing agents for the purposes of their business in consequence of which the Rent receivable by the Insured is reduced

Provided that

- i such loss of Rent is not insured by any other policy
- ii such loss of Rent is not paid to the Insured as a direct result of the Damage
- iii Rent is not outstanding for more than 120 days in excess of its due date
- iv the Insured take all reasonable steps to recover rent receivable and repay to the Insurer all sums paid to the Insured under this Extension which they later recover
- v the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim

Limit; 10% of the Sum(s) Insured by the relevant items or £500,000 whichever is the less unless specified otherwise in the Schedule.

2 Denial of Access – Damage

Damage to property within a one mile radius 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 but excluding loss or destruction of or damage to property of any supply undertaking from which the Insured obtains electricity gas or water or telecommunications services which prevents or hinders the supply of such services to the Premises.

Provided that the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim

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

3 Loss of Attraction – Leased premises

Damage to property within a one mile radius of the Premises which causes a loss of custom to the lessee's business due to a fall in the number of customers visiting the area in consequence of which the Rent receivable by the Insured is reduced

Provided that

- a Damage shall exclude obstruction of roads, streets and the like by weather or climatic conditions
- b the Maximum Indemnity Period shall not exceed three (3) months
- c the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim

Limit; 10% of the Sum(s) Insured by the relevant items or £500,000 whichever is the less unless specified otherwise in the Schedule.

4 Loss of Attraction – Unleased Premises

Damage to property within a one mile radius of the Premises which in direct consequence results in the termination and or renegotiation of any agreements for lease and or other loss of tenancy and or delay in completion or letting of the Premises and in consequence of which the Rent receivable by the Insured is reduced

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

Section Extensions (continued)

Provided that

- a** Damage shall exclude obstruction of roads, streets and the like by weather or climatic conditions
- b** the Maximum Indemnity Period shall not exceed three (3) months
- c** the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim

Limit; 10% of the Sum(s) Insured by the relevant items or £100,000 whichever is the less unless specified otherwise in the Schedule.

5 Supply Undertakings

- A** Damage to property at any land based premises
- B** Damage to property 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 in the United Kingdom from which the Insured 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 works and pumping stations)
- iv** telecommunications 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 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 one (1) mile of the Premises
- 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 properties affected.

6 Documents

Damage to documents belonging to the Insured or held by the Insured in trust, whilst at premises not being the Insureds Premises, or in transit by road, rail or inland waterway. Provided that the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim

Limit; £50,000 unless specified otherwise in the Schedule.

7 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** telecommunications services (excluding intranet or extranet services) at the incoming line terminals or receivers at the Premises

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

Section Extensions (continued)

- v other telecommunications services including intranet and 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, save where the supply undertaking or service provider is acting for the sole purpose of safeguarding life or protecting the supply undertaking's or service provider's system
 - 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 or 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 one (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.

8 Exhibition Sites

Damage to property at any exhibition site within the United Kingdom

Provided that

- i such exhibition site is not under canvas or in the open
- ii the Insurer shall not be liable under this Extension for more than the limit stated below in respect of any one claim

Limit: £25,000 unless specified otherwise in the Schedule.

9 Anchor Tenants

Damage to property in any part of the Premises directly resulting in the termination of any agreements for leases or other loss of tenancy or delay in completion of letting other parts of the Premises

- a the Maximum Indemnity Period shall not exceed 12 months
- b Limit 10% of the Sum Insured by the relevant items or £1,000,000 whichever is the less

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

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 in respect of the risks of subsidence, ground heave or landslip where any demolition,
- c** 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

- 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

In the event of Damage, 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 30 days after such Damage (28 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, full information in writing of the Damage
- b** not later than 30 days after the expiry of the Indemnity Period or such further time as the Insurer may allow in writing, full information in writing of the particulars of the claim together with details all other policies covering the Premises for the purpose of the Business or any part of the Business and the amount of any resulting Damage
- 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
- d** with due diligence carry out and permit to be taken any action which may be reasonably practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss.

Loss of Rent Events Section continued

(This section only applies if stated in the Policy Schedule)

Section Conditions (continued)

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 any 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 Damage 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 insurance shall at the request and the expense of the Insurer take and permit to be taken all necessary steps in the name of the Insured for enforcing rights against any other party before or after any payment is made by the Insurer

The Insurer shall not enforce any rights against

- a** a tenant or lessee in respect of Damage to the part of the Premises in the demise of that tenant or lessee or to common parts of the Premises unless the Damage arises out of a criminal fraudulent or malicious act

- b** any Company being a parent of or Subsidiary to the Insured or 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 Section 736 and 744 of the Companies Act 1985 or Articles 2 and 4 of the Companies (Northern Ireland) Order 1986
- c** any Managing agent acting on behalf of the Insured but excluding Damage due to Managing agent's gross negligence or wilful misconduct.

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

The Insured may at the Insured's option provide the Insurer with a declaration confirmed by the Insured's auditors or professional accountants of the Rent earned during the financial year most nearly concurrent with an expired Period of Insurance. If any Damage has occurred giving rise to a claim for loss of Rent, such declaration will be increased by the Insurer for the purpose of premium adjustment by the amount by which the Rent was reduced during such financial year solely in consequence of such Damage.

If such declaration of Rent is proportionately increased where the maximum Indemnity Period exceeds 12 months is less than the Sum Insured on Rent for the relative Period of Insurance the Insurer will allow a pro rata return of premium not exceeding 50% of the premium paid.