

Allianz Insurance plc

Complete Business

Policy Wording



Allianz 

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Thank you for choosing Allianz Insurance plc. We are one of the largest general insurers in the UK and part of the Allianz Group, one of the world's foremost financial services providers.

With Allianz Insurance plc, you can be confident that you're insured by a company which is relentless in its commitment to protecting and serving you. You can trust us to insure your business, as we've been providing leading insurance solutions in the UK for over 100 years.

We work in partnership with your insurance adviser to ensure you receive the highest levels of product and service excellence. Our technical experts understand how best to protect you against the risks your business faces.

If you need to make a claim you will be in safe hands. Our professionally trained staff aim to treat you, as you would expect, both promptly and fairly. By listening to you, and understanding your needs we will provide you with the most appropriate solutions to get your business trading again as quickly as possible.

Should you need further details or have any questions your insurance adviser will be delighted to help.

Important

This document provides details of your policy and the terms and conditions that apply.

Please read it carefully and keep it in a safe place.



Introduction

Your Complete Business Policy is made up of several parts which must be read together as they form your contract of insurance with the Insurer. Please take time to read all parts of the Policy to make sure they meet and continue to meet your needs and that you understand the terms, exclusions and conditions. If you wish to change anything or if there is anything you do not understand, please let your insurance adviser know.

The parts of the Policy are:

- the Statement of Fact
- this Policy Wording which contains
 - this Introduction; the Insuring Clause; the Policy Definitions, the Policy Exclusions and the Policy Conditions, all of which apply to all Sections of the Policy
 - the Sections of cover provided, including the Section Definitions, Extensions, Conditions and Exclusions
- the Schedule, which confirms the Sections of cover that are insured and includes any additional clauses applied to the Policy

Any Section stated to be 'Not Insured' in the Schedule shall be inoperative.

Any word or expression in the Policy which has a specific meaning has the same meaning wherever it appears in the Policy, unless stated otherwise.

Changes to your circumstances

Please tell your insurance adviser as soon as reasonably possible if there are any changes to your circumstances which could affect your insurance.

Please refer to Policy Condition 21 (Change of Risk) on page 13 of this Policy Wording.

If your circumstances change and you do not tell your insurance adviser, you may find that you are not covered if you need to claim.

Financial Services Compensation Scheme

Allianz Insurance plc contributes to the Financial Services Compensation Scheme (FSCS).

The Insured may be entitled to compensation from the FSCS if the Insurer is unable to meet their liabilities. Further information about compensation scheme arrangements is available at www.fscs.org.uk, by emailing enquiries@fscs.org.uk or by phoning the FSCS on 0800 678 1100 or 0207 741 4100.

How to Make a Claim

If you need to claim, your dedicated claims handler will help and guide you through the process.

You can notify Allianz of a claim by:

Telephone: Property claims – **0344 412 9988**
Liability claims – **0344 893 9500**

Post: Claims Division
Allianz Insurance plc
500 Avebury Boulevard
Milton Keynes
MK9 2XX

Our claims helpline is available 24 hours a day, 7 days a week.

If you have a Commercial Legal Expenses claim you can notify Allianz Legal Protection by contacting the Lawphone Legal Advice Helpline on **0344 873 7371** quoting the Master Policy reference shown in the policy schedule.

Post: The Claims Department
Allianz Legal Protection
2530 The Quadrant
Aztec West
Almondsbury
Bristol
BS32 4AW

Lines are open 24 hours a day, 7 days a week.

Please try to notify Allianz of a claim promptly after the incident, or immediately in the event of a serious accident, loss or damage.

Claims Details

Please have the following information available, where possible, when making a claim:

Property Claims

- Your contact information, including address and telephone numbers
- Policy type and policy number
- Date the loss occurred
- Location and description of the loss

Injury Claims

- Your contact information, including address and telephone numbers
- Policy type and policy number
- Date the loss occurred
- Name and address of injured party
- Description of the injury, where and how it occurred

Commercial Legal Expenses Claims

- Your contact information, including address and telephone numbers
- Master Policy reference shown in the policy schedule
- Brief summary of the problem

What to expect when making a claim

We aim to deal with your claim promptly and fairly. We will update you on the progress of your claim by email, mail or by phone – whichever you prefer.

Depending on the type of claim and value involved, we may:

- forward a claim form for you to complete and sign
- ask you for additional information
- appoint an independent loss adjuster to deal with your claim (loss adjusters are claims specialists who investigate large or complex claims, usually at the scene of an incident, to establish the cause of the loss and assist the insurer in dealing with your claim)
- arrange for a member of our claims team to visit you

Commercial Legal Expenses

In addition to the above, the following will apply to enable Allianz Legal Protection to deal with a claim under the Commercial Legal Expenses section:

- we will forward you a claim form for you to complete and sign
- we will require a copy of your policy schedule
- once we have received your claim form and determined whether your claim falls within the cover provided we will contact you to request the payment of any excess due. We will also contact you to request payment of the excess if we agree to your request to appoint an alternative legal representative. Please note we will not appoint a legal representative until the excess payment due in respect of a claim has been paid

- legal expenses are only covered from the time we have accepted the claim and appointed the legal representative in your name and on your behalf. You must not appoint a legal representative. If you have already seen a solicitor before we have accepted your claim, we will not pay for any fees or other expenses that you have incurred
- other than where we incur legal expenses in order to validate a claim, if we decline a claim following receipt of the claim form, policy schedule and excess payment, we will refund the excess payment
- where we necessarily incur unrecoverable legal expenses during the claim validation process, or you are unable to recover legal expenses at the end of the claim, if the unrecovered legal expenses incurred are less than the excess payment received, we will refund you the difference between the 2 figures

Helpful advice when making a claim

Your insurance policy comes with a number of great features to help keep your business up and running. These additional features do not come with standard policies and have been designed especially for small businesses in mind.

Keeping your business up and running

- in the event of an emergency, we will send out a repairer to make your premises secure within 24 hours – even during the night
- you should carry out any emergency action to protect your property from further damage (e.g. turning off main services) or to make it waterproof or secure. If emergency work has been completed on your own authority please contact us before permanent repairs begin
- we will be pleased to provide advice and assistance to find the right person or organisation to help you. We have has a nationwide network of quality trade people on call to get you up and running. For large incidents, we will usually assign a loss adjuster who will manage your repairs and has the authority to authorise repairs up to £50,000
- please do not dispose of damaged items before we have had the opportunity to inspect them
- you should report to the Police any loss or damage from theft, arson, malicious damage, or riot or civil commotion and obtain a crime reference number from them
- if you do incur any charges, please retain the bills as these may form part of your claim

You should comply with the requirements for claim notification contained in the policy conditions, which detail your obligations and our rights in the event of a claim. If you are in any doubt please contact us.

Employees

We understand how important your employees are to your business. This is why, in the unfortunate event of serious injury to your employees, we provide a medically trained rehabilitation team to work with your employees, getting them back to health and back to work as quickly as possible.

If an employee or someone else is holding you responsible for injury to them or for damage to their property then you should tell us promptly and send any letters, writs or summons to us unanswered.

Please ensure that your responsibility for injury to someone or damage to their property is not discussed with or admitted to anyone else.

Following a claim

After a claim, it may be helpful for you to review your insurance risks and how well your business is managing them. Risk Director allows you to identify and manage the risks that are most pertinent to your business. The range of tools and templates available online make risk management quick and easy. Risk Director can be accessed at www.riskdirector.co.uk

Complaints Procedure

Our aim is to get it right, first time every time. If you have a complaint we will try to resolve it straight away but if we are unable to we will confirm we have received your complaint within five working days and do our best to resolve the problem within four weeks. If we cannot we will let you know when an answer may be expected.

If we have not resolved the situation within eight weeks we will issue you with information about the Financial Ombudsman Service (FOS) which offers a free, independent complaint resolution service.

If you have a complaint, please contact our Customer Satisfaction Manager at:

Customer Satisfaction Manager
Allianz Insurance plc
57 Ladymead
Guildford
Surrey
GU1 1DB

Telephone number: **01483 552438**

Fax Number: **01483 790538**

Email: accdsm@allianz.co.uk

You have the right to refer your complaint to the Financial Ombudsman, free of charge – but you must do so within six months of the date of the final response letter.

If you do not refer your complaint in time, the Ombudsman will not have our permission to consider your complaint and so will only be able to do so in very limited circumstances. For example, if the Ombudsman believes that the delay was as a result of exceptional circumstances.

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Website: www.financial-ombudsman.org.uk

Telephone: 0800 023 4567 or 0300 123 9123

Email: complaint.info@financial-ombudsman.org.uk

Using our complaints procedure or contacting the FOS does not affect your legal rights.

The European Commission has an online dispute resolution service for consumers who have a complaint about a product or service bought online. If you choose to submit your complaint this way it will be forwarded to the Financial Ombudsman Service.

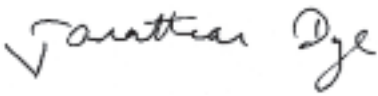
Visit <https://ec.europa.eu/odr> to access the Online Dispute Resolution Service. Please quote our e-mail address: accdsm@allianz.co.uk

Alternatively, you can contact the Financial Ombudsman Service directly.

Insuring Clause

In consideration of payment of the premium the Insurer will indemnify or otherwise compensate the Insured against loss, destruction, damage, injury, liability or dispute (as described in and subject to the terms, conditions, limits and exclusions of this Policy or any Section of it) occurring or arising in connection with the Business during the Period of Insurance or any subsequent period for which the Insurer agrees to accept a renewal premium.

For Allianz Insurance plc

A handwritten signature in black ink that reads "Jonathan Dye". The signature is written in a cursive style with a checkmark-like flourish at the beginning.

Jonathan Dye
Chief Executive

Policy Definitions

The following definitions apply to this Policy (unless amended by Section Definitions) and are denoted by a capital first letter throughout this Policy.

Building/Buildings

Buildings belonging to the Insured or for which they are responsible at the Premises being, unless more specifically described, built mainly of brick, stone, concrete or other non-combustible materials, including:

- tenants' improvements, landlord's fixtures and fittings, walls, gates and fences

and in so far as they are not otherwise insured and for which the Insured is responsible:

- fixed glass and sanitaryware
- small outside buildings, annexes, gangways, conveniences and other small structures
- extensions communicating with the buildings
- roads, car parks, yards, paved areas, pavements and footpaths
- security cameras and lights
- fixed fuel oil tanks and fixed diesel tanks, piping, ducting, cables, wires and associated control gears and accessories and extending to the public mains

Business

Business description stated in the Schedule

Computers and Electrical Office Equipment

All computer and ancillary electrical office equipment belonging to the Insured or for which they are responsible including associated data carrying materials but excluding programs or information recorded thereon

Contents

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

- alterations and decorations
- fixed glass and sanitaryware
- contents in the open yards
- Money, for an amount not exceeding £1,000 in total
- deeds, documents, manuscripts and business books, but only for the cost of the materials and clerical labour expended in reproducing such records

- computer systems records, but only for the cost of the materials and of clerical labour and computer time expended in reproducing such records, for an amount not exceeding £25,000 in total
- patterns, models, moulds, plans or designs and in so far as they are not otherwise insured
- employees', directors' and visitors' personal effects of every description (other than motor vehicles), for an amount not exceeding £1,000 for any one person

Damage/Damaged

Loss or destruction of or damage

Excess

First part of each and every claim, for which the Insured is responsible, specified in the Schedule

Insured

Insured named and shown in the Schedule

Insurer

Allianz Insurance plc

Money

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

Period of Insurance

Period from the effective date to the renewal date as shown in the Schedule

Policy

Your contract of insurance made up of the documents as described in the Introduction

Premises

Address as stated in the Schedule

Property/Property Insured

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

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

Schedule

Part of this Policy that details information forming part of this contract and that shows the operative Sections of this Policy

Section/Sections

Parts of this Policy that detail the insurance cover provided by this Policy

Stock

All stock and materials in trade belonging to the Insured or held by the Insured in trust and for which the Insured are responsible, whilst in the Buildings

Sum Insured

Maximum amount the Insurer will pay for each item insured under any Section

Total Sum Insured

Total amount payable by the Insurer under any Section

Unoccupied

Any Building or part of any Building which is empty or unfurnished or untenanted or no longer in active use by the Insured or any tenant of the Insured for a period exceeding 30 consecutive days

Policy Conditions

Applicable to the Policy unless stated to the contrary under the conditions in the Sections

1 Conditions Precedent to Liability

If the Insured does not comply with any part of any condition which makes payment of a claim conditional upon compliance with it (a condition precedent), the Insurer will not pay for any claim, except that where the condition concerned:

- a** operates only in connection with particular premises or locations, the Insurer will pay for claims arising out of an event occurring at other premises or locations which are not specified in the condition;
- b** operates only at particular times, the Insurer will pay for any claim where the Insured shows on the balance of probabilities that its non-compliance with the condition did not cause or contribute to the injury, loss, damage or liability which occurred;
- c** would, if complied with, tend to reduce particular types of injury, loss, damage or, as the context may require liability, the Insurer will pay for any claim where the Insured shows on the balance of probabilities that its non-compliance with the condition did not cause or contribute to the injury, loss, damage or liability which occurred.

2 Fair Presentation of the Risk

- a** The Insured must make a fair presentation of the risk to the Insurer at inception, renewal and variation of the Policy.
- b** The Insurer may avoid the Policy and refuse to pay any claims where any failure to make a fair presentation is:
 - i** deliberate or reckless; or
 - ii** of such other nature that, if the Insured had made a fair presentation, the Insurer would not have issued the Policy.

The Insurer will return the premium paid by the Insured unless the failure to make a fair presentation is deliberate or reckless.

- c** If the Insurer would have issued the Policy on different terms had the Insured made a fair presentation, the Insurer will not avoid the Policy (except where the failure is deliberate or reckless) but the Insurer may instead:
 - i** 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 the Insured made a fair presentation; and/or
 - ii** treat the Policy as if it had included such additional terms (other than those requiring payment of premium) as the Insurer would have imposed had the Insured made a fair presentation.

For the purposes of this clause references to:

- a** avoiding a Policy means treating the Policy as if it had not existed from the inception date (where the failure to make a fair presentation of the risk occurs before or at the inception of the Policy), the renewal date (where the failure occurs at renewal of the Policy), or the variation date (where the failure occurs when the Policy is varied);
- b** refunds of premium should be treated as refunds of premium back to the inception date, renewal date or variation date as the context requires;
- c** issuing a Policy should be treated as references to issuing the Policy at inception, renewing or varying the Policy as the context requires.

3 Reasonable Precautions

The Insured shall take all reasonable care:

- a** to prevent accidents and any injury or Damage
- b** to observe and comply with statutory or local authority laws, obligations and requirements
- c** in the selection and supervision of employees
- d** to maintain the Buildings, Contents and everything used in the Business in efficient and safe working order
- e** to make good or remedy any defect or danger which becomes apparent and take such additional precautions as the circumstances may require.

4 Claims – Action by the Insured

The Insured shall in the event of any injury, Damage or consequential loss as a result of which a claim is or may be made under this Policy or any Section of it, and again upon receipt by the Insured in writing of any notice of any claim or legal proceeding:

- a** notify the Insurer within 30 days, or within 7 days in the case of Damage or consequential loss 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
- b** notify the Insurer immediately upon being advised of any prosecution, inquest or enquiry connected with any injury, Damage or consequential loss which may form the subject of a claim under this Policy
- c** notify the police as soon as it becomes evident that any Damage has been caused by theft or malicious persons
- d** not pay or offer or agree to pay any money or make any admission of liability without the previous consent of the Insurer

- e pass immediately, and unacknowledged, any letter of claim to the Insurer
- f carry out and permit to be taken any action which may be reasonably practicable to prevent further Damage or consequential loss
- g retain unaltered and unrepaired anything in any way connected with the injury, Damage or consequential loss for as long as the Insurer may reasonably require
- h furnish with all reasonable despatch at the Insured's expense
 - i such further particulars and information as the Insurer may reasonably require
 - ii if required, a statutory declaration of the truth of the claim
 - iii details of any other insurances covering the subject matter of the claim under this Policy and any matters connected with it
- i make available at the Insured's expense any documents required by the Insurer with regard to any letter of claim
- j allow the Insurer in the name of and on behalf of the Insured to take over and, during such periods as the Insurer thinks proper, to have the absolute conduct and control of all negotiations and proceedings which may arise in respect of any claim and the settlement thereof and co-operate fully with the Insurer for that purpose.

No claim under this Policy shall be payable unless the terms of this Policy Condition have been complied with and any payment on account of a claim already made shall be repaid to the Insurer.

5 Claims – The Rights of the Insurer

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

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

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

6 Cancellation

Insured's Cancellation Rights

The Insured has the right to immediately cancel the cover within 14 days of the commencement of cover or the receipt of Policy documentation, whichever is the later (this period is referred to as the "cooling off period").

The Insured should exercise this right by contacting their insurance adviser or by writing to the Allianz office which issued the Policy documentation.

If the Insured does exercise their right to cancel during the "cooling off period", and provided no claim has been made or incident has arisen which is likely to give rise to a claim during the current Period of Insurance, the Insured will be entitled to a return of premium calculated on a pro-rata basis, less an administration charge of £25 to cover operational costs. The amount of premium to be refunded under this condition will be reduced by all unpaid premiums or unpaid premium instalments outstanding at the date of cancellation.

If the "cooling off period" has expired, the Insured may cancel the Policy during the Period of Insurance by giving 14 days notice in writing to their insurance adviser or the Allianz office which issued the Policy. Provided no claim has been made or incident has arisen which is likely to give rise to a claim during the current Period of Insurance the Insured will be entitled to a refund of the premium paid calculated on a pro-rata basis, less an administration charge of £25 to cover operational costs. The amount of any premium to be refunded under this condition will be reduced by all unpaid premiums or unpaid premium instalments due.

Insurer's Cancellation Rights

In addition to the Insurers' rights set out elsewhere in the Policy, including but not limited to Condition 2 (Fair Presentation of the Risk) and Condition 7 (Fraud), where there is a valid reason for doing so the Insurer may cancel this Policy at any time by giving the Insured at least 14 days' notice in writing sent to the Insured's last known address. The notice will set out the reason for cancellation.

