Business Interruption Events Section
Additional Cost of Working

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 to property used by the Insured at the Premises for the purpose of the Business.

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

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

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

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.
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 nationalisation, confiscation, requisition, seizure or destruction by the Government or any public authority
   b. arising from cessation of work
   c. in respect of any building which is Unoccupied, 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. arising from deliberate erasure, loss, distortion or corruption of information on computer systems or other records, programs or software.

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
   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 landslip
   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
    b. Unoccupied
        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, whether Events 1 - 10 are insured or not
    b. Business Interruption caused by or consisting of
       i. inherent vice, latent defect, gradual deterioration, wear and tear, frost, its own faulty or
          defective design or materials
          but this shall not exclude 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,
          marbling, scratching, vermin or insects
       ii. change in temperature, colour, flavour, texture or finish
       iii. theft or attempted theft
          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 pollution or contamination, but this shall not exclude loss resulting from
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
ii. any of Events 1 - 10 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

f. Business Interruption arising directly or indirectly from
i. disappearance, unexplained or inventory shortage or the misfiling or misplacing of
information
ii. erasure, loss, distortion or corruption of information on computer systems or other records,
programs or software deliberately by rioters, strikers, locked out workers, persons taking
part in labour disturbances or civil commotion, or malicious persons
iii. other erasure, loss, distortion or corruption of information on computer systems or other
records, programs or software, unless resulting from Events 1 - 10 in so far as they are not
otherwise excluded

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,
packaging, 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, roads, pavements, 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 in so far as
they are not otherwise excluded.
Exclusions

The Insurer will not pay for

1. Business Interruption 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, persons taking part in labour disturbances or malicious persons.

2. 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.
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 in the whole the Total Sum Insured, or in respect of any item its Sum Insured or any other limit of liability in this Section.

The Insurer will pay the Insured as indemnity in consequence of Business Interruption for Additional Cost of Working.

Additional Cost of Working means the additional expenditure necessarily and reasonably incurred in order to minimise any interruption or interference with the Business during the Indemnity Period.

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’ Charges
If the 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 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.

2. 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.

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

4. 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.
Extensions

Any claim resulting from interruption of or interference with the Business in consequence of loss, destruction or damage to any Property shown below, 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 and provisions of this Section the liability of the Insurer for any one claim shall not exceed in the whole the Total Sum Insured.

Supply Undertakings
Property at any
a. generating station or sub-station of the electricity supply undertaking
b. land based premises of the gas supply undertaking or of any natural gas producer linked directly therewith
c. waterworks or pumping station of the water supply undertaking
d. land based premises of the telecommunications undertaking from which the Insured obtain electricity, gas, water or telecommunications services.

Denial of Access
Property in the 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.
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
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 any Event 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 7 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 as 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.

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.
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