Business Interruption All Risks Section
Estimated Income

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
Accidental 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.

Specified Events
Fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any tank apparatus or pipe or impact by any road vehicle or animal.

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.

Income
The money paid or payable to the Insured for work done and services rendered in the course of the Business at the Premises.

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

Estimated Income
The amount declared by the Insured as representing not less than the Income 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).
The Insurer will pay the Insured for Business Interruption by any Event, excluding

1. Business Interruption caused by or consisting of
   a. inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, its own faulty or defective design or materials
   b. the bursting of any boiler (not being a boiler or economiser on the Premises or a boiler used for domestic purposes only), belonging to the Insured or under the control of the Insured in which internal pressure is due to steam only
   c. pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
   but the Insurer will pay for subsequent Business Interruption which itself results from a cause not otherwise excluded
   d. faulty or defective workmanship by the Insured or any employee of the Insured
   e. operational error or omission by the Insured or any employee of the Insured
   but the Insurer will pay for
     i. such Business Interruption not otherwise excluded which itself results from a Specified Event
     ii. subsequent Business Interruption which itself results from a cause not otherwise excluded
   f. acts of fraud or dishonesty by any partner, director or employee of the Insured
   but the Insurer will pay for such Business Interruption not otherwise excluded which itself results from a Specified Event

2. Business Interruption
   a. caused by or consisting of corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
   b. caused by or consisting of change in temperature, colour, flavour, texture or finish
   c. arising directly from theft or attempted theft
     i. which does not involve entry to or exit from 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
     ii. to property in the open or in open fronted buildings or in buildings not on permanent foundations
     iii. 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
   d. consisting of joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping
   e. connected to them
     consisting of mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which such breakdown or derangement originates caused by the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services
   but the Insurer will pay for
     i. such Business Interruption not otherwise excluded which itself results from a Specified Event or from any other accidental loss, destruction or damage
     ii. subsequent Business Interruption which itself results from a cause not otherwise excluded

3. Loss resulting from pollution or contamination, but the Insurer will pay for such 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
   a. pollution or contamination at the Premises which itself results from a Specified Event
   b. any Specified Event which itself results from pollution or contamination
4. **Business Interruption** caused by or consisting of
   a. subsidence, ground heave or landslip unless resulting from fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe
   b. normal settlement or bedding down of new structures.

5. **Business Interruption** arising directly or indirectly from
   a. disappearance, unexplained or inventory shortage or the misloring or misplacing of information
   b. 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 commotions or malicious persons
   c. other erasure, loss, distortion or corruption of information on computer systems or other records, programs or software, but the **Insurer** will pay for such **Business Interruption** resulting from a **Specified Event** in so far as it is not otherwise excluded

6. **Loss** resulting from destruction or damage to a building or structure used by the **Insured** at the **Premises** caused by its own collapse or cracking, but the **Insurer** will pay for such loss resulting from a **Specified Event** in so far as it is not otherwise excluded

7. **Business Interruption** in respect of fences, gates and moveable property in the open caused by wind, rain, hail, sleet, snow, flood or dust

8. **Business Interruption**
   a. caused by fire resulting from any property undergoing any heating process or any process involving the application of heat
   b. resulting from any property undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair, but the **Insurer** will pay for such **Business Interruption** caused by fire or explosion

9. **Business Interruption** in respect of any building which is **Unoccupied** caused by
   a. freezing
   b. escape of water from any tank, apparatus or pipe
   c. 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

10. **Business Interruption** in respect of
    a. glass (other than fixed glass), sanitaryware (other than fixed sanitaryware), china, earthenware, marble or other fragile or brittle objects
    b. vehicles licensed for road use (including accessories on them), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft
    c. property or structures in course of construction or erection and materials or supplies in connection with all such property or structures
    d. land, roads, pavements, piers, jetties, bridges, culverts or excavations
    e. livestock, growing crops or trees.
    but the **Insurer** will pay for such **Business Interruption** caused by a **Specified Event** in so far as it is not otherwise excluded
11. **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
   a. correctly to recognise any date as its true calendar date
   b. 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
   c. 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 a **Specified Event**

12. **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
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 Income
   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 Income and 100% of the Sums Insured or limits of liability for any other items.

In consideration of Sums Insured or limits of liability not being reduced by the amount of any claim, the Insured will pay the appropriate additional premium on the amount of the claim from the date of the Event to expiry of the Period of Insurance, but this shall not apply in respect of theft or attempted theft (as insured by this Section).

The Insurer will pay the Insured as indemnity in consequence of Business Interruption for
A. Loss of Income, and
B. Increase in Cost of Working.

Loss of Income means the amount by which the Income during the Indemnity Period falls short of the Standard Income.

Increase in Cost of Working means the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of income 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 amount of loss of Income 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 Income 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 work is done 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 work or services shall be taken into account in arriving at the Income during the Indemnity Period.

2. Departmental Trading
   If the Business is conducted in departments, the independent trading results of which can be ascertained, the Basis of Settlement for Estimated Income shall apply separately to each department affected.
3. Trends and Variations
Adjustments shall be made to the figures representing the **Standard Income** 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**.

4. 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**, **Standard Income** shall mean the following.

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

5. 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**.

6. 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.

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

8. 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 accidental 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 total 133 1/3% of the Estimated Income.

Property

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.

Documents
Documents belonging to the Insured or held by the Insured in trust, whilst at premises not in the occupation of the Insured or in transit by road, rail or inland waterway.
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 landslide 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 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.

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 Income for the financial year most nearly concurrent with the ensuing Period of Insurance.

Not later than 6 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 Income 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 Income, such declaration will be increased by the Insurer for the purpose of premium adjustment, by the amount by which the Income was reduced during such financial year solely in consequence of the Event.

Premiums are provisional. If the declaration of Income 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 Income for the relative Period of Insurance, the Insurer will allow a pro rata return of premium on the Estimated Income not exceeding 50% of such premium paid
B. greater than the Estimated Income for the relative Period of Insurance, the Insured shall pay a pro rata addition to the premium paid on the Estimated Income.
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