Policy Conditions (continued)

Valid reasons for cancellation may include but are not limited to:

- a** Non payment of premium (including if the premium for this Policy is paid by instalments and in the event that the Insured fails to pay one or more instalments whether in full or in part). In the event that a premium payment is missed the Insurer will write to the Insured notifying them that a payment has been missed and requesting payment by a specific date. If payment is not received by the Insurer by the specific date the Insurer will send a final letter to the Insured requesting payment by a final date which will be set out in the final letter. If payment is not received by the final date the Insurer will cancel the policy with immediate effect. The Insured will be notified in writing if the policy is cancelled;
- b** Continued failure by the Insured to comply with the terms and conditions of this Policy;
- c** Failure by the Insured to allow the Insurer to complete a survey (where the Policy has been issued or renewed subject to a survey);
- d** Failure by the Insured to adhere to, or implement, any risk improvement requirements or conditions required by the Insurer, including any changes required by any survey or claims adjusters report, within a reasonable period of time as advised by the Insurer;
- e** Material change in the risk or the sums insured;
- f** Failure by the Insured to co-operate with the Insurer or provide the Insurer with information or documentation reasonably required by the Insurer and the lack of co-operation by the Insured affects the Insurers ability to process a claim or defend the Insurers interests or make risk based underwriting decisions. In this case the Insurer will write to the Insured giving notice of cancellation of this Policy in the event that the Insured does not cooperate to provide the information or documentation reasonably required within a period of 14 days starting from the date provided in the letter; or
- g** The Insured's use of threatening, abusive or intimidating behaviour or inappropriate language or bullying of the Insurers staff or suppliers.

If the Insurer does cancel this Policy, provided no claim has been made or incident has arisen which is likely to give rise to a claim during the current Period of Insurance the Insured will be entitled to a proportionate return of the premium in respect of the unexpired Period of Insurance. The amount of premium refund payable will be reduced by all unpaid premiums or unpaid premium instalments due.

7 Fraud

If the Insured or anyone acting on the Insured's behalf:

- a** makes any false or fraudulent claim;
- b** makes any exaggerated claim;
- c** supports a claim by false or fraudulent documents, devices or statements (whether or not the claim is itself genuine); or
- d** makes a claim for loss or damage which the Insured or anyone acting on the Insured's behalf deliberately caused;

the Insurer will:

- i** refuse to pay the whole of the claim; and
- ii** recover from the Insured any sums that it has already paid in respect of the claim.

The Insurer may also notify the Insured that it will be treating the Policy as having terminated with effect from the date of the earliest of any of the acts set out in sub-clauses **a – d** above. In that event, the Insured will:

- a** have no cover under the Policy from the date of the termination; and
- b** not be entitled to any refund of premium.

8 Subrogation

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

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

9 Arbitration

If any difference arises as to the amount to be paid under this Policy (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.

10 Law Applicable and Jurisdiction

Unless agreed otherwise by the Insurer:

- a** the language of the Policy and all communications relating to it will be English; and,
- b** all aspects of the Policy including negotiation and performance are subject to English law and the decisions of English courts.

11 Rights of Parties

A person or company who was not a party to this Policy has no right under the Contracts (Rights of Third Parties) Act 1999 or any subsequent legislation to enforce any term of this Policy but this does not affect any right or remedy of a third party which exists or is available apart from such Act.

12 Non Invalidation

This Policy shall not be invalidated by:

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

13 Discharge of Liability

The Insurer may at any time pay to the Insured in connection with any claim or series of claims:

- a** the Limit of Indemnity, or
- b** the Sum Insured, or
- c** a lesser amount for which such claim or claims can be settled after deduction of any sums already paid and less the amount of any Excess.

The Insurer will not make any further payment in respect of such claim or claims except for costs and expenses which the Insurer has already agreed to bear and which were incurred prior to such payment.

14 Protections

The Insured must:

- a** ensure that all security protections in force at the Premises at the inception of this Policy or subsequently as stipulated by or agreed by the Insurer shall be in full operation securing the Premises whenever the Premises are closed for business or Unoccupied

- b** remove all keys including duplicate keys relative to the security of the Business from the Premises except from any part of the Premises within which the Insured or an authorised keyholder resides when the Premises are closed for business or Unoccupied.

15 Fire Precautions

In respect of fire extinguishing appliances within the Premises the Insured must:

- a** inspect the appliances in accordance with the manufacturer/installers' instructions for the purpose of ascertaining that they are in all respects maintained in proper working order
- b** maintain during the Period of Insurance a maintenance contract providing for an annual inspection with an installer or supplier of approved equipment

and remedy promptly any defect whether disclosed by such inspection(s) or otherwise.

The Insured must also ensure that all fire break doors and shutters are kept closed except during working hours and are maintained in efficient working order.

16 Intruder Alarm

It is a condition precedent to liability that where the Premises or part of the Premises are protected by an Intruder Alarm Installation as specified by the security level detailed in the Policy Schedule:

- a** such Intruder Alarm Installation
 - i** must not be altered or amended in any way unless such amendment or alteration has been approved in writing by the Insurer
 - ii** must be maintained under contract with the installers or as otherwise approved in writing by the Insurer
- b** all keys to the Intruder Alarm Installation must be removed from the Premises when the Premises are unattended
- c** the Insured must:
 - i** maintain the secrecy of codes for the operation of the Intruder Alarm Installation and no details of such codes shall be left on the Premises when the Premises are unattended
 - ii** where a remote signalling alarm is required, immediately notify the Insurer upon receipt of any communication giving notice that the level of response to the Intruder Alarm Installation has been or will be reduced

Policy Conditions (continued)

- iii appoint at least 2 keyholders and, where a remote signalling alarm is required, lodge written details (which must be kept up to date) with the alarm company and the alarm receiving centre
- d in the event of notification of
 - i any alarm fault
 - ii activation of the Intruder Alarm Installation
 - iii interruption of the means to transmit or receive signals to or from the Intruder Alarm Installation during any period that the Intruder Alarm Installation is set
 a keyholder must attend the Premises as soon as possible
- e the Premises must not be left without at least one Responsible Person in attendance without the agreement of the Insurer
 - i unless the Intruder Alarm Installation is set in its entirety and with the means to transmit or receive signals (including the signalling path or paths) in full and effective operation
 - ii where the police have withdrawn their response to
 - 1 an alarm activation (where the Intruder Alarm Installation does not include confirmed alarm activation technology)
 - 2 a confirmed alarm activation where the Intruder Alarm Installation includes confirmed alarm activation technology.

For the purposes of this condition the following definitions apply: 'Intruder Alarm Installation' shall include all the component parts detailed in the alarm specification and include the devices used to transmit or receive signals.

'Keyholder' shall mean the Insured or any person or keyholding company authorised by the Insured who

- 1 is available at all times to
 - i accept notification of faults or alarm signals relating to the Intruder Alarm Installation
 - ii attend and allow access to the Premises
- 2 has been fully trained in the operation of the Intruder Alarm Installation including but not limited to the setting/unsetting of the installation.

'Responsible Person' shall mean a person authorised by the Insured to be responsible for the security of the Premises

17 Unoccupied Buildings

It is a condition precedent in respect of any Unoccupied Buildings that

- a mains services shall be switched off and the water system drained unless
 - i electricity is needed to maintain any fire or intruder alarm system(s) in operation
 - ii mains services are needed to maintain any sprinkler system(s) in full working order. In these circumstances heating must be maintained at a minimum temperature of 5 degrees Centigrade.
- b the Buildings or portion thereof shall be inspected thoroughly both internally and externally at least weekly by the Insured or employees of the Insured and
 - i a record maintained of such inspections
 - ii all defects in security and maintenance are rectified immediately
- c accumulations of combustible materials shall be removed
- d the Buildings or portion thereof shall comply with the security level requirements stated on the Schedule and be secured against unlawful entry including the setting of all security locking and other security mechanisms in operation
- e the Insured must notify the Insurer immediately if the Buildings or portion thereof are to be occupied by contractors for renovation, alteration or conversion purposes

The Insurer shall also have the right to vary the terms or cancel cover where appropriate.

18 Waste Condition

The Insured must ensure that:

- a All hazardous and/or combustible trade waste from manufacturing processes such as sawdust, shavings, clippings or cuttings be swept up and bagged daily and removed from the Building at least once a week.
- b All waste stored external to the Building pending collection should be stored in:
 - i non-combustible, closed, lidded containers
 - or
 - ii waste containers kept at least 5 metres from any building or other property
 and removed from the Premises when the containers are full.
- c All oily and/or greasy waste and cloths which remain in the Building overnight be kept in metal lidded containers.

19 Stillage Condition

Contents, Stock, Computers and Electrical Office Equipment which are moveable in any basement or cellar must be raised at least 10 centimetres above the floor.

20 Smoking Condition

It is a condition precedent to liability that the Insured will:

- a** enforce a no smoking policy at the Premises which complies with current legislation
- b** only allow smoking in clearly marked, specifically designated smoking areas, which comply with current legislation
- c** in all designated smoking areas, provide metal receptacles with metal lids, for the safe disposal of waste smoking materials
- d** ensure that waste smoking materials, when being removed from the designated smoking areas, are kept separate from other combustible waste material and are stored in metal receptacles with metal lids whilst awaiting final removal from the Premises.

21 Change of Risk

The Insured must notify the Insurer as soon as possible if during the Period of Insurance there is any alteration:

- a** in or to the Business;
- b** to or at the Premises;
- c** to the facts or matters set out in the Statement of Fact 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 injury, loss, Damage or liability.

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

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

If the Insured fails to notify the Insurer of any material alteration of the risk, the Insurer may:

- a** treat 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 the Policy had it known of the increase in risk;
- b** treat 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.

22 Other Insurances

If at the time of any Damage there is any other insurance covering such incidents, the Insurer will only pay their rateable proportion of such loss.

23 Survey and Risk Improvement Condition

If this Policy has been issued or renewed subject to the Insurer completing a survey or surveys of the Premises or of any other location(s) as specified by the Insurer, then pending completion of such survey(s) cover is provided by the Insurer on the terms, conditions, provisions, exclusions and limits as specified in the Policy and in the Sections of the Policy.

In the event that a survey should show that a risk or any part of it is not satisfactory in the opinion of the Insurer, then the Insurer reserves the right to either:

- a** alter the premium or terms and conditions of the cover or
- b** suspend or cancel cover
 - i** from the date cover was incepted or renewed, or
 - ii** for any other period specified by the Insurer

It is a condition precedent to the liability of the Insurer that the Insured must comply with all survey risk improvements required by the Insurer within completion time scales specified by the Insurer. In the event that a risk improvement is not completed or risk improvement procedures are not introduced within the completion time scales specified by the Insurer, then the Insurer reserves the right to either:

Policy Conditions (continued)

- 1 continue cover subject to alteration of the terms and conditions of such cover, or
- 2 suspend or cancel cover effective
 - a from the date cover was incepted or renewed or
 - b from the expiry of any time period specified by the Insurer for completion/introduction of the required survey risk improvements, or
 - c for any other period specified by the Insurer

If the terms or conditions of cover are amended by the Insurer, then the Insured will have 14 days to accept or reject the revised basis of cover.

If the Insured elect to reject the revised basis of cover, then provided no claim has been made or incident has arisen which is likely to give rise to a claim during the current Period of Insurance the Insured will be entitled to a refund of the premium paid calculated on a pro-rata basis, less an administration charge of £25 to cover operational costs. The amount of any premium to be refunded under this condition will be reduced by all unpaid premiums or unpaid premium instalments due.

If the Insurer exercises the right to suspend or cancel cover, then provided no claim has been made or incident has arisen which is likely to give rise to a claim during the current Period of Insurance the Insured will be entitled to a proportionate return of the premium in respect of such period that cover is suspended or for any period beyond the effective date from which cover is cancelled. The amount of premium refund payable will be reduced by all unpaid premiums or unpaid premium instalments due.

Except in so far as they are expressly varied by this condition, all of the terms, conditions, provisions, exclusions and limits of the Policy and of the Sections of the Policy shall continue to apply until the Insurer advises otherwise.

To the extent that this condition conflicts with any other cancellation condition, this condition shall prevail.

24 Minimum Level of Security

This condition is only applicable where stated by clause applied to the Policy.

It is a condition precedent to liability that the following requirement, including any alarm requirement where specified by the security level detailed in the Policy Schedule, are met within 60 days of the inception or amendment of the Policy. Any alternative methods of securing the Premises must be agreed in writing by the Insurer.

The Insured must ensure these measures are in force when the Premises are closed for business or unattended.

Security Level 1

The cover provided is subject to the following minimum standards of security.

Doors

Depending on which of the following door types are present, the following requirements apply to all external doors and internal doors which lead to another part of the Building which the Insured do not occupy;

- 1 UPVC, or Aluminium or plastic framed glazed doors – a multi-point lock which, where installed after 30/06/2011, conforms to PAS 3621 (including amendments) or a cylinder operated mortise deadlock. For double doors, the first closing section must have integral or surface mounted bolts which shoot into the frame at the top and the floor at the bottom of the door. The final closing section must have a cylinder operated mortise deadlock.
- 2 Armoured plate glass doors – door manufacturer's integral locks.
- 3 Other single-leaf doors – provided the door thickness is a minimum of 44mm a mortise deadlock to BS 3621 (including amendments) and a boxed steel striking plate at least 175mm long should be fitted. If the door thickness is less than 44mm secure with a deadlocking rim lock to BS 3621 (including amendments). The Insured must put either of these into the deadlock position when the Premises are closed for business or unattended.
- 4 Double-leaf doors – secure the final closing section with a lock as described in 3 above and secure the first closing section with bolts at least 175mm long and having a minimum throw of 20mm, which shoot into the frame at the top and the floor at the bottom of the door. Or, fit one section with bolts at the top and bottom (as described above) and both parts of the door with a padlock and locking bar. If the locking bar is on the outside of the door, it must be used with a padlock conforming to BS EN 12320 Security Grade 5 (including amendments). If the locking bar is internal, it must be used with a padlock conforming to BS EN 12320 Security Grade 4 (including amendments). The padlock bar must be of similar strength to the padlock and designed to be used specifically with the padlock, in both cases the padlock bar must be secured to the door with coach bolts.

- 5 Fire exit doors – the relevant enforcing authority must approve any locks on these doors. The Insurer must approve any locks or other method of security the Insured agrees following a discussion with the enforcing authority.
- 6 Folding doors – secure all folding sections with bolts at top and bottom, as described in 4 above. Dependent upon its construction, the last section must be secured with a lock as described in 3 above or with a coach bolted locking bar and padlock as described in 4 above.
- 7 Sliding doors – coach-bolted locking bar and padlock secured as described in 4 above, or a deadlock with a hook bolt which conforms to BS 3621 (including amendments).
- 8 Wicket gates – dependent upon its construction (see above) a mortise deadlock or deadlocking cylinder rim-latch to BS 3621 (including amendments) or locking bar and padlock as in 4 above.
- 9 Roller Shutters – these must conform to LPS 1175 (including amendments).

For electrically operated roller shutters, the Insured must fit a key operated isolation switch to the electricity supply to the controls. If this is not fitted then one of the measures for manually operated roller shutters shown below must be installed.

Where the operating controls for the roller shutters are external to the Premises, these are to be secured within a welded steel housing of at least 3mm thickness with a door or coverplate secured with a padlock conforming to BS EN 12320 Security Grade 4 (including amendments). The housing is to be so secured when the Premises are closed for business or unattended

The Insurer requires one of the following for manually operated roller shutters:

- key operated "pinson" or "bullet" locks into each guide rail fitted as close to the bottom of the door as possible
- the chain of the door being secured to the wall bracket by a good-quality open-shackle padlock conforming to BS EN 12320 Security Grade 4 (including amendments).
- a bolt fitted to the shutter door internally with the bolt engaging into the door runner and padlocked into position using a padlock conforming to BS EN 12320 Security Grade 4 (including amendments).

Windows

All windows in external walls at ground floor and basement levels and any windows, fanlights and skylights in accessible positions (accessible means a window, fanlight and skylight that can be easily reached, such as one next to a low roof, especially a flat roof or a fire escape) which were originally made to open must have either:

- 1 Window locks that use a key. Louvered windows must be replaced with either fixed glass, or a normal opening window which can be secured with a window lock used with a key.
- 2 Solid steel bars, fitted horizontally or vertically, not less than 19mm in diameter and not more than 125mm apart. These must be securely fixed to the brickwork or masonry around the window to a depth of at least 50mm. These must be set back by at least 50mm from the outside surface of the wall. The bars must pass through tie bars, made of flat iron, at least 6mm thick and 40mm wide and the distance between the tie bars must not be more than 600mm.

Keys

The Insured must remove all keys from the locks and keep them in a secure place or remove them from the Premises. If the Insured lives on the Premises, they must be removed to a secure place in the residential part of the Premises.

Policy Exclusions

Applicable unless stated to the contrary under Exclusions in the Sections

This Policy does not cover:

1 Territorial Limits

Damage, injury or liability arising out of any occurrence outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, except where stated to the contrary.

2 War

Loss, destruction, damage, death, injury, disablement or liability or any consequential loss occasioned by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

3 Radioactive Contamination

Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

- a ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- b the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- c any weapon or other device utilizing radioactive material and/or matter and/or ionising radiation and/or atomic or nuclear fission and/or fusion or other like reaction
- d the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.

Exclusions **3a** and **3b** do not apply to Section 7 – Employers' Liability other than in respect of:

- i the liability of any principal
- ii liability assumed by the Insured under a contract or agreement which would not have attached in the absence of such contract or agreement.

Exclusions **3c** and **3d** do not apply to Section 7 – Employers' Liability, Section 8 – Public and Products Liability and Section 10 – Personal Accident.

4 Sonic Bangs

Damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

5 Northern Ireland

Loss, destruction or damage and any consequential loss in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot, civil commotion and (except in respect of loss, destruction or damage or any consequential loss by fire or explosion) strikers, locked-out workers, persons taking part in labour disturbances or malicious persons.

6 Pollution or Contamination

Loss, destruction or damage caused by or resulting from pollution or contamination except such loss or destruction of or damage to the Property Insured or, if applicable, loss resulting from loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business caused by

- a pollution or contamination which itself results from fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, bursting, overflowing, discharging or leaking of water tanks, water apparatus or water pipes, sprinkler leakage or impact by any road vehicle or animal, always provided that such peril is insured by this Policy
- b any of the perils listed in **6a** which itself results from pollution or contamination.

7 Changes In Water Table Level

Damage attributable solely to changes in the water table level.

8 E-Risks

- a loss or destruction of or damage to any Computer Equipment (as defined at the end of this Exclusion) consisting of or caused directly or indirectly by:
 - i programming or operator error whether by the Insured or any other person
 - ii Virus or Similar Mechanism (as defined at the end of this Exclusion)
 - iii Hacking (as defined at the end of this Exclusion)
 - iv malicious persons
 - v failure of external networks
 unless, in respect of **a i, ii** and **iii**, such loss or destruction or damage results from a concurrent or subsequent cause not excluded by this or any other policy exclusion

- b** any financial loss or expense of whatsoever nature, including but not limited to business interruption, resulting directly or indirectly from the type of loss or destruction or damage described in paragraph **a** of this Exclusion unless, in respect of **a i, ii** or **iii**, the financial loss or expense results from a concurrent or subsequent cause not excluded by this or any other policy exclusion
- c** loss or destruction of or damage to any property other than Computer Equipment where it arises directly or indirectly out of loss or destruction of or damage to any Computer Equipment of the type described in paragraph **a** of this Exclusion unless, in respect of loss or damage to other property arising from **a i, ii** or **iii**, resulting from a concurrent or subsequent cause not excluded by this or any other policy exclusion
- d** loss or destruction of or damage either to Computer Equipment or any other property where it consists of or arises directly or indirectly out of:
 - i** the erasure, loss, distortion, corruption or unauthorised access to or modification of information on computer systems or other records, programs or software by rioters, strikers, locked-out workers, persons taking part in labour disturbances or civil commotions, or malicious persons
 - ii** the erasure, loss, distortion, corruption or unauthorised access to or modification of information on computer systems or other records, programs or software due to any cause not included in **d i**
 - iii** any misinterpretation, use or misuse of information on computer systems or other records, programs or software
 unless, in respect of **d ii** and **iii**, such loss, destruction or damage results from a concurrent or subsequent cause not excluded by this or any other policy exclusion
- e** any financial loss or expense of whatsoever nature, including but not limited to business interruption, where it arises directly or indirectly from the type of loss or destruction or damage described in paragraphs **c** and **d** of this Exclusion unless, in respect of **c, d ii** and **iii**, the financial loss or expense results from a concurrent or subsequent cause not excluded by this or any other policy exclusion.

For the purpose of this Exclusion:

Computer Equipment – means computer equipment, component, system or item which processes, stores, transmits or retrieves data, or any part thereof, whether the property of the Insured or not, whether tangible or intangible and including without limitation any information, programs or software.

Virus or Similar Mechanism – means any program code, programming instruction or other set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations (whether involving self replication or not), including but not limited to ‘Trojan Horses’, ‘Worms’ or ‘Logic Bombs’.

Hacking – means unauthorised access to any computer or computer equipment, component, system or item, whether the property of the Insured or not, which processes, stores, transmits or retrieves data.

9 Computer Date Exclusion

Damage or liability 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 in respect of Section 1 Property Damage only the insurance will pay for any subsequent Damage which is not otherwise excluded and which itself results from Events 1 to 8 of Section 1 Property Damage.

Policy Exclusions

10 Excess

Any Excess.

11 Terrorism

- a** in respect of England, Wales and Scotland but not the territorial seas adjacent thereto as defined in the Territorial Sea Act 1987:

loss or destruction or damage or consequential loss of whatsoever nature, directly or indirectly caused by, resulting from or in connection with

- i** any Act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to such Act of Terrorism
- ii** any action taken in controlling, preventing or suppressing any Act of Terrorism, or in any other way related to such Act of Terrorism

In respect of **a** above an Act of Terrorism (Terrorism) means:- Acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty's government in the United Kingdom or any other government de jure or de facto

- b** in respect of territories other than those stated in **a** above:

loss or destruction or damage or any consequential loss of whatsoever nature, directly or indirectly caused by, resulting from or in connection with

- i** any act of Terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to such act of Terrorism
- ii** any action taken in controlling, preventing or suppressing any act of Terrorism, or in any way related to such act of Terrorism

In respect of **b** above an act of Terrorism (Terrorism) means:- An act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or put the public or any section of the public in fear.

In any action suit or other proceedings where the Insurer alleges that by reason of this exclusion any loss or destruction or damage or any consequential loss is not covered (or is covered only up to a specified limit of liability), the burden of proving to the contrary shall be upon the Insured.

In the event any part of this exclusion is found to be invalid or unenforceable, the remainder shall remain in force and effect.

Section 1 – Property Damage

Definitions

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.

Cover

The Insurer will pay the Insured for Damage to Property Insured at the Premises caused by any of the Events operative under this Policy and not otherwise excluded occurring during the Period of Insurance.

Events

1 Fire, excluding Damage to the Property Insured caused

- a** by explosion resulting from fire
- b** by earthquake or subterranean fire
- c** by its own spontaneous fermentation or heating, or its undergoing any heating process or any process involving the application of heat
- d** to any particular piece of electrical apparatus or fitting which has caused a fire due to self ignition, over running, excessive pressure, short circuiting, self heating or leakage of electricity

Lightning

Explosion

- a** of boilers
- b** of gas

used for domestic purposes only, but excluding any Damage caused by earthquake or subterranean fire.

2 Explosion, excluding Damage

- a** caused by or consisting of the bursting by steam pressure of a boiler (not being a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus belonging to the Insured or under the control of the Insured, in which internal pressure is due to steam only

- b** in respect of and originating in any vessel, machinery or apparatus or its contents, belonging to the Insured or under the control of the Insured, which requires to be examined to comply with any statutory regulations, unless there is in force a policy of insurance or other contract providing the required inspection service

3 Aircraft or other aerial devices or articles dropped from them

4 Riot, Civil Commotion, Strikers, Locked Out Workers, Persons Taking Part in Labour Disturbances or Malicious Persons excluding

- a** Damage arising from nationalisation, confiscation, requisition, seizure or destruction by the Government or any public authority
- b** Damage arising from cessation of work
- c** Damage
 - i** by theft or attempted theft
 - ii** in respect of any Building(s) which is/are Unoccupied directly caused by malicious persons not acting on behalf of or in connection with any political organisation, but the Insurer will pay for such Damage caused by fire or explosion.

5 Earthquake

6 Subterranean Fire

7 Storm, Tempest or Flood, excluding

- a** Damage attributable solely to change in the water table level
- b** Damage by frost, subsidence, ground heave or landslip
- c** Damage in respect of fences, gates or moveable property in the open
- d** Damage to open-fronted or open-sided Buildings or to Property contained therein.

8 Escape of Water from any Tank, Apparatus or Pipe, excluding

- a** Damage by water discharged or leaking from any automatic sprinkler installation
- b** Damage in respect of any Building which is/are Unoccupied.

9 Impact by any road vehicle or animal

Section 1 – Property Damage (continued)

10 Sprinkler Leakage

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

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

11 Theft or Attempted Theft

involving forcible and violent entry to or exit from the Buildings or hold-up by violence or threat of violence to the Insured or any partner, director, employee of the Insured or members of their families or any other person who has a legal right to be on the Premises excluding Damage:

- a 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
- b to Money, deeds, securities, jewellery, precious stones or precious metals, bullion, furs, curiosities, works of art or rare books unless such property is specifically described in the Schedule
- c to Property in the open or in open sided or fronted buildings or in buildings not on permanent foundations unless such buildings are specifically described in the Schedule

12 Subsidence, Ground Heave or Landslip

of any part of the Premises on which the Property Insured stands excluding Damage caused by:

- a collapse, cracking, shrinkage, expansion or settlement of Buildings or any part thereof
- b coastal or river erosion
- c defective design or workmanship or the use of defective materials including inadequate construction of foundations
- d settlement or movement of made up ground
- e the normal settlement or bedding down of new structures
- f Damage to solid floor slabs or resulting from their movement unless the foundations beneath the external walls of the Buildings are Damaged at the same time and from the same cause

- g Damage to yards, car parks, roads, pavements, landlords fixtures and fittings, security lighting and cameras, walls, gates, fences, fixed fuel oil tanks and fixed diesel tanks, piping, ducting, cables, wires and associated control gears and accessories, paved areas or footpaths unless the Building insured by this Section is Damaged by the same cause at the same time

h which originates prior to the inception of this cover

i demolition, construction, structural alteration or repair to any Buildings or groundworks or excavation at the same Premises

j Events 1, 2, 5, 6 or 8

Special Condition

The Insured shall notify the Insurer immediately they become aware of any demolition, groundworks, excavation or construction being carried out on the same or any adjoining site. The Insurer shall then have the right to vary the terms or cancel cover in respect of subsidence, ground heave or landslip.

13 Accidental Damage

excluding

a Damage caused by, or consisting of, or arising from, or attributable to

i any of the Events

ii any of the exclusions to the Events

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

b Damage caused by or consisting of inherent vice, latent defect, gradual deterioration, wear and tear, frost, its own faulty or defective design or materials but this shall not exclude Damage which itself results from a cause not otherwise excluded

c Damage caused by or consisting of faulty or defective workmanship, operational error or omission by the Insured or any employee of the Insured

but this shall not exclude

i such Damage not otherwise excluded which itself results from an insured Event

ii subsequent Damage which itself results from a cause not otherwise excluded

d Acts of fraud or dishonesty by any partner, director or employee of the Insured but this shall not exclude such Damage not otherwise excluded which itself results from Events 1–12 and 14

- e** Damage caused by or consisting of corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects, change in temperature, colour, flavour, texture or finish
but this shall not exclude
 - i** such Damage not otherwise excluded which itself results from Events 1 to 12 and 14
 - ii** subsequent Damage which itself results from a cause not otherwise excluded
 - f** Damage consisting of
 - i** 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
 - ii** mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which such breakdown or derangement originates

but this shall not exclude such Damage which itself results from other Damage and is not otherwise excluded, or subsequent Damage which itself results from a cause not otherwise excluded
 - g** Damage caused by disappearance, unexplained or inventory shortage or the misfiling or misplacing of information
 - h** Damage caused by normal settlement or bedding down of new structures
 - i** Damage to any Building or structure caused by its own collapse or cracking, but this shall not exclude such Damage resulting from other Damage in so far as it is not otherwise excluded
 - j** Damage in respect of fences, gates and moveable Property in the open caused by wind, rain, hail, sleet, snow or dust
 - k** Damage to any Property resulting from its undergoing any process of production, packing, treatment, testing, commissioning, service or repair
 - l** Damage in respect of
 - i** jewellery, precious stones or precious metals, bullion, furs, curiosities, works of art or rare books
 - ii** property in transit
 - iii** glass (other than fixed glass), sanitaryware (other than fixed sanitaryware), china, earthenware, marble or other fragile or brittle objects
 - iv** Money, bonds or securities of any description

but this shall not exclude other Damage in so far as it is not otherwise excluded
 - m** Damage to
 - i** vehicles licensed for road use (including accessories on them), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft
 - ii** property or structures in course of construction or erection and materials or supplies in connection with all such property or structures
 - iii** land, roads, pavements, piers, jetties, bridges, culverts or excavations
 - iv** livestock, growing crops or trees

but this shall not exclude such Property specifically described in the Schedule
 - n** theft or attempted theft
- 14 Escape of Oil** from any fixed heating installation excluding
- a** Damage in respect of any Building or Property Insured in any Building which is Unoccupied
 - b** Damage 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
- Basis of Settlement**
- 1** The Insurer will pay the Insured the value of the Property Insured at the time of its Damage, or at the Insurer's option will reinstate or replace such Property or any part of such Property.
 - 2** The most the Insurer will pay for any one claim is the Total Sum Insured, or for each item its individual Sum Insured, or any other limit of liability in this Section whichever is the less at the time of Damage.
 - 3** Any Excess will be deducted from the amount payable after the application of all terms and conditions of this Section and the Policy including any Average (Underinsurance) Basis of Settlement Adjustment. The Excess applies to each separate Premises.

Section 1 – Property Damage (continued)

Automatic Reinstatement

In the absence of written notice by the Insured or the Insurer to the contrary, in consideration of Sums Insured or limits of liability not being reduced by the amount of any claim from the date of the Damage, the Insured will pay the appropriate additional premium due for the period from the date of Damage to expiry of the Period of Insurance, but this shall not apply in respect of theft or attempted theft.

Basis of Settlement Adjustments

Subject to the terms, conditions, exclusions and limits of this Section, in calculating the most the Insurer will pay for any one claim, adjustments shall be made in accordance with the following clauses.

1 Reinstatement (Day One Basis)

- a** Subject to the Special Conditions set out below, the basis on which the amount payable for Buildings and Contents is to be calculated will be the reinstatement of the Property Damaged.

For this purpose “reinstatement” means

- i** the rebuilding or replacement of Property Damaged which, provided the Insurer’s liability is not increased, may be carried out
 - in any manner suitable to the requirements of the Insured
 - on another site
- ii** the repair or restoration of Property Damage

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

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

“Declared Value” means the assessment by the Insured of the cost of reinstatement of Property Insured arrived at in accordance with paragraph 1ai of the Basis of Settlement Adjustments at the level of costs applying at inception of the Period of Insurance (ignoring inflationary factors which may subsequently operate), together with, to the extent that cover provides, due allowance for

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

Reinstatement (Day One Basis) Special Conditions

- 1** At the inception of each Period of Insurance, the Insured shall notify the Insurer of the Declared Value of Property Insured. In the absence of such declaration the last amount declared by the Insured will be taken as the Declared Value for the new Period of Insurance, appropriately adjusted for Index Linking where applicable.

For the purposes of this Condition, Index Linking shall be calculated in the following manner.

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

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

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

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

- 2** If at the time of Damage the Declared Value of the Property is less than the cost of reinstatement (as defined in paragraph 1ai of the Basis of Settlement Adjustments) at inception of the Period of Insurance, the amount payable by the Insurer will be proportionately reduced.
- 3** The Insurer’s liability for the repair or restoration of Property Damaged in part only, shall not exceed the amount which would have been payable if such Property had been wholly destroyed.
- 4** No payment beyond the amount the Insurer would have paid in the absence of this clause will be made
- a** unless reinstatement commences and proceeds without unreasonable delay
 - b** until the cost of reinstatement has actually been incurred
 - c** where Property Insured at the time of Damage is covered by any other insurance effected by the Insured, or on behalf of the Insured, which is not on the same basis of reinstatement.

- 5** All the terms and conditions of this Section and the Policy shall apply
- a** to any claim payable under the provisions of this clause, other than where they are expressly varied by the terms of this clause
 - b** where claims are payable as if this clause had not been incorporated, except that Sums Insured will be limited to Declared Values.

2 Average (Underinsurance)

The Sums Insured by

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

3 Contribution and Average

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

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

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

4 Public Authorities

Subject to the Public Authorities Special Conditions set out below, cover for Buildings and Contents includes an amount in respect of any additional cost of reinstatement which is incurred solely by reason of the necessity to comply with building or other regulations under or framed in pursuance of any Act of

Parliament, with bye-laws of any public authority or to comply with the stipulations of European Union legislation, in consequence of Damage, excluding

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

Public Authorities Special Conditions

- 1** The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within 12 months after the Damage, or within such further time as the Insurer may allow, and may be carried out upon another site (if such regulations, bye-laws or stipulations so necessitate), subject to there being no resulting increase in the liability of the Insurer.
- 2** If the liability of the Insurer is reduced by the application of any of the terms and conditions of this Section or the Policy (other than as a result of this clause), the liability of the Insurer under this clause will be reduced in proportion.
- 3** The liability of the Insurer shall not exceed in respect of any one claim
 - a** in respect of undamaged portions of property (other than foundations) 15% of the total amount the Insurer would have been liable to pay to reinstate the property if the Property Insured by the item at the Premises where Damage occurred had been wholly destroyed
 - b** in respect of the property suffering Damage the Sum Insured applicable to each separate premises

Section 1 – Property Damage (continued)

4 All the terms and conditions of this Section and the Policy shall apply to any claim payable under the provisions of this clause, other than where they are expressly varied by the terms of this clause.

5 Services

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

6 Alterations and Additions

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

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

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

7 Professional Fees

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

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

8 Removal of Debris Costs

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

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

- a** removing debris
- b** dismantling and demolishing
- c** shoring up or propping
- d** clearing, cleaning and/or repairing drains, gutters and sewers for which the Insured are responsible.

The Insurer will not pay for any costs or expenses

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

9 Temporary Removal

Property Insured (other than Stock) is covered whilst temporarily removed for cleaning, renovation, repair or similar purposes to any address elsewhere than at the Premises, including whilst in transit, within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

The Insurer will not pay for

- a** such property more specifically insured
- b** Damage to vehicles licensed for road use, in so far as they are insured by this Section, occurring elsewhere than at the Premises from which such vehicles are removed
- c** more than 10% of the sum insured for each item covered, for Damage occurring elsewhere than at the Premises.

10 Temporary Removal – Documents

If deeds and other documents (including stamps on them), manuscripts, plans and writings of every description, books and other business records are included in the Property Insured, such items are covered whilst temporarily removed to any address elsewhere than at the Premises, including whilst in transit within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

The Insurer will not pay for

- a** such items more specifically insured
- b** more than 10% of the total value of such items
- c** more than £2,500 for computer systems records.

11 Contract Price

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

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

12 Customers' Goods

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

13 Rent

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

14 Dismantling and Re-erection Costs

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

15 Fixed Glass and Neon/Illuminated Signs

Cover extends to include Damage to fixed glass, glass shelves, showcases and counter cases, mirrors and neon/illuminated signs.

Following Damage to fixed glass or neon/illuminated signs the Insurer will pay the cost of

- a** any necessary boarding up or temporary glazing pending full replacement
- b** replacing alarm foil, lettering, painting, embossing, silvering or other ornamental work on glass
- c** Damage to Contents or Stock caused by broken glass
- d** Removing and re-fixing window fittings and other obstacles to replacing broken glass

The Insurer will not pay for Damage

- 1** in respect of neon and illuminated signs
 - i** arising from adjustment, repair, dismantling or erection of any part of the sign, or whilst such sign is removed from its normal working position
 - ii** arising from mechanical breakdown of the sign or any part of the sign
 - iii** to any part of the sign by its own ignition electrical breakdown or burn out
 - iv** to tubes unless the glass is fractured
- 2** existing prior to the inception of this Section

16 Fire Extinguishers, Sprinklers and Security Equipment

The Insurer will pay the reasonable costs incurred by the Insured in

- a** re-filling, recharging or replacing any fire extinguishers, local or fixed fire suppression or gas flooding systems, sprinkler installations and sprinkler heads
- b** having any fire and/or intruder alarms and closed circuit television equipment re-set in consequence of Damage,

provided that

- i** the Insured maintain all such equipment under contract and in accordance with the manufacturer's instructions with a maintenance company acceptable to the Insurer
- ii** the Insurer shall not be liable in respect of any costs and expenses recoverable from the maintenance company or from the fire service
- iii** the liability of the Insurer in respect of any one claim shall not exceed £25,000.

17 Metered Utilities

Cover includes additional water, gas, electricity, oil or other metered supply charges incurred by the Insured up to an amount of £25,000 any one Period of Insurance, in consequence of Damage, but the Insurer will not pay for such charges incurred in respect of any Building which is Unoccupied.

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

Section 1 – Property Damage (continued)

18 Exhibitions

Property Insured is covered whilst at any exhibition within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands, including whilst in transit to and from such exhibition for a period not exceeding 15 days.

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

19 Trace and Access

In the event of Damage in consequence of escape of water or fuel oil from any tank, apparatus or pipe, the Insurer will pay costs necessarily and reasonably incurred by the Insured in locating the source of such Damage, and in the subsequent making good of Damage caused as a consequence of locating such source, up to an amount of £25,000 any one claim.

20 Seventy Two Hours Clause

Damage occurring within 72 consecutive hours of and arising from Event 7 (Storm, Tempest 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.

21 Interested Parties

The Insurer agrees

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

22 Landscaped Grounds

Cover includes costs incurred by the Insured in consequence of Damage to Property Insured at the Premises, up to an amount of £10,000 any one claim, in restoring landscape grounds to their original appearance when first laid out and planted, but the Insurer will not pay for costs arising due to the failure of trees, shrubs, plants or turf to germinate or become established.

23 Locks and Keys

The Insurer will pay the cost of replacing keys, locks or lock mechanisms necessary to maintain the security of the Premises following theft of keys by force or violence from within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands from any director, partner or employee of the Insured authorised to hold such keys, up to an amount of £5,000 for any one claim.

24 Seasonal Increase

The Sum Insured in respect of Stock shall be increased by 25% during:

- a** the months of November and December
- b** a period of 14 days preceding and succeeding any Bank Holiday other than a Bank Holiday occurring during November and December

25 Damage to the Premises

In the event that Buildings at the Premises are not covered by this Section of the Policy, the Insurer will pay costs for which the Insured are responsible, necessarily and reasonably incurred by the Insured to repair Damage to the Premises in consequence of theft or attempted theft (as insured by this Section).

The Insurer will also pay the cost of any temporary boarding-up or making good necessary to keep the Premises secure.

26 Moulds, Tools and Dies

Cover includes moulds, tools, and dies belonging to the Insured or for which the Insured are responsible whilst at the Premises and whilst elsewhere than at the Premises at any premises within the United Kingdom not occupied by the Insured, including whilst in transit thereto and therefrom by road, rail or inland waterway, provided that the liability of the Insurer in respect of any one claim shall not exceed £50,000.

27 Unauthorised Use of Supplies

Cover includes water, gas, electricity, oil or other metered supply charges incurred by the Insured and for which the Insured are legally responsible, due to unauthorised use by persons taking possession of, keeping possession of or occupying any Premises without the written consent of the Insured, providing that

- a** the Insured shall take all practicable steps to terminate such unauthorised use as soon as it is discovered
- b** the Insured has advised the Insurer of such unauthorised use immediately on becoming aware of it
- c** Policy Condition 17 Unoccupied Buildings has been complied with by the Insured
- d** the liability of the Insurer shall not exceed £10,000 in respect of any one claim and any one Period of Insurance

28 Reinstatement to Match – Computer Equipment

Where computer equipment has suffered Damage to the extent that repair is impractical and replacement by similar property in a condition equal to but not better or more extensive than when new is impossible, then the Insured may replace, repair or restore the Property with equivalent property which employs current technology and replacement, repair or restoration with such property for the purposes of this Section shall not be regarded as being better or more extensive than when new

Cover also extends to include

- i** the cost of replacement or modification of undamaged computer equipment insofar as it is necessary to adapt it to operate in conjunction with Damaged Property which has been replaced, repaired or restored
- ii** the cost of replacement, repair or modification of undamaged parts of computer equipment that form part of a matching set of articles, or suite of common design or function where the Damage is restricted to a clearly identifiable area or to a specific part.

Provided that

- a** the total liability of the Insurer is not increased beyond the amount
 - i** that would otherwise have been payable for the replacement, repair or restoration of the Property Damaged in its original form
 - ii** that would have been payable for replacement, repair or modification of the whole Property forming a set of articles, or suite of common design or function if such Property had been wholly destroyed
- b** the Insurer shall be liable only for the amount sufficient to enable the Insured to resume operations in substantially the same manner as before the Damage
- c** where Property is damaged in part only, the Insurer will not pay more than the amount representing the cost which the Insurer would have paid for repair, restoration or replacement if such property had been wholly destroyed
- d** if Damage to computer equipment results in undamaged computer records being incompatible with replacement computer equipment the Insurer will pay the costs of
 - i** modifying the computer equipment
 or
 - ii** replacing computer records with reinstatement of programmes and/or information (but not for the value of the information to the Insured)
 whichever is the less

29 Theft Damage to Buildings

Cover includes Damage to Building(s) insured under this Section caused by theft or attempted theft excluding

- a** Damage
 - i** to any Unoccupied Building
 - ii** 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, unless such theft or attempted theft involved the threat of or assault or 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
 - iii** to Property which is more specifically or otherwise insured
- b** the first £1,000 of each and every claim
- c** any amount exceeding £25,000

Cover also includes the cost of any temporary boarding-up and making good in consequence of such Damage necessary to keep the Premises secure.

Exclusion n of Event 13 of this Section does not apply to this Basis of Settlement Adjustment.

30 Inadvertent Omission to Insure

The Insured having notified the Insurer of their intention to insure all property which they own or for which they are responsible situate within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands, with the Insurer (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, provided that:

- a** the maximum liability of the Insurer for any one claim in respect of Building and Contents in total shall not exceed £100,000 any one premises
- b** the Insured carry out at not less than 12 monthly intervals a check to ensure that effective insurance is in force for all property owned or leased by the Insured or for which the Insured are responsible
- c** the Insured shall give details in writing immediately an omission is discovered and within 7 days of the date of discovery shall provide the Insurer with the sums insured to apply for any such property, and effect specific cover retrospective to such date, and pay the appropriate additional premium

Section 1 – Property Damage (continued)

- d** in respect of any buildings purchased for refurbishment or redevelopment the Basis of Settlement upon which the amount payable shall be calculated shall be the value of the Property Insured at the time of the Damage, less an appropriate deduction for wear and tear and prior depreciation, and in respect of any buildings due for demolition the Basis of Settlement shall be limited to the costs associated with clearing and securing the buildings
- e** this Basis of Settlement Adjustment shall not apply in addition to any cover provided under the Alterations and Additions Basis of Settlement Adjustment or in respect of any appreciation in value
- f** the value of the property which has been inadvertently omitted shall for the purpose of Average (Underinsurance) be added to the Sum Insured on the item to which the Property relates, or in the case of Reinstatement (Day One Basis) to the Declared Value.

31 Property Stored

Cover extends to include Damage to property comprising Contents and Stock whilst elsewhere than at the Premises and within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands including whilst in transit thereto and therefrom by road, rail or inland waterway provided that the liability of the Insurer in respect of any one claim shall not exceed 10% of the total Sum Insured on such property or £100,000 whichever is less. Excluding

- a** property more specifically or otherwise insured
- b** Damage due to theft or attempted theft to money, bonds or securities of any description, jewellery, watches, cameras, precious metals or stones, antiques, computer equipment including personal computer equipment, mobile and smart phones, and any other property excluded by this Section
- c** Damage to curiosities, rare books or works of art for an amount exceeding £1,500 any one article
- d** Damage to property in any yard, car park or open space or contained within an open sided structure or open sided building
- e** Damage caused to Stock other than by Events 1, 2, 3, 4, 5, 8 or 9

32 Freeholders, Lessors and Mortgagees

- a** The Insurer agrees that the interest of any Freeholder, Lessee, Under Lessee and/or Mortgagee in respect of Buildings insured by this Section and which attached before the happening of any Damage shall be automatically noted in this insurance if requested by the Insured, but only to the extent that such interest is not otherwise insured and subject to their identity being disclosed in writing to the Insurer by the Insured in the event of Damage.
- b** This insurance shall not be invalidated by any increase in the risk of Damage resulting from an alteration or act or omission which occurs without the authority or knowledge of any Freeholder and/or Lessor and/or Mortgagee, but this shall only protect the interest of such Freeholder, Lessor or Mortgagee and shall only apply if the Insurer is notified immediately on the party becoming aware of the increased risk and the payment of any reasonable additional premium is made.

Section Exclusions

The Policy Exclusions apply to this Section and in addition the Insurer will not pay for:

- 1** Property which at the time of Damage is insured by or would but for the existence of this Section be insured by any marine policy or policies, but the Insurer will pay for any excess beyond the amount which would have been payable under such marine policy or policies had this Section not been effected.
- 2** any Property more specifically insured by or on behalf of the Insured.
- 3** Damage to paintings, prints and works of art with a value in excess of £10,000 any one item unless specifically described in the Schedule.
- 4** consequential loss or Damage of any kind or description
- 5** the Excess.

Section Conditions

The Policy Conditions apply to this Section and in addition the following:

1 Alteration

Unless the Insurer agrees in writing, cover under this Section shall automatically cease in respect of any of the Property Insured

- a** which is disposed of or removed
- b** which consists of or is situated in any Building or parts of Building described in the Schedule as occupied becoming Unoccupied, or as Unoccupied becoming occupied
- c** in which the interest of the Insured ceases other than by will or operation of law,

during the Period of Insurance.

2 Reinstatement

If any Property is to be reinstated or replaced by the Insurer, the Insured shall at their own expense provide all plans, documents, books and information as may reasonably be required. The Insurer shall not be bound to reinstate exactly, but only as circumstances permit and in a reasonably sufficient manner.

Section 2 – Business Interruption

Definitions

Annual Revenue

Revenue during the 12 months immediately before the date of any Event.

Annual Turnover

Turnover during the 12 months immediately before the date of any Event.

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.

Event

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

Gross Profit

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

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

Gross Profit Sum Insured

133.33% of the Gross Profit amount provided by the Insured.

Note: The Gross Profit amount provided by the Insured is shown in brackets below the Gross Profit Sum Insured on the Schedule.

Increase in Cost of Working

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

Indemnity Period

Period beginning with the occurrence of any 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

Maximum indemnity period shown in the Schedule.

Premises

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.

Rate of Gross Profit

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

Revenue

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

Revenue Sum Insured

133.33% of the Revenue amount provided by the Insured.

Note: The Revenue amount provided by the Insured is shown in brackets below the Revenue Sum Insured in the Schedule.

Standard Revenue

Revenue during that period in the 12 months immediately before the date of any Event which corresponds with the Indemnity Period.

Standard Turnover

Turnover during that period in the 12 months immediately before the date of any Event which corresponds with the Indemnity Period.

Turnover

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

Uninsured Working Expenses

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

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

Cover

The Insurer will pay the Insured for Business Interruption by any of the Events operative under this Policy and not otherwise excluded occurring during the Period of Insurance.

Events

1 Fire, excluding Business Interruption caused

- a** by explosion resulting from fire
- b** by earthquake or subterranean fire
- c** by its own spontaneous fermentation or heating or its undergoing any heating process or any process involving the application of heat
- d** to any particular piece of electrical apparatus or fitting which has caused a fire due to self ignition, over running, excessive pressure, short circuiting, self heating or leakage of electricity.

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 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.

3 Aircraft or other aerial devices or articles dropped from them

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

7 Storm, Tempest or Flood, excluding Business Interruption

- a** attributable solely to change in the water table level
- b** caused by frost, subsidence, ground heave or landslip
- c** in respect of fences, gates or moveable property in the open
- d** to open-fronted or open-sided Buildings or to Property contained therein.

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.

11 Theft or Attempted Theft involving

- a** forcible and violent entry to or exit from the Buildings
- b** hold-up by violence or threat of violence to the Insured or any partner, director, employee of the Insured or members of their families or any other person who has a legal right to be on the Premises

Section 2 – Business Interruption (continued)

but excluding Business Interruption arising directly from Theft or Attempted Theft

- i** expedited or in any way brought about by the Insured or any partner director or employee of the Insured or any person who has a legal right to be on the Premises
- ii** of Money, deeds, securities, jewellery, precious stones or precious metals, bullion, furs, curiosities, works of art or rare books unless such property is specifically described in the Schedule
- iii** to Property in the open or in open fronted buildings or in buildings not on permanent foundations
- iv** whilst the Premises are closed for Business or are left unattended unless all points of access are closed and secured by all locks and other protections fitted to them.

12 Subsidence, Ground Heave or Landslip excluding Business Interruption caused by

- a** collapse, cracking, shrinkage, expansion or settlement of Buildings or any part thereof
- b** coastal or river erosion
- c** defective design or workmanship or the use of defective materials including inadequate construction of foundations
- d** settlement or movement of made up ground
- e** the normal settlement or bedding down of new structures
- f** Damage to solid floor slabs or resulting from their movement unless the foundations beneath the external walls of the Buildings are Damaged at the same time and from the same cause
- g** Damage to yards, car parks, roads, pavements, landlords fixtures and fittings, security lighting and cameras, walls, gates, fences, fixed fuel oil tanks and fixed diesel tanks, piping, ducting, cables, wires and associated control gears and accessories, paved areas or footpaths unless a Building insured by this Section is Damaged by the same cause at the same time
- h** Damage which originates prior to the inception of this cover
- i** Damage resulting from demolition, construction, structural alteration or repair to any Buildings or groundworks or excavation at the same Premises
- j** Damage by Events 1,2,5,6 or 8

Special Condition

The Insured shall notify the Insurer immediately they become aware of any demolition, groundworks, excavation or construction being carried out on the same or any adjoining site. The Insurer shall then have the right to vary the terms or cancel cover in respect of subsidence, ground heave or landslip.

13 Accidental Damage excluding Business Interruption

- a** caused by, or consisting of, or arising from, or attributable to
 - i** any of the Events
 - ii** any of the exclusions to the Events specified in Events 1–12 and 14, whether Events 1–12 and 14 are insured or not
- b** caused by or consisting of 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
- c** caused by or consisting of faulty or defective workmanship, operational error or omission by the Insured or any employee of the Insured but this shall not exclude such Business Interruption not otherwise excluded which itself results from an insured Event or subsequent Business Interruption which itself results from a cause not otherwise excluded
- d** caused by 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 1–12 and 14
- e** caused by or consisting of corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects, change in temperature, colour, flavour, texture or finish but this shall not exclude
 - i** such Business Interruption not otherwise excluded which itself results from Events 1–12 and 14
 - ii** subsequent Business Interruption which itself results from a cause not otherwise excluded

- f** caused by or consisting of
 - i** joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, super-heaters, pressure vessels or any range of steam and feed piping connected to them
 - ii** mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which such breakdown or derangement originates

but this shall not exclude such Business Interruption not otherwise excluded which itself results from Events 1 to 12 and 14 or from any other Damage, or subsequent Business Interruption which itself results from a cause not otherwise excluded

- g** loss resulting from pollution or contamination but this shall not exclude loss resulting from Damage to Property Insured not otherwise excluded, caused by pollution or contamination which itself results from other Damage or caused by other Damage which itself results from pollution or contamination

- h** caused by
 - 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 caused 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 to 12 and 14 in so far as they are not otherwise excluded.

- i** caused by normal settlement or bedding down of new structures

- j** caused by destruction of or damage to any Building or structure caused by its own collapse or cracking, but this shall not exclude Business Interruption resulting from other Damage in so far as it is not otherwise excluded

- k** in respect of fences, gates and moveable Property in the open caused by wind, rain, hail, sleet, snow or dust

- l** caused by Damage to any Property resulting from its undergoing any process of production, packing, treatment, testing, commissioning, service or repair

- m** in respect of
 - i** jewellery, precious stones or precious metals, bullion, furs, curiosities, works of art or rare books
 - ii** Property in transit
 - iii** glass (other than fixed glass), sanitaryware (other than fixed sanitaryware), china, earthenware, marble or other fragile or brittle objects
 - iv** money, bonds or securities of any description

but this shall not exclude such Business Interruption caused by other Damage in so far as it is not otherwise excluded

- n** in respect of
 - i** vehicles licensed for road use (including accessories on them), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft
 - ii** Property or structures in course of construction or erection and materials or supplies in connection with all such Property or structures
 - iii** land, roads, pavements, piers, jetties, bridges, culverts or excavations
 - iv** livestock, growing crops or trees

but this shall not exclude such Business Interruption caused by other Damage so far as it is not otherwise excluded

- o** caused by theft or attempted theft

14 Escape of Oil from any fixed heating installation excluding Business Interruption

- a** in respect of any Building or Property Insured in any Building which is Unoccupied
- b** 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

Basis of Settlement

- 1** The Insurer's liability under this Section during any one Period of Insurance shall not exceed the Sum Insured
- 2** The Insurer will pay the Insured in respect of each item covered, the amount of their claim for Business Interruption.

Section 2 – Business Interruption (continued)

Material Damage Proviso

Provided that at the time of any Event there is an insurance in force covering the interest of the Insured in the Property at the Premises against such Event and that

- 1 payment has been made or liability has been admitted for payment, or
- 2 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.

Automatic Reinstatement

In the absence of written notice by the Insured or the Insurer to the contrary, 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 any Event to expiry of the Period of Insurance, but this shall not apply in respect of theft or attempted theft.

Gross Profit Items

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

- 1 Reduction in Turnover
- 2 Increase in Cost of Working.

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

The Insurer will not pay the Insured for

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

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

1 Average

If any Gross Profit Sum Insured is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover, the amount payable will be proportionately reduced.

The amount of the Annual Turnover will be proportionately increased when the Maximum Indemnity Period exceeds 12 months.

2 Alternative Premises

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

3 Uninsured Working Expenses

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

4 Salvage Sale

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

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

5 Lottery Winners

In the event an Employee or group of Employees resigns from his/her or their post(s) within the Business as a direct consequence of their securing a win in a Lottery cover extends to include the additional costs and/or expenses the Insured incurs, including but not limited to

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

Provided that

- a the Employee or group of Employees resigns within 14 days from the date of the successful Lottery win, and
- b the amount won by any one Employee is not less than £100,000
- c the Insurer's liability shall not exceed £25,000

For the purposes of this clause the following definitions apply

Indemnity Period

The period during which the Business results are affected due to an Employee or group of Employees resigning from his/her or their post(s) within the Business as a direct consequence of their securing a win in a Lottery, starting from the date of the first resignation and ending no later than the Maximum Indemnity Period.

Maximum Indemnity Period

One month.

Lottery

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

6 Essential Personnel

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

- i** the Maximum Indemnity Period in respect of this clause shall not exceed 12 months
- ii** the Insurer shall not be liable for more than £10,000 in respect of any one claim.

Revenue Items

The Insurer will pay the Insured as indemnity in consequence of Business Interruption for

- 1** loss of Revenue
- 2** Increase in Cost of Working.

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

The Insurer will not pay the Insured for

- a** Increase in Cost of Working exceeding the amount of reduction in Revenue 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 Revenue 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 Average

If the Revenue Sum Insured is less than the Annual Revenue, the amount payable will be proportionately reduced. The amount of the Annual Revenue will be proportionately increased when the Maximum Indemnity Period exceeds 12 months.

2 Alternative Premises

If during the Indemnity Period 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 services shall be taken into account in arriving at the Revenue during the Indemnity Period.

3 Lottery Winners

In the event an Employee or group of Employees resigns from his/her or their post(s) within the Business as a direct consequence of their securing a win in a Lottery cover extends to include the additional costs and/or expenses the Insured incurs, including but not limited to

- 1** recruitment and additional overtime costs
- 2** the cost of employing temporary staff for amounts in excess of permanent full time rates of payment.

Provided that

- a** the Employee or group of Employees resigns within 14 days from the date of the successful Lottery win, and
- b** the amount won by any one Employee is not less than £100,000
- c** the Insurer's liability shall not exceed £25,000

For the purposes of this clause the following definitions apply

Indemnity Period

The period during which the Business results are affected due to an Employee or group of Employees resigning from his/her or their post(s) within the Business as a direct consequence of their securing a win in a Lottery, starting from the date of the first resignation and ending no later than the Maximum Indemnity Period.

Maximum Indemnity Period

One month

Section 2 – Business Interruption (continued)

Lottery

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

4 Essential Personnel

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

- i the Maximum Indemnity Period in respect of this clause shall not exceed 12 months
- ii the Insurer shall not be liable for more than £10,000 in respect of any one claim.

All Items

The following clauses apply

1 Departmental Trading

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

2 Trends and Variations

Adjustments shall be made to the figures representing the Rate of Gross Profit, Annual Turnover, Standard Turnover, Annual Revenue and Standard Revenue 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.

3 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 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.

4 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.

5 Current Cost Accounting

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

6 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.

7 Additional Increase in Cost of Working

Cover extends to include additional expenditure beyond that the Insurer will pay as indemnity in respect of Increase in Cost of Working under Basis of Settlement, necessarily and reasonably incurred in consequence of Business Interruption for the purpose of avoiding or diminishing the reduction in Turnover or loss of Revenue during the Indemnity Period.

The most the Insurer will pay for any one claim is £25,000.

Extensions

(Subject to the terms, limits, conditions and exclusions of this Section and the Policy)

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

- a Damage at any Situation or to any Property shown below, or
- b any of the under-noted Contingencies

within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands shall be understood to be loss as insured by this Section, provided that after the application of all other terms, conditions and provisions of this Section and as shown below the liability of the Insurer for any one claim shall not exceed the Total Sum Insured, or the percentage of the Total Sum Insured, or the amount shown against any of the Situations or any of the Property or any Contingency as the Limit, whichever is less.

Situations

- 1 Suppliers** (not applicable to any Revenue item)
The premises of any of the Insured's suppliers, manufacturers or processors of components, goods or materials, but excluding the premises of any separately specified supplier or of any supply undertaking from which the Insured obtain electricity, gas, water or telecommunications services subject to a limit of 10% of the Gross Profit Sum Insured or £100,000, whichever is less.
- 2 Customers** (not applicable to any Revenue item)
The premises of any of the Insured's customers but excluding the premises of any separately specified customer subject to a limit of 10% of the Gross Profit Sum Insured or £100,000, whichever is less.
- 3 Contract Sites** (not applicable to any Revenue item)
Any situation not in the occupation of the Insured where the Insured are carrying out a contract subject to a limit of 10% of the Gross Profit Sum Insured or £50,000 whichever is less.
- 4 Exhibition Sites**
Any exhibition site where the Insured are exhibiting goods or services, excluding any such site under canvas or in the open subject to a limit of 10% of the Sum Insured or £50,000, whichever is less.

Property

- 1 Property Stored**
Property of the Insured whilst stored elsewhere than at the Premises occupied by the Insured subject to a limit of 10% of the Gross Profit Sum Insured or 10% of the Revenue Sum Insured or £50,000, whichever is less.
- 2 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 subject to a limit of 10% of the Gross Profit Sum Insured or 10% of the Revenue Sum Insured or £50,000, whichever is less.

3 Denial of Access

Property in the immediate vicinity of the Premises which prevents or hinders the use of or access to the Premises, whether the Premises or property in the Premises is Damaged or not subject to a limit of 10% of the Gross Profit Sum Insured or 10% of the Revenue Sum Insured or £50,000, whichever is less.

4 Transit

Property of the Insured whilst in transit by road, rail or inland waterway subject to a limit of 10% of the Gross Profit Sum Insured or 10% of the Revenue Sum Insured or £10,000, whichever is less.

5 Moulds, Tools and Dies

Moulds, tools and dies belonging to the Insured or for which the Insured are responsible whilst at the Premises or at any premises not in the occupation of the Insured or in transit by road, rail or inland waterway subject to a limit of £25,000.

Contingencies

1 Failure of Supply

Accidental failure of supply of

- i** electricity at the terminal ends of the service provider's feeders at the Premises subject to a limit of £25,000
- ii** gas at the service provider's meters at the Premises subject to a limit of £25,000
- iii** water at the service provider's main stop cock serving the Premises subject to a limit of £25,000
- iv** land based telecommunications services (excluding intranet or extranet services) at the incoming line terminals or receivers at the Premises subject to a limit of £25,000
 - v** other telecommunications services (including intranet or extranet services) at the incoming line terminals or receivers at the Premises subject to a limit of £25,000

Provided that

- a** in respect of the supply of land based and other telecommunications services the Maximum Indemnity Period shall not exceed 3 months
- b** the Insurer shall not be liable for any Business Interruption
 - i** which does not involve a cessation of supply for at least 4 consecutive hours in respect of the supply of electricity, gas or water services and for at least 12 consecutive hours in respect of the supply of land based and other telecommunications services
 - ii** resulting from the deliberate act of any supply undertaking or by the exercise by any such undertaking of its power to withhold or restrict supply or services not performed for the sole purpose of safeguarding life or protecting the supply undertaking's system

Section 2 – Business Interruption (continued)

- iii resulting from failure caused by
 - strikes or any labour or trade dispute
 - drought
 - other atmospheric or weather conditions, but this shall not exclude failure due to damage caused by such conditions
- iv caused by or arising from or attributable to the failure of any overhead transmission and distributing lines and their supporting structures, other than those within 1 mile of the Premises
- v resulting from the failure of telecommunications services via satellite
 - due to the failure of any satellite prior to its attaining its full operating function or whilst in or beyond the final year of its design life
 - in the event of temporary interference with transmissions to and from satellites due to atmospheric weather, solar or lunar conditions
 - resulting from the transfer of the Insured's satellite facility to another party
- vi as insured under the Supply Undertakings Extension.

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.

Section Exclusions

The Policy Exclusions apply to this Section

Section Conditions

The Policy Conditions apply to this Section and in addition:

1 Alteration

Unless the Insurer agrees in writing, cover under this Section shall automatically cease if during the Period of Insurance

- a the Business is wound up or carried on by a liquidator or receiver or permanently discontinued
- b the interest of the Insured ceases other than by death

Section 2a – Increased 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.

Event

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

Indemnity Period

Period beginning with the occurrence of any 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

Maximum indemnity period shown in the Schedule.

Premises

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.

Cover

The Insurer will pay the Insured for Business Interruption by any of the Events operative under this Policy and not otherwise excluded occurring during the Period of Insurance.

Events

- 1 Fire**, excluding Business Interruption caused
 - a** by explosion resulting from fire
 - b** by earthquake or subterranean fire
 - c** by its own spontaneous fermentation or heating or its undergoing any heating process or any process involving the application of heat
 - d** to any particular piece of electrical apparatus or fitting which has caused a fire due to self ignition, over running, excessive pressure, short circuiting, self heating or leakage of electricity.

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 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.
- 3 Aircraft** or other aerial devices or articles dropped from them
- 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

Section 2a – Increased Cost of Working (continued)

- 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

7 Storm, Tempest or Flood, excluding Business Interruption

- a** attributable solely to change in the water table level
- b** caused by frost, subsidence, ground heave or landslip
- c** in respect of fences, gates or moveable property in the open.
- d** to open-fronted or open-sided Buildings or to Property contained therein

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.

11 Theft or Attempted Theft involving

- a** forcible and violent entry to or exit from the Buildings
- b** hold-up by violence or threat of violence to the Insured or any partner, director, employee of the Insured or members of their families or any other person who has a legal right to be on the Premises

but excluding Business Interruption arising directly from Theft or Attempted Theft

- i** expedited or in any way brought about by the Insured or any partner director or employee of the Insured or any person who has a legal right to be on the Premises
- ii** of Money, deeds, securities, jewellery, precious stones or precious metals, bullion, furs, curiosities, works of art or rare books unless such property is specifically described in the Schedule
- iii** to Property in the open or in open fronted buildings or in buildings not on permanent foundations
- iv** whilst the Premises are closed for Business or are left unattended unless all points of access are closed and secured by all locks and other protections fitted to them.

12 Subsidence, Ground Heave or Landslip excluding Business Interruption caused by

- a** collapse, cracking, shrinkage, expansion or settlement of Buildings or any part thereof
- b** coastal or river erosion
- c** defective design or workmanship or the use of defective materials including inadequate construction of foundations
- d** settlement or movement of made up ground
- e** the normal settlement or bedding down of new structures
- f** Damage to solid floor slabs or resulting from their movement unless the foundations beneath the external walls of the Buildings are Damaged at the same time and from the same cause
- g** Damage to yards, car parks, roads, pavements, landlords fixtures and fittings, security lighting and cameras, walls, gates, fences, fixed fuel oil tanks and fixed diesel tanks, piping, ducting, cables, wires and associated control gears and accessories, paved areas or footpaths unless a Building insured by this Section is Damaged by the same cause at the same time

- h** Damage which originates prior to the inception of this cover
- i** Damage resulting from demolition, construction, structural alteration or repair to any Buildings or groundworks or excavation at the same Premises
- j** Damage by Events 1,2,5,6 or 8

Special Condition

The Insured shall notify the Insurer immediately they become aware of any demolition, groundworks, excavation or construction being carried out on the same or any adjoining site. The Insurer shall then have the right to vary the terms or cancel cover in respect of subsidence, ground heave or landslip.

13 Accidental Damage excluding Business Interruption

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

specified in Events 1–12 and 14, whether Events 1–12 and 14 are insured or not
- b** caused by or consisting of 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
- c** caused by or consisting of faulty or defective workmanship, operational error or omission by the Insured or any employee of the Insured but this shall not exclude such Business Interruption not otherwise excluded which itself results from an insured Event or subsequent Business Interruption which itself results from a cause not otherwise excluded
- d** caused by 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 1–12 and 14
- e** caused by or consisting of corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects, change in temperature, colour, flavour, texture or finish

but this shall not exclude

 - i** such Business Interruption not otherwise excluded which itself results from Events 1–12 and 14

- ii** subsequent Business Interruption which itself results from a cause not otherwise excluded
- f** caused by or consisting of
 - i** 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
 - ii** mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which such breakdown or derangement originates

but this shall not exclude such Business Interruption not otherwise excluded which itself results from Events 1 to 12 and 14 or from any other Damage, or subsequent Business Interruption which itself results from a cause not otherwise excluded
- g** loss resulting from pollution or contamination but this shall not exclude loss resulting from Damage to Property Insured not otherwise excluded, caused by pollution or contamination which itself results from other Damage or caused by other Damage which itself results from pollution or contamination
- h** caused by
 - a** disappearance, unexplained or inventory shortage or the misfiling or misplacing of information
 - b** erasure, loss, distortion or corruption of information on computer systems or other records, programs or software deliberately caused by rioters, strikers, locked-out workers, persons taking part in labour disturbances or civil commotion, or malicious persons
 - c** other erasure, loss, distortion or corruption of information on computer systems or other records, programs or software, unless resulting from Events 1 to 12 and 14 in so far as they are not otherwise excluded.
- i** caused by normal settlement or bedding down of new structures
- j** caused by Damage to any Building or structure caused by its own collapse or cracking, but this shall not exclude Business Interruption resulting from other Damage in so far as it is not otherwise excluded
- k** in respect of fences, gates and moveable Property in the open caused by wind, rain, hail, sleet, snow or dust

Section 2a – Increased Cost of Working (continued)

- l** caused by Damage to any Property resulting from its undergoing any process of production, packing, treatment, testing, commissioning, service or repair
- m** in respect of
 - i** jewellery, precious stones or precious metals, bullion, furs, curiosities, works of art or rare books
 - ii** Property in transit
 - iii** glass (other than fixed glass), sanitaryware (other than fixed sanitaryware), china, earthenware, marble or other fragile or brittle objects
 - iv** money, bonds or securities of any description

but this shall not exclude such Business Interruption caused by other Damage in so far as it is not otherwise excluded

- n** in respect of
 - i** vehicles licensed for road use (including accessories on them), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft
 - ii** Property or structures in course of construction or erection and materials or supplies in connection with all such Property or structures
 - iii** land, roads, pavements, piers, jetties, bridges, culverts or excavations
 - iv** livestock, growing crops or trees

but this shall not exclude such Business Interruption caused by other Damage so far as it is not otherwise excluded

- o** caused by theft or attempted theft

14 Escape of Oil from any fixed heating installation excluding

- a** Damage in respect of any Building or Property Insured in any Building which is Unoccupied
- b** Damage 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

Basis of Settlement

- 1** The Insurer's liability under this Section during any one Period of Insurance shall not exceed the Sum Insured
- 2** The Insurer will pay the Insured as indemnity in consequence of Business Interruption for Increased Cost of Working.

Increased 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.

Material Damage Proviso

Provided that at the time of any Event there is an insurance in force covering the interest of the Insured in the Property at the Premises against such Event and that

- 1** payment has been made or liability has been admitted for payment, or
- 2** 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.

Automatic Reinstatement

In the absence of written notice by the Insured or the Insurers to the contrary, 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 any Event to expiry of the Period of Insurance, but this shall not apply in respect of theft or attempted theft.

Basis of Settlement Adjustments

In calculating the most the Insurer will pay the Insured, adjustments will 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 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

(Subject to the terms, limits, conditions and exclusions of this Section and the Policy)

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

- a Damage at any Situation or to any Property shown below, or
- b any of the under-noted Contingencies

within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands shall be understood to be loss as insured by this Section, provided that after the application of all other terms, conditions and provisions of this Section and as shown below the liability of the Insurer for any one claim shall not exceed the Total Sum Insured, or the percentage of the Total Sum Insured, or the amount shown against any of the Situations or any of the Property or any Contingency as the Limit, whichever is less.

Situations

1 Exhibition Sites

Any exhibition site where the Insured are exhibiting goods or services, excluding any such site under canvas or in the open subject to a limit of 10% of the Sum Insured or £50,000, whichever is less.

Property

1 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.

2 Denial of Access

Property in the immediate vicinity of the Premises which prevents or hinders the use of or access to the Premises, whether the Premises or property in the Premises is Damaged or not.

3 Moulds, Tools and Dies

Moulds, tools and dies belonging to the Insured or for which the Insured are responsible whilst at the Premises or at any premises not in the occupation of the Insured or in transit by road, rail or inland waterway subject to a limit of £25,000.

Contingencies

1 Failure of Supply

Accidental failure of supply of

- i electricity at the terminal ends of the service provider's feeders at the Premises subject to a limit of £25,000
- ii gas at the service provider's meters at the Premises subject to a limit of £25,000
- iii water at the service provider's main stop cock serving the Premises subject to a limit of £25,000
- iv land based telecommunications services (excluding intranet or extranet services) at the incoming line terminals or receivers at the Premises subject to a limit of £25,000
- v other telecommunications services (including intranet or extranet services) at the incoming line terminals or receivers at the Premises subject to a limit of £25,000

Section 2a – Increased Cost of Working (continued)

Provided that

- a** in respect of the supply of land based and other telecommunications services the Maximum Indemnity Period shall not exceed 3 months
- b** the Insurer shall not be liable for any Business Interruption
 - i** which does not involve a cessation of supply for at least 4 consecutive hours in respect of the supply of electricity, gas or water services and for at least 12 consecutive hours in respect of the supply of land based and other telecommunications services
 - ii** resulting from the deliberate act of any supply undertaking or by the exercise by any such undertaking of its power to withhold or restrict supply or services not performed for the sole purpose of safeguarding life or protecting the supply undertaking's system
 - iii** resulting from failure caused by
 - strikes or any labour or trade dispute
 - drought
 - other atmospheric or weather conditions, but this shall not exclude failure due to damage caused by such conditions
 - i** caused by or arising from or attributable to the failure of any overhead transmission and distributing lines and their supporting structures, other than those within 1 mile of the Premises
 - v** resulting from the failure of telecommunications services via satellite
 - due to the failure of any satellite prior to its attaining its full operating function or whilst in or beyond the final year of its design life
 - in the event of temporary interference with transmissions to and from satellites due to atmospheric weather, solar or lunar conditions
 - resulting from the transfer of the Insured's satellite facility to another party
 - vi** as insured under the Supply Undertakings Extension.

Section Exclusions

The Policy Exclusions apply to this Section

Section Conditions

The Policy Conditions apply to this Section and in addition:

1 Alteration

Unless the Insurer agrees in writing, cover under this Section shall automatically cease if during the Period of Insurance

- a** the Business is wound up or carried on by a liquidator or receiver or permanently discontinued
- b** the interest of the Insured ceases other than by death

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.

Section 3 – Book Debts

Definitions

Event

Damage to the Insured's Records by an Event covered under Section 1 Property Damage of this Policy

- 1 at the Premises
- 2 at any premises in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands occupied by persons acting on behalf of the Insured, to which Records have been temporarily removed
- 3 in transit, including sea or air transit, within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands, but excluding such Damage by theft or attempted theft.

Outstanding Debit Balances

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

- 1 bad debts
- 2 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 Event
- 3 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 those which but for the Event would have been obtained at the date of the Event had the Event not occurred.

Records

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

Cover

The Insurer will pay the Insured for Outstanding Debit Balances if in consequence of an Event the Insured are unable to trace or establish Outstanding Debit Balances in whole or in part.

Basis of Settlement

The insurance under this Section is limited to loss sustained by the Insured directly due to the Event and the amount payable shall not exceed

- 1 the Total Sum Insured
- 2 the difference between
 - a the Outstanding Debit Balances, and
 - b the total of the amounts received or traced in respect of such balances
- 3 the additional expenditure incurred with the Insurer's previous consent in tracing and establishing customers' debit balances after the Event.

Automatic Reinstatement

In the absence of written notice by the Insured or the Insurer, in consideration of the Sum Insured not being reduced by the amount of any claim from the date of the Event, the Insured will pay the appropriate additional premium due for the period 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.

Section 3 – Book Debts (continued)

Basis of Settlement Adjustments

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

1 Average (Underinsurance)

If the Total Sum insured at the time of the Event is less than the Outstanding Debit Balances, the amount payable will be proportionately reduced.

2 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, 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.

Section Exclusions

The Policy Exclusions apply to this Section

Section Conditions

The Policy Conditions apply to this Section and in addition:

1 Alteration

Unless the Insurer agrees in writing, cover under this Section shall automatically cease if during the Period of Insurance

- a the Business is wound up or carried on by a liquidator or receiver or permanently discontinued
- b the interest of the Insured ceases other than by death

2 Outstanding Debit Recording

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

Section 4 – Money

Definitions

Accident

Bodily injury caused by accidental, violent, external and visible means.

Business Hours

The period during which the Insured or any partner, director or employee of the Insured is on the Premises for the purpose of the Business.

Estimated Annual Carryings

The estimate by the Insured of the total value of Negotiable Money to be In Transit during the Period of Insurance.

Insured Person

Insured or any partner, director or employee of the Insured aged between 16 and 70 years.

In Transit

In transit in the personal custody of the Insured, any authorised partner, director or employee of the Insured, a security organisation approved by the Insurer, or by registered post.

Loss of Limb(s)

Total and permanent loss by physical separation or total and permanent loss of use of a hand at or above the wrist or a foot at or above the ankle.

Loss of Sight

Total and permanent loss of sight which will be considered as having occurred

- 1 in both eyes if the Insured Person(s) name has been added to the Register of Blind Persons on the authority of a fully qualified ophthalmic specialist; or
- 2 in one eye if the degree of sight remaining after correction is 3/60 or less on the Snellen Scale

Money

Negotiable Money and Non-negotiable Money belonging to the Insured or for which the Insured are responsible.

Negotiable Money

Cash, bank and currency notes, credit cards, uncrossed cheques, uncrossed postal orders, luncheon vouchers, current postage stamps, trading stamps, National Insurance stamps not affixed to cards, Holiday with Pay stamps, National Savings stamps, unexpired units in franking machines, gift tokens, consumer redemption vouchers, mobile telephone vouchers and telephone cards.

Non-negotiable Money

Crossed cheques, crossed postal orders, crossed bankers' drafts, National Insurance stamps fixed to cards, National Savings certificates, Premium Bonds, credit sales vouchers or receipts and V.A.T. purchase invoices.

Permanent Total Disablement

Any permanent disablement other than Loss of Sight or Loss of Limb(s) which having lasted without interruption for at least 12 months is without any reasonable prospect of improving and in the opinion of an independent qualified medical referee acceptable to the Insurer will in all probability permanently, completely and continuously prevent the Insured Person(s) from engaging in or giving attention to business profession or occupation of each and every kind for the remainder of his or her life.

Temporary Partial Disablement

A disablement which continuously prevents the Insured Person from attending to a substantial part of their usual occupation.

Temporary Total Disablement

A disablement which completely and continuously prevents the Insured Person from attending to their usual occupation.

Section 4 – Money (continued)

Cover

- 1 The Insurer will indemnify the Insured in respect of the limits of indemnity stated in the Schedule against Damage to Money occurring during the Period of Insurance held in connection with the Business by any cause not excluded**
- 2 The Insurer will indemnify the Insured against Damage sustained as a direct result of theft or attempted theft of Money, of or to**
 - a any safe or strongroom specified in Item 2 of the Schedule, or any bag or other container used by the Insured or any authorised partner, director or employee of the Insured to carry Money**
 - b clothing and personal effects belonging to the Insured or to any partner, director or employee of the Insured following assault or violence or the threat of assault or violence**
- 3 The Insurer will pay the Insured when any Insured Person whilst engaged in connection with the Business, as a direct result of theft or attempted theft of Money involving assault or violence or the threat of assault or violence**
 - a suffers an Accident resulting within 12 months, directly and independently of any other cause, in death or disablement**
 - b suffers emotional stress necessitating professional counselling, provided such counselling is recommended by a qualified medical practitioner and agreed to by the Insurer before costs are incurred.**

Basis of Settlement

- 1** The Insurer will pay the Insured the amount of Money under any Item for which a Limit of Liability is specified in the Schedule at the time of Damage.
- 2** The most the Insurer will pay for any one claim is
 - a** for any one Item, the Limit of Liability specified in the Schedule
 - b** for any one safe or strongroom, £5,000
 - c** for any one bag or container, its value at the time of Damage
 - d** for clothing or personal effects, £500 any one person
 - e** for death, Accident, disablement or emotional stress, the amounts specified in the Scale of Compensation.
- 3** The Insurer will also pay
 - a** the value of any safe or strongroom, of any bag or container used to carry Money or of the clothing or personal effects of the Insured or any partner, director or employee of the Insured lost or damaged at the same time, or at the Insurers option reinstate or replace such property or any part of such property
 - b** compensation in respect of death, Accident, disablement or emotional stress.

Automatic Reinstatement

In the absence of written notice by the Insured or the Insurer, in consideration of the Sum Insured not being reduced by the amount of any claim from the date of the Event, the Insured will pay the appropriate additional premium due for the period 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.

Scale of Compensation

Item	Amount
1 a Death	£25,000
b Loss of Limb(s) or Loss of Sight	£25,000
c Permanent Total Disablement	£25,000
d Temporary Total Disablement – per week	£100
e Temporary Partial Disablement – per weekm	£50
2 The cost of professional counselling	
a per hour	£50
b any one person	£1,000
c in total	£5,000

In respect of each Insured Person, compensation will not be paid by the Insurer

- i under more than one of 1a, 1b or 1c for the consequences of the same Accident
- ii under 1d and 1e for more than 104 weeks in all in respect of one or more Accidents.

Basis of Settlement Adjustments

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

1 Contribution

If at the time of Damage any other insurance has been effected by or on behalf of the Insured covering Money or any other property insured by this Section in whole or in part, the Insurers liability under this Section shall be limited to the Insurers rateable proportion of such Damage.

2 Damage to the Premises

Provided that Section 1 Property Damage is insured under this Policy, in the event that Buildings are not covered by Section 1 Property Damage the Insurer will pay

- a costs for which the Insured are responsible, necessarily and reasonably incurred by the Insured to repair Damage to the Premises as a direct result of theft or attempted theft of Money within the Insured's Premises (and as insured by this Section)

- b the cost of any temporary boarding-up or making good necessary to keep the Premises secure.

The most the Insurer will pay for any one claim is £5,000.

3 Weekly Compensation

Weekly compensation will be paid when the total amount to be paid has been agreed, or if the Insured so request, at the end of each period of 4 consecutive weeks disablement.

Section Exclusions

The Policy Exclusions apply to this Section and in addition:

The Insurer will not pay for

- 1 loss arising from the dishonesty of any partner, director or employee of the Insured which is not discovered within 15 working days of such loss
- 2 Damage to any machine which uses coins, notes or tokens
- 3 loss due to theft of or from any unattended vehicle
- 4 shortage due to error or omission
- 5 any loss under Item 2.f. (as described in the Schedule), unless the key or keys to the specified safes or strongrooms are removed from the Premises, or if a person is authorised to hold such keys and that person lives on the Premises, that person removes all keys to that part of the Premises in which that person actually lives
- 6 consequential loss or Damage of any kind or description
- 7 Damage, death, Accident, disablement or emotional stress arising outside Great Britain, Northern Ireland, the Isle of Man or the Channel Islands

Section 4 – Money (continued)

Section Conditions

The Policy Conditions apply to this Section and in addition the following:

1 Precautions

The Insured must

- a** exercise due care in selecting employees to be entrusted with Money and shall obtain and will continue to obtain satisfactory written references and confirmation of such references directly from the previous employers
- b** keep a proper written record of all Money covered by this Section and allow the Insurer to inspect this record at all reasonable times.
- c** secure and lock all cash registers, safes and other money containers whenever such containers are left unattended during Business Hours

2 Transit

In respect of Negotiable Money In Transit in the personal custody of the Insured or of any authorised partner, director or employee of the Insured, it is a condition precedent to any liability under this Section that such Money will be accompanied by

- a** 2 adults when in excess of £3,000
- b** 3 adults when in excess of £6,000
- c** a professional security company when in excess of £15,000

unless otherwise agreed by the Insurer in writing or amended by a clause applicable to this Section as specified in the Schedule.

3 Additional Claims Conditions

- a** In the event of Accident or emotional stress the Insured Person must
 - i** as soon as possible after the Accident has occurred, consult a qualified medical practitioner and follow the advice of such practitioner
 - ii** submit to any medical examination made on behalf of the Insurer
 - iii** in the event of a claim being made for the cost of professional counselling, supply the Insurer with a recommendation for treatment in writing by a qualified medical practitioner
- b** In the event of the death of an Insured Person as a result of Accident the Insurer shall be entitled, at the Insurers expense, to arrange a post-mortem examination

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

4 Fair Presentation

If a claim is made under Cover 3 of this Section, the Insurer will not invoke the remedies which might otherwise have been available to it under Policy Condition 2 (Fair Presentation of the Risk) as against the Insured, if the failure to make a fair presentation of the risk concerns only facts or information which relate to a particular partner, director or employee. If the partner, director or employee concerned or the Insured on their behalf makes a careless misrepresentation of facts, the Insurer may invoke the remedies available to it under Policy Condition 2 (Fair Presentation of the Risk) as against that partner, director or employee only, as if a separate insurance contract had been issued to such person, leaving the remainder of the Policy unaffected.

5 Fraudulent Claims

If any fraud to which Policy Condition 7 (Fraud) relates is perpetrated by or on behalf of an Insured Person (and not on behalf of the Insured), Policy Condition 7 (Fraud) should be read as if it applies only to that Insured Person's claim and references to the Policy should be read as if they were references to the cover effected for that person alone and not to the Policy as a whole.

Section 5 – Own Goods in Transit

Definitions

Goods

Goods belonging to the Insured or held by the Insured in trust and for which the Insured is responsible.

Territorial Limits

Great Britain, Northern Ireland, the Republic of Ireland, the Isle of Man or the Channel Islands, including sea or air transits between these territories.

Tools

Any hand tool or any hand held portable power tool or their parts belonging to the Insured or held by the Insured in trust and for which the Insured is responsible.

Transit

Carrying Goods and Tools in connection with the Business by any means of transit described in the Schedule, including

- loading and unloading Goods and Tools
- temporary storage of Goods and Tools in warehousing during transit, for up to 30 days.

Vehicle

Any vehicle owned or operated by the Insured.

Cover

The Insurer will pay the Insured for

- 1 Damage to Goods and Tools in Transit within the Territorial Limits**
- 2 Damage to the clothing or personal effects of the driver of any Vehicle or of any other person authorised to be in the Vehicle.**

Basis of Settlement

- 1 The most the Insurer will pay for any one claim or series of claims arising out of any one occurrence of Damage is
 - a the maximum any one Vehicle, the maximum any one loss or any other limit of liability specified in the Schedule
 - b for clothing or personal effects, £500 per person
- 2 The Insurer will pay the Insured the value of the Goods and Tools in Transit at the time of Damage.
- 3 The Insurer will also pay the value of clothing or personal effects of the driver of any Vehicle or of any other person authorised to be in the Vehicle at the time of Damage.

Automatic Reinstatement

In the absence of written notice by the Insured or the Insurer, in consideration of the Sum Insured not being reduced by the amount of any claim from the date of the Event, the Insured will pay the appropriate additional premium due for the period 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.

Section 5 – Own Goods in Transit (continued)

Basis of Settlement Adjustments

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

1 Average (Underinsurance)

If the value of Goods and Tools in or on any Vehicle at the time of any Damage is of greater value than the maximum any one Vehicle or any other limit of liability specified in the Schedule for that Vehicle, the amount payable by the Insurer will be proportionately reduced.

2 Sheets and Ropes

In respect of Vehicles, cover includes Damage to sheets, ropes and packing materials, but excluding Damage due to unexplained shortage or disappearance, wear and tear or depreciation.

3 Additional Vehicles

Cover includes Damage to Goods and Tools in any additional Vehicle not specified in the Schedule up to an amount of £2,500 any one claim, provided that the Insured shall advise the Insurer of the acquisition of such additional Vehicle within 21 days of its acquisition and pay any additional premium required by the Insurer.

4 Substitute Vehicles

Cover includes Damage to Goods and Tools arising out of the use of any vehicle in substitution by the Insured whilst any Vehicle is undergoing service or repair, up to the amount of the Limit of Liability specified in the Schedule applicable to the Vehicle undergoing service or repair.

5 Transshipment and Debris Removal Costs

Cover includes costs and expenses necessarily and reasonably incurred in

- a transshipment and recovery of Goods and Tools following collision or overturning of the conveying Vehicle, or impact with any object by the conveying Vehicle
- b removal of debris and site clearance following Damage to Goods, up to an amount of £7,500 any one claim. The Insurer will not pay for such costs and expenses arising from pollution or contamination of or to property not insured by this Section.

Section Exclusions

The Policy Exclusions apply to this Section and in addition:

The Insurer will not pay for

- 1 Damage in respect of property more specifically insured
- 2 Damage due to
 - a depreciation, deterioration or contamination, unless caused by accident to the conveying vehicle
 - b inherent vice, leakage or ordinary loss in weight or volume
 - c bruising, scratching, chipping, denting, rust, oxidation or discolouration
 - d mechanical or electrical breakdown, failure or derangement
 - e faults in processing or the insufficiency or unsuitability of packing or preparation
 - f delay or loss of market
- 3 Damage to the contents of any package not involving outward and visible Damage to the package
- 4 Damage in respect of Goods and Tools in any open sided, curtain sided, open top or soft top Vehicle or trailer due to
 - a water or atmospheric conditions
 - b theft unless such Vehicle or trailer is stolen at the same time
- 5 Damage in respect of jewellery, precious stones, precious metals, bullion, furs, works of art, rare books, Money, bonds, securities of any description, deeds, documents, manuscripts, business books, plans, designs, livestock or the Insured's own machinery and plant (other than tools if specified as included in the Schedule)
- 6 Damage to the Property Insured caused by theft or attempted theft of such property from an unattended Vehicle unless such vehicle is protected as described under the terms of Section Condition 2 of this Section
- 7 consequential loss or Damage of any kind or description, other than any condition of average and salvage charges for which the Insured becomes liable in respect of any Transit insured by this Section
- 8 the Excess.

Section Conditions

The Policy Conditions apply to this Section and in addition:

1 Precautions

The Insured must

- a** install any additional protections to any Vehicle asked for by the Insurer
- b** exercise due care in selecting employees to be entrusted with Vehicles, Goods or Tools
- c** ensure that Vehicles are maintained in roadworthy condition.

2 Vehicle Protections

Whenever Property Insured is left in unattended Vehicles, the Insured must ensure that

- a** all security locks, alarms and other security devices are maintained in an efficient working condition
- b** all doors are locked, windows and other openings closed and securely fastened and all intruder alarm installations and other security devices are made operative whenever the Vehicles are left unattended
- c** Vehicles are contained in a securely locked building if left unattended overnight (for the purpose of this Section overnight shall mean from 9.00pm or whenever the Vehicle was last occupied whichever the earlier, to 6.00am or until the Vehicle is first used whichever is the later).

3 Additional Claims Condition

In the case of Transit by road or rail carrier or by post, immediately the Insured becomes aware of any occurrence giving rise to or likely to give rise to a claim under this Section, the Insured shall take all practicable steps to notify the carrier concerned of any Damage within the time limits for notification of claims stipulated in the applicable conditions of carriage or contract.

Section 6 – Specified All Risks

Definitions

Damage/Damaged

Accidental loss or destruction of or damage.

Premises

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

Property/Property Insured

Property described in the Schedule.

Territorial Limits

- A** the Premises
- B** anywhere within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- C** anywhere within countries of the European Union
- D** World Wide.

Vehicle

Any vehicle owned or operated by the Insured.

Cover

The Insurer will pay the Insured for Damage to Property Insured whilst within the Territorial Limits specified in the Schedule occurring during the Period of Insurance.

Basis of Settlement

- 1** The Insurer will pay the Insured the value of the Property Insured at the time of its Damage, or at the Insurer's option will reinstate or replace such Property or any part of such Property.
- 2** The most the Insurer will pay for any one claim is
 - a** the Total Sum Insured, or for each item its individual Sum Insured, at the time of Damage
 - b** the amount of the Sum Insured remaining after deduction for any other Damage occurring during the same Period of Insurance, unless the Insurer agrees to reinstate any such Sum Insured.

Automatic Reinstatement

In the absence of written notice by the Insured or the Insurer, in consideration of the Sum Insured not being reduced by the amount of any claim from the date of the Damage, the Insured will pay the appropriate additional premium due for the period from the date of the Damage to expiry of the Period of Insurance, but this shall not apply in respect of theft or attempted theft.

Basis of Settlement Adjustments

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

1 Average (Underinsurance)

If at the time of Damage the Sum Insured for any item is less than the value of the item covered by such Sum Insured, the amount payable by the Insurer will be proportionately reduced.

2 Contribution and Average

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

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

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

3 Data Processing and Ancillary Equipment

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

4 Interested Parties

The Insurer agrees to note the interest of any party notifying their interest in any of the Property Insured in writing, the nature and extent of such interest to be disclosed in the event of Damage.

Section Exclusions

The Policy Exclusions apply to this Section and in addition:

The Insurer will not pay for

- 1** Damage caused by or arising from
 - a** wear and tear, inherent defect
 - b** rot, mildew, rust, corrosion, frost, pollution or contamination
 - c** bruising, scratching, chipping, denting, oxidisation or discolouration
 - d** insects, woodworm, vermin
 - e** dyeing, cleaning, repair, renovation
 - f** electronic, electrical or mechanical breakdown, failure or derangement
 - g** faulty manipulation, design, plan, specification or materials
 - h** gradual deterioration, market depreciation
 - i** consequential loss or Damage of any kind or description
- 2** Damage to Property Insured caused by its undergoing any process involving the application of heat
- 3** Damage suffered by the Insured as a result of being deceived into knowingly parting with Property
- 4** Damage to the Property Insured caused by theft or attempted theft of such property from an unattended Vehicle unless such Vehicle is protected as described under the terms of Section Condition 1 of this Section
- 5** Damage not occurring within the Territorial Limits specified in the Schedule
- 6** the Excess.

Section Conditions

The Policy Conditions apply to this Section and in addition:

1 Vehicle Protections

Whenever Property Insured is left in unattended Vehicles, the Insured must ensure that

- a** all security locks, alarms and other security devices are maintained in an efficient working condition
- b** all doors are locked, windows and other openings closed and securely fastened and all intruder alarm installations and other security devices are made operative whenever the Vehicles are left unattended
- c** Vehicles are contained in a securely locked building if left unattended overnight (for the purpose of this Section overnight shall mean from 9.00pm, or whenever the Vehicle was last occupied whichever is the earlier, to 6.00am or until the Vehicle is first used whichever is the later).

2 Additional Claims Conditions

The Insurer will not pay for any claim for Damage which is not notified to the Insurer within 30 days of the occurrence of such Damage.

3 Reinstatement

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

Section 7 – Employers' Liability

Definitions

Act of Terrorism

Any act including but not limited to the use of force or violence and/or threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political religious ideological or similar purposes including the intention to influence any government and/or put the public or any section of the public in fear.

Business

The business specified in the Schedule conducted solely from Great Britain, Northern Ireland, the Isle of Man or the Channel Islands and including

- 1 the ownership, maintenance and repair of Premises used in connection therewith
- 2 the provision and management of canteen, social, sports or welfare organisations for the benefit of Employees and the ambulance, first aid, fire, medical and security services of the Insured
- 3 the execution of private duties by Employees for any partner, director or senior official of the Insured.

Employee

- 1 any person under a contract of service or apprenticeship with the Insured
- 2 any of the following persons whilst working for the Insured in connection with the Business
 - a any labour master or labour only subcontractor or person supplied by him
 - b any self-employed person providing labour only
 - c any trainee or person undergoing work experience
 - d any voluntary helper
 - e any person who is borrowed by or hired to the Insured.

Injury

Bodily injury, death, disease, illness, mental injury or nervous shock.

Limit of Indemnity

Limit of indemnity specified in the Schedule.

Offshore Installations

- 1 any installation in the sea or tidal waters which is intended for underwater exploitation of mineral resources or exploration with a view to such exploitation
- 2 any installation in the sea or tidal waters which is intended for the storage or recovery of gas
- 3 any pipe or system of pipes in the sea or tidal waters
- 4 any installation which is intended to provide accommodation for persons who work on or from the locations specified in 1, 2 or 3 of this definition.

Territorial Limits

- 1 Great Britain, Northern Ireland, the Isle of Man and the Channel Islands
- 2 elsewhere in the world in respect of Injury sustained by any Employee resident within Great Britain, Northern Ireland, the Isle of Man and the Channel Islands and caused whilst such Employee is temporarily employed outside these territories provided that any action for compensation in respect of such Injury is brought in a court of law within the said territories or any other member country of the European Union.

Cover

The Insurer will indemnify the Insured against legal liability to pay compensation and claimants' costs and expenses in respect of Injury sustained by any Employee arising out of and in the course of the employment or engagement of such person by the Insured in connection with the Business and caused within the Territorial Limits during the Period of Insurance.

Costs and Expenses

In addition the Insurer will pay costs and expenses incurred by the Insurer or with the written consent of the Insurer

- 1 **in connection with the defence of any claim**
- 2 **for representation of the Insured**
 - a **at any coroner's inquest or fatal accident inquiry in respect of death**
 - b **at proceedings in any court of summary jurisdiction or on indictment in any higher court in respect of any alleged breach of statutory duty resulting in Injury**

which may be the subject of indemnity under this Section.

Limit of Indemnity

The Insurer's liability for all compensation, costs and expenses payable in respect of any one claim or series of claims arising out of one occurrence shall not exceed the Limit of Indemnity stated in the Schedule.

Provided that

- a** in respect of an Act of Terrorism the Limit of Indemnity shall not exceed £5,000,000. If the Insurer alleges that by reason of this limitation any loss, Damage, cost or expense is not covered the burden of proving the contrary shall be upon the Insured
- b** in respect of the indemnity provided under this Section for Extension 5 – Corporate Manslaughter and Corporate Homicide Act 2007 – Legal Defence Costs
 - i** the liability of the Insurer shall not exceed £5,000,000 in any one Period of Insurance
 - ii** all amounts payable will form part of and not be in addition to the Limit of Indemnity
 - iii** where the Insurer has already indemnified the Insured in respect of legal costs or expenses incurred in connection with the defence of any criminal proceedings (including appeals against conviction arising from such proceedings) arising out of the same occurrence which gave rise to said proceedings under another Section of the Policy the amount paid under that Section shall contribute to the maximum amount payable under this Section.

Extensions

(Subject to the terms, limits, conditions and exclusions of this Section and the Policy)

1 Indemnity to Other Parties

If the Insured so request the Insurer will indemnify the following parties

- a** any officer or committee member or other member of the Insured's canteen, social, sports or welfare organisations or ambulance, first aid, fire, medical or security services against liability incurred in such capacity
- b** any partner, director or Employee of the Insured against liability incurred in such capacity and in respect of which the Insured would have been entitled to indemnity under this Section if the claim had been made against the Insured as though each party was individually named as the Insured in this Section

- c** any principal for whom the Insured have agreed to execute work under contract or agreement against liability arising out of the performance of such work by the Insured and in respect of which the Insured are legally liable and would have been entitled to indemnity under this Section if the claim had been made against the Insured

Provided that

- i** each such party shall observe, fulfil and be subject to the terms and conditions of this Section in so far as they can apply
- ii** the Insurer's liability to the Insured and all parties indemnified shall not exceed in total the Limit of Indemnity.

2 Health and Safety at Work – Legal Defence Costs

The Insurer will indemnify the Insured and if the Insured so request any partner, director or Employee of the Insured in the terms of this Section in respect of

- a** costs and expenses incurred with the Insurer's written consent
- b** costs and expenses of the prosecution awarded against any such party and in connection with criminal proceedings or an appeal against conviction arising from such proceedings brought in respect of any offence under the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 committed or alleged to have been committed during the Period of Insurance in connection with the Business

Provided that

- i** the proceedings relate to the health, safety or welfare of any Employee
- ii** the Insurer shall have the conduct and control of all the said proceedings and appeals

the Insurer will not pay for

- a** fines or penalties of any kind
- b** proceedings or appeals in respect of any deliberate or intentional criminal act or omission
- c** costs or expenses insured by any other policy.

Section 7 – Employers' Liability (continued)

3 Unsatisfied Court Judgements

If a judgement for compensation or costs in respect of Injury sustained by any Employee arising out of and in the course of employment or engagement by the Insured in connection with the Business and caused within the Territorial Limits during the Period of Insurance

- a** is obtained by such Employee in any court situate within Great Britain, Northern Ireland, the Isle of Man and the Channel Islands against any person or corporate body domiciled or operating from premises within such territories and
- b** remains wholly or partly unsatisfied 6 months after the date of such judgement

the Insurer will if the Insured so request pay to the said Employee the amount of any such compensation and costs to the extent that they remain unsatisfied

Provided that

- i** there is no appeal outstanding
- ii** the Employee shall have assigned the judgement to the Insurer
- iii** this Section was shown in the Schedule at the time of the Injury.

4 Court Attendance Compensation

If during the Period of Insurance any partner, director or Employee of the Insured is required to attend court as a witness at the request of the Insurer in connection with a claim which is the subject of indemnity under this Section the Insurer will pay compensation to the Insured on the following scale for each day that attendance is required

- a** any director or partner **£750**
- b** any Employee **£250**

5 Corporate Manslaughter and Corporate Homicide Act 2007 – Legal Defence Costs

The Insurer will indemnify the Insured in respect of

- a** legal costs and expenses incurred with the prior written consent of the Insurer and
- b** costs of the prosecution awarded against the Insured

in connection with the defence of any criminal proceedings (including any appeal against conviction arising from such proceedings) brought under The Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Channel Islands or the Isle of Man in respect of any fatal injury sustained and caused during the Period of Insurance in the course

of the Business and which may be subject to indemnity under this Section

Provided that the Insurer agrees details of the specific solicitor or counsel who are to act on behalf of the Insured prior to their appointment.

The Insurer will not pay for

- i** any fines or penalties imposed on the Insured or the cost of implementing any remedial order or publicity order
- ii** legal costs and expenses in connection with an appeal unless a solicitor or counsel advise that there are strong prospects of succeeding in the appeal or recovering costs awarded against the Insured at all times throughout the appeals process. Any change to such prospect of success during the appeals process may result in cover being removed
- iii** costs and expenses provided by another source or any other insurance or where but for the existence of this Extension would have been provided by such source or insurance
- iv** costs and expenses in connection with the defence of any criminal proceedings brought in any country other than Great Britain, Northern Ireland, the Isle of Man and the Channel Islands
- v** costs and expenses in connection with the defence of any criminal proceedings resulting from any deliberate or intentional criminal act or omission by the Insured or any partner or director of the Insured or any Employee.

Section Exclusions

Policy Exclusion 3 applies to this Section and in addition it does not cover:

1 Mechanically Propelled Vehicles

liability in respect of Injury to any Employee arising out of the ownership possession or use by or on behalf of the Insured of any mechanically propelled vehicle or trailer attached thereto if such liability is required by any road traffic legislation to be the subject of compulsory insurance or other security.

2 Offshore Installations

liability in respect of Injury to any Employee who is working on visiting or travelling to or from Offshore Installations.

Section Conditions

The Policy Conditions apply to this Section with the exception of Policy Conditions 12, 14–20 and 24.

In addition the following Conditions apply to this Section:

1 Compulsory Insurance Legislation

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to Employees in Great Britain, Northern Ireland, the Isle of Man and the Channel Islands but the Insured shall repay to the Insurer all sums paid by the Insurer which the Insurer would not have been liable to pay but for the provisions of such law.

2 Certificate of Employers' Liability

If this Policy or Section is cancelled any certificate of Employers' Liability insurance issued hereunder is similarly cancelled from the same date.

Section 8 – Public and Products Liability

Definitions

Act of Terrorism

Any act including but not limited to the use of force or violence and/or threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political religious ideological or similar purposes including the intention to influence any government and/or put the public or any section of the public in fear.

Asbestos

Asbestos or fibres or particles of asbestos or any material containing asbestos

Business

The business specified in the Schedule conducted solely from Great Britain, Northern Ireland, the Isle of Man or the Channel Islands and including

- 1 the ownership, maintenance and repair of Premises used in connection therewith
- 2 the provision and management of canteen, social, sports or welfare organisations for the benefit of Employees and the ambulance, first aid, fire, medical and security services of the Insured
- 3 the execution of private duties by Employees for any partner director or senior official of the Insured.

Employee

- 1 any person under a contract of service or apprenticeship with the Insured
- 2 any of the following persons whilst working for the Insured in connection with the Business
 - a any labour master or labour only subcontractor or person supplied by him
 - b any self-employed person providing labour only
 - c any trainee or person undergoing work experience
 - d any voluntary helper
 - e any person who is borrowed by or hired to the Insured.

Family

The Insured's spouse/partner, children, parents and other immediate relatives living with the Insured permanently

Injury

- 1 bodily injury, death, disease, illness, mental injury or nervous shock
- 2 invasion of the right of privacy, false arrest, false imprisonment, false eviction or malicious prosecution of any person.

Limit of Indemnity

The limit of indemnity specified in the Schedule

Offshore Installations

- 1 any installation in the sea or tidal waters which is intended for underwater exploitation of mineral resources or exploration with a view to such exploitation
- 2 any installation in the sea or tidal waters which is intended for the storage or recovery of gas
- 3 any pipe or system of pipes in the sea or tidal waters
- 4 any installation which is intended to provide accommodation for persons who work on or from the locations specified in 1, 2 or 3 of this definition.

Pollution or Contamination

- 1 all pollution or contamination of buildings or other structures or of water or land or the atmosphere; and
- 2 all Injury, loss or Damage directly or indirectly caused by such pollution or contamination.

All pollution or contamination which arises out of or in connection with one incident shall be deemed to have occurred at the time such incident takes place.

Products

Any goods or other material property (including their containers, packaging, labelling and instructions for use) sold, supplied, delivered, installed, erected, repaired, altered, treated or tested by the Insured in connection with the Business and not in the charge or control of the Insured.

Territorial Limits

- 1** Great Britain, Northern Ireland, the Isle of Man and the Channel Islands
- 2** any other member country of the European Union
- 3** elsewhere in the world in respect of Injury, loss or damage caused by or arising from
 - a** non-manual activities of any partner, director or Employee of the Insured normally resident within Great Britain, Northern Ireland, the Isle of Man and the Channel Islands and occurring during any journey or temporary visit
 - b** Products

Cover

Item 1 Public Liability

The Insurer will indemnify the Insured against legal liability to pay compensation and claimants' costs and expenses in respect of accidental

- 1** Injury to any person
- 2** Loss of or Damage to material property
- 3** Nuisance, trespass, obstruction or interference with any right of way, light, air or water

occurring within the Territorial Limits during the Period of Insurance in connection with the Business and not caused by or arising from Products other than

- a** any Products connected with
 - i** the provision and management of canteen, social, sports or welfare organisations for the benefit of Employees and the ambulance, first aid, fire, medical and security services of the Insured
 - ii** the execution of private duties by Employees for any partner, director or senior official of the Insured
- b** any food or drink supplied to partners, directors, Employees or non-paying guests of the Insured
- c** the disposal of furniture and office equipment originally intended solely for use by the Insured in connection with the Business and which is no longer required for that purpose
- d** the accidental obstruction of pedestrian or vehicular traffic caused by loads delivered by any vehicle of the Insured.

Item 2 Products Liability

The Insurer will indemnify the Insured against legal liability to pay compensation and claimants' costs and expenses in respect of accidental

- 1** Injury to any person
- 2** Loss of or Damage to material property

occurring during the Period of Insurance and caused by or arising from Products.

Costs and Expenses

In addition the Insurer will pay costs and expenses incurred by the Insurer or with the written consent of the Insurer

- 1** in connection with the defence of any claim
- 2** for representation of the Insured
 - a** at any coroner's inquest or fatal accident inquiry in respect of death
 - b** at proceedings in any court of summary jurisdiction or on indictment in any higher court in respect of any alleged breach of statutory duty resulting in Injury, loss or damage

which may be the subject of indemnity under this Section.

Limit of Indemnity

- 1** The Insurer's liability for all compensation payable in respect of
 - a** any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause
 - b** all Injury, loss or damage sustained by all claimants occurring during any one Period of Insurance and caused by and arising from Products
 - c** all Pollution or Contamination which is deemed to have occurred during any one Period of Insurance

shall not exceed the Limit of Indemnity stated in the Schedule.
- 2** In respect of all claims against the Insured made within the legal jurisdiction of the United States of America or Canada or any dependency or trust territory the Limit of Indemnity shall be inclusive of the amount of all
 - a** claimants' costs and expenses

Section 8 – Public and Products Liability (continued)

- b** costs and expenses incurred by the Insurer or with the written consent of the Insurer in connection with the defence of such claims.

Provided that

- i** in respect of an Act of Terrorism the Limit of Indemnity shall not exceed £5,000,000. If the Insurer alleges that by reason of this limitation any loss damage cost or expense is not covered the burden of proving the contrary shall be upon the Insured
- ii** in respect of the indemnity provided under this Section for Extension 11 – Corporate Manslaughter and Corporate Homicide Act 2007 – Legal Defence Costs
 - the liability of the Insurer shall not exceed £5,000,000 or the Limit of Indemnity (whichever is less) in any one Period of Insurance
 - all amounts payable will form part of and not be in addition to the Limit of Indemnity
 - where the Insurer has already indemnified the Insured in respect of legal costs or expenses incurred in connection with the defence of criminal proceedings (including appeals against conviction arising from such proceedings) arising out of the same cause or occurrence which gave rise to said proceedings under another Section of the Policy the amount paid under that Section shall contribute to the maximum amount payable under this Section.

Extensions

(Subject to the terms, limits, conditions and exclusions of this Section and the Policy)

1 Indemnity to Other Parties

If the Insured so request the Insurer will indemnify the following parties

- a** any officer or committee member or other member of the Insured's canteen, social, sports or welfare organisations or ambulance, first aid, fire, medical or security services against liability incurred in such capacity
- b** any partner, director or Employee of the Insured against liability incurred in such capacity and in respect of which the Insured would have been entitled to indemnity under this Section if the claim had been made against the Insured

as though each party were individually named as the Insured in this Section

- c** any principal for whom the Insured have agreed to execute work under contract or agreement against liability arising out of the performance of such work by the Insured and in respect of which the Insured are legally liable and would have been entitled to indemnity under this Section if the claim had been made against the Insured

Provided that

- i** each such party shall observe, fulfil and be subject to the terms and conditions of this Section in so far as they can apply
- ii** the Insurer's liability to the Insured and all parties indemnified shall not exceed in total the Limit of Indemnity.

2 Joint Insured Cross Liabilities

If more than one party is named as the Insured this Section shall apply as though each were insured separately provided that the Insurer's liability to all parties indemnified shall not exceed in total the Limit of Indemnity.

3 Overseas Personal Liability

The Business is extended to include personal activities (not connected with any gainful occupation or profession nor with the ownership or tenure of any land or building) of any partner, director or Employee of the Insured or Family member of such partner director or Employee normally resident within Great Britain, Northern Ireland, the Isle of Man and the Channel Islands in the course of any journey or temporary visit to any other country made in connection with the Business.

4 Motor Contingent Liability

The Insurer will indemnify the Insured in the terms of this Section against liability arising out of the use in connection with the Business of any vehicle not owned provided or being driven by the Insured but this Section does not cover liability

- a** in respect of Damage to such vehicle
- b** arising out of any such use in any country outside the European Union
- c** incurred by any party other than the Insured
- d** incurred by any party identified in Extension 1 (Indemnity to Other Parties), paragraph b, other than an Employee

For the purpose of this cover Exclusion 1 of this Section does not apply.

5 Health and Safety at Work – Legal Defence Costs

The Insurer will indemnify the Insured and if the Insured so request any partner, director or Employee of the Insured in the terms of this Section in respect of

- a costs and expenses incurred with the Insurer's written consent
- b costs and expenses of the prosecution awarded against any such party

in connection with criminal proceedings or an appeal against conviction arising from such proceedings brought in respect of any offence under the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 committed or alleged to have been committed during the Period of Insurance in connection with the Business

Provided that

- i the proceedings relate to the health, safety or welfare of any person other than an Employee
- ii the Insurer shall have the conduct and control of all the said proceedings and appeals.

The Insurer will not pay for

- a fines or penalties of any kind
- b proceedings or appeals in respect of any deliberate or intentional criminal act or omission
- c costs or expenses insured by any other insurance.

6 Data Protection

- a The Insurer will indemnify the Insured and at the Insured's request any partner, director or Employee of the Insured against the sums which the Insured or any director, partner or Employee of the Insured become(s) legally liable to pay as compensation, under Section(s) 22 and/or 23 of the Data Protection Act 1984 as amended by the Data Protection Act 1998, for damage or distress resulting from failure of the Insured to comply with data protection legislation and caused in connection with the Business during the Period of Insurance.

Provided that the Insured is

- i a registered user in accordance with data protection legislation
- ii not in business as a data processing bureau.

- b The total amount payable including all costs and expenses under this paragraph in respect of all claims occurring during any one Period of Insurance is limited to £250,000.

- c The Insurer will not pay for
 - i any Damage or distress caused by any deliberate act or omission by the Insured the result of which could reasonably have been expected by the Insured having regard to the nature and circumstances of such act or omission
 - ii any Damage or distress caused by any act of fraud or dishonesty
 - iii the costs and expenses of rectifying, rewriting or erasing data
 - iv liability arising from the recording, processing or provision of data for reward or to determine the financial status of any person
 - v the payment of fines or penalties.

7 Defective Premises Act 1972

The Insurer will indemnify the Insured in the terms of this Section against liability incurred by the Insured under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with premises or land disposed of by the Insured.

This extension does not cover

- a the cost of rectifying any Damage or defect in the premises or land disposed of
- b liability for which the Insured is entitled to indemnity under any other insurance.
- c liability arising out of the presence of Asbestos

8 Consumer Protection and Food Safety Acts – Legal Defence Costs

The Insurer will indemnify the Insured and if the Insured so request any partner, director or Employee of the Insured in the terms of this Section in respect of legal costs and expenses incurred with the written consent of the Insurer in connection with the defence of any criminal proceedings or an appeal against conviction arising from such proceedings brought in respect of any offence under

- a Part 2 of the Consumer Protection Act 1987 or
- b Section(s) 7, 8, 14, and/or 15 of the Food Safety Act 1990

Section 8 – Public and Products Liability (continued)

committed or alleged to have been committed during the Period of Insurance in connection with the Business provided that the Insurer shall have the conduct and control of all the said proceedings and appeals.

The Insurer will not pay for

- i** fines or penalties of any kind
- ii** proceedings or appeals in respect of any deliberate act or omission
- iii** costs or expenses insured by any other policy.

9 Court Attendance Compensation

If during the Period of Insurance any partner, director or Employee of the Insured is required to attend court as a witness at the request of the Insurer in connection with a claim which is the subject of indemnity under this Section the Insurer will pay compensation to the Insured on the following scale for each day that attendance is required

- | | |
|----------------------------------|-------------|
| a any director or partner | £750 |
| b any Employee | £250 |

10 Contractual Liability

In respect of liability assumed by the Insured by a contract or agreement entered into by the Insured and which would not have attached in the absence of such contract or agreement the indemnity provided by this Section shall only apply if the sole conduct and control of any claim is vested in the Insurer

Provided that the Insurer shall not in any event provide indemnity

- a** under Exclusion 9a of this Section except as stated therein
- b** in respect of liquidated damages or fines or damages imposed by or payable under any penalty clause.

11 Corporate Manslaughter and Corporate Homicide Act 2007 – Legal Defence Costs

The Insurer will indemnify the Insured in respect of

- a** legal costs and expenses incurred with the prior written consent of the Insurer and
- b** costs of the prosecution awarded against the Insured

in connection with the defence of any criminal proceedings (including any appeal against conviction arising from such proceedings) brought under The Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent in the Channel Islands or the Isle of Man in respect of any fatal injury occurring during the Period of Insurance in the course of the Business and which may be the subject of indemnity under this Section

Provided that the Insurer agrees details of the specific solicitor or counsel who are to act on behalf of the Insured prior to their appointment

The Insurer will not pay for

- i** any fines or penalties imposed on the Insured or the cost of implementing any remedial order or publicity order
- ii** legal costs and expenses in connection with an appeal unless a solicitor or counsel advise that there are strong prospects of succeeding in the appeal or recovering costs awarded against the Insured at all times throughout the appeals process. Any change to such prospect of success during the appeals process may result in cover being removed
- iii** costs and expenses provided by another source or any other insurance or where but for the existence of this Extension would have been provided by such source or insurance
- iv** costs and expenses in connection with the defence of any criminal proceedings brought in any country other than in Great Britain, Northern Ireland, the Isle of Man and the Channel Islands
- v** costs and expenses in connection with the defence of any criminal proceedings resulting from any deliberate or intentional criminal act or omission by the Insured or any partner or director of the Insured or any Employee

Section Exclusions

Policy Exclusions 2, 3 and 9 apply to this Section and in addition it does not cover:

- 1** Liability in respect of Injury to any Employee arising out of and in the course of the employment or engagement of such person by the Insured.
- 2** Liability in respect of Injury or Damage arising in connection with work on or travel to or from Offshore Installations.
- 3** Liability in respect of
 - a** fines, penalties or liquidated damages
 - b** punitive, exemplary or aggravated damages or any damages resulting from the multiplication of compensatory damages.
- 4** Liability in respect of
 - a** Pollution or Contamination occurring in the United States of America or Canada or any dependency or trust territory
 - b** Pollution or Contamination occurring elsewhere unless caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.
- 5** Liability arising out of the ownership, possession or use by or on behalf of the Insured of any mechanically propelled vehicle (or trailer attached thereto) which is required by any road traffic legislation to be the subject of compulsory insurance or other security but this Exclusion shall not apply in respect of the loading or unloading of such vehicle or the delivery or collection of goods to or from such vehicle except where more specifically insured by any other policy.
- 6** Liability arising out of the ownership, possession or use by or on behalf of the Insured of any vessel or craft designed to float on or in or travel through water, air or space (other than hand-propelled watercraft).
- 7** Liability in respect of Damage to any property belonging to or in the charge or control of the Insured other than
 - a** personal effects or vehicles of any partner, director or Employee of or visitor to the Insured
 - b** premises (and their contents) not belonging, leased, rented or hired to the Insured but temporarily in the charge of the Insured for the purpose of carrying out work
- c** Premises (including their fixtures and fittings) leased, rented or hired to the Insured but this Section does not cover liability attaching to the Insured solely under the terms of any tenancy or other agreement.
- 8** Liability in respect of
 - a** Damage to any goods or other property sold, supplied, delivered, installed or erected by or on behalf of the Insured
 - b** all costs of or arising from the need for reinstatement, making good, removal, repair, rectification, replacement or recall of
 - i** any such goods or property
 - ii** any defective work executed by or on behalf of the Insured

except that **8a** and **8bi** shall not apply to liability in respect of Damage to the said goods or property if such Damage is caused by or arises from

 - 1** any alteration, repair or servicing work executed
 - 2** any other goods or property sold, supplied, delivered, installed or erected

by the Insured under a separate contract.
- 9** In respect of Injury or Damage caused by or arising from Products
 - a** any liability which attaches to the Insured solely under the terms of an agreement other than
 - i** under any warranty of goods implied by law
 - ii** under any indemnity clause in any agreement between the Insured and any independent carrier in respect of Injury, loss or damage caused by Products entrusted to such carrier for transit by road rail or waterway
 - b** any Product installed or incorporated in any craft designed to travel in or through air or space
 - c** any claim made against the Insured in any country outside the European Union in which the Insured occupy premises or are represented by any resident Employee or holder of the Insured's power of attorney
 - d** any liability arising from any Products exported by the Insured to the United States of America or Canada.

Section 8 – Public and Products Liability (continued)

- 10** Liability for Injury or Damage arising out of or in connection with advice, design, formula, specification, inspection, certification or testing provided or performed for a fee by or on behalf of the Insured other than where provided or performed in connection with any Product insured by this Section.
- 11** Liability in respect of Damage to any property
- a** comprising or to be incorporated in the contract works in respect of any contract undertaken by the Insured
 - b** against which the Insured are required to effect insurance under the terms of Clause 6.5.1 of the J.C.T. (R.I.B.A.) Conditions of Contract or of any other contract condition requiring insurance of a like kind.
- 12** Liability arising from or as a consequence of any manual work carried out away from any Premises belonging, leased, rented or hired to the Insured other than delivery or collection.
- 13** the Excess.
- 14 a** Liability in any way caused by, arising from or contributed to by
- i** exposure to or inhalation of Asbestos
 - ii** fear of the consequences of exposure to or inhalation of Asbestos
- b** Liability for the costs of management (including those of any persons under any statutory duty to manage), removal, repair, alteration, recall, replacement or reinstatement of any property arising out of the presence of Asbestos

Section Conditions

The Policy Conditions apply to this Section with the exception of Policy Conditions 12, 14–20 and 24.

Section 9 – Commercial Legal Expenses

The cover provided under this Section is a “claims made” indemnity and only covers Claims that the Insured first notifies to the Insurer during the Period of Insurance.

Definitions

In addition to the Policy Definitions the following also apply to this Section:

Acts of Parliament

All Acts of Parliament referred to in this Section will include a reference to all Orders and Regulations made under them and to any subsequent amendments, re-enactments, equivalent legislation, Regulations or Codes of Practice, enforceable within the Geographical Limits.

Adjudication

Adjudication whether arising under the Housing Grant Construction and Regeneration Act 1996 or the Scheme or an adjudication arising out of any term in a Contract.

Any One Claim

All Claims including any appeal against a judgment or decision arising out of the same original cause, event or circumstance without the intervention of any other cause starting from a new and independent source will be regarded as one Claim.

Awards of Compensation

Basic Awards and Compensatory Awards made against the Insured by an Employment Tribunal, Employment Appeal Tribunal or Superior Court, or settlements agreed as a result of negotiation, conciliation or arbitration proceedings and to which the Insurer’s previous Consent has been given, other than:

- a** any awards of compensation against the Insured for a redundancy payment or monies due under a contract of employment or
- b** any award arising from a failure by the Insured to provide written reasons for dismissal or
- c** any award or pay specified in a reinstatement or re-engagement order or
- d** any financial benefit or compensation payable under any share option scheme or pension scheme.

Basic Awards

Basic Awards are as determined in accordance with section 119 of the Employment Rights Act 1996. For the avoidance of doubt Basic Awards do not include Additional Awards, Protective Awards, Aggravated Damages or Interim Relief.

Claim

Cover Event 1a Employment Disputes and 1b Awards of Compensation

An application to an Employment Tribunal brought by or on behalf of any Employee against the Insured for monetary damages or other relief, including a request for reinstatement or re-engagement. The circumstances that give rise to a Claim will begin immediately the Insured first receives an Employee’s Claim Form (ETI) from an Employment Tribunal.

Cover Event 1c Employment Service Occupancy

A civil proceeding brought by the Insured for the pursuit of vacant possession of Premises belonging to the Insured and occupied by a previous Employee of the Insured. The circumstances that give rise to a Claim will begin immediately the Insured is first aware, or should reasonably have been aware, that a previous Employee has failed, or will fail, to vacate the Premises at the termination date of that Employee’s contract of employment, resulting in provable financial loss to the Insured.

Cover Event 1d Breach of Restrictive Covenant

A civil proceeding brought by the Insured following an actual breach by a previous Employee of an express restrictive covenant in that previous Employee’s contract of employment in respect of Employees or customers of the Insured. The circumstances that give rise to a Claim will begin immediately the Insured is first aware, or should reasonably have been aware, that a previous Employee has breached such an express restrictive covenant, resulting in provable financial loss to the Insured.

Cover Event 2 Taxation Proceedings

An HMRC Investigation. The circumstances that give rise to a Claim will begin immediately the Insured or the Insured’s accountant is first aware, or should reasonably have been aware, that an HMRC Investigation will occur.

Cover Event 3 Criminal Prosecution Defence

A criminal prosecution brought against the Insured Person. The circumstances that give rise to a Claim will begin immediately the Insured Person is first aware, or should reasonably have been aware, that criminal proceedings have been, or are to be, issued against that Insured Person.

Cover Event 4 Damage to Premises

A civil proceeding brought by the Insured. The circumstances that give rise to a Claim will begin immediately the Insured is first aware, or should reasonably have been aware, of actual physical damage caused to the Premises by an identifiable party resulting in provable financial loss to the Insured.

Section 9 – Commercial Legal Expenses (continued)

Cover Event 5 Data Protection

A civil proceeding brought against the Insured Person under Data Protection legislation. The circumstances that give rise to a Claim will begin immediately the Insured Person first receives:

- a** a writ, summons or similar pleading for injunctive or non-pecuniary relief, third party proceeding, or counterclaim or
- b** written notification from the Information Commissioner of a refusal of the Insured Person's application for registration or an alteration to the Insured Person's registration particulars or
- c** an Enforcement, De-registration or Transfer Prohibition Notice from the Information Commissioner.

Cover Event 6 Commercial Tenancy Agreement

A civil proceeding brought by the Insured. The circumstances that give rise to a Claim will begin immediately the Insured is first aware, or should reasonably have been aware, of a breach of the Insured's Commercial Tenancy Agreement by the other party to that agreement.

Cover Event 7 Statutory Licence Appeal

An appeal by the Insured Person against a decision by a licensing or regulatory authority to suspend, revoke, alter or refuse to renew the Insured Person's Statutory Licence. The circumstances that give rise to a Claim will begin immediately the Insured Person first receives notification from the relevant licensing or regulatory authority of their intention to suspend, revoke, alter or refuse renewal of the Insured Person's Statutory Licence. The Insurer will only begin providing indemnity from the time that a Claim has been accepted following the receipt by the Insured Person of written confirmation from the relevant licensing or regulatory authority of the decision to suspend, revoke, alter or refuse renewal of the Insured Person's Statutory Licence.

Cover Event 8 Pension Trustee Defence

A civil proceeding brought against the Insured Person. The circumstances that give rise to a Claim will begin immediately the Insured Person is first aware, or should reasonably have been aware, of the intention of an Employee to hold the Insured Person responsible for any actual or alleged failure to fulfil their obligations as a trustee of a pension fund set up for the benefit of the Insured's Employees.

Cover Event 9 Employee's Civil Defence

A civil proceeding brought against an Employee. The circumstances that give rise to a Claim will begin immediately the Insured Person is first aware, or should reasonably have been aware, of an event arising from his or her work as an Employee that could lead to civil action being taken against him or her under legislation for unlawful discrimination on the grounds of sex, sexual orientation, race, disability, age, religious belief, political opinion or any other discrimination identified by Acts of Parliament.

Cover Event 10 Personal Injury

A civil proceeding brought by the Insured Person for monetary damages. The circumstances that give rise to a Claim will begin immediately the Insured Person suffers death or bodily injury.

Cover Event 11 Jury Service Allowance

The circumstances that give rise to a Claim for Jury Service Allowance will begin immediately the Insured first knows, or should have known, that they have suffered proven financial loss as a result of a proprietor, partner, director or Employee of the Insured having been absent from work as a result of attendance for jury service.

Cover Event 12 Contract Disputes – Below Small Claims Limit

A civil proceeding brought by or against the Insured for monetary damages or other relief. The circumstances that give rise to a Claim will begin immediately the Insured:

- a** is first aware, or should reasonably have been aware, of an actual or alleged breach of a Contract by another party to that Contract or
- b** is first aware, or should reasonably have been aware, of the intention of another party to a Contract to hold the Insured responsible for any actual or alleged breach of that Contract.

Compensatory Awards

Compensatory Awards are the amounts awarded at the discretion of an Employment Tribunal, Employment Appeal Tribunal or Superior Court intended to compensate for loss of earnings and benefits. For the avoidance of doubt Compensatory Awards do not include Additional Awards, Protective Awards, Aggravated Damages or Interim Relief.

Commercial Tenancy Agreement

A written agreement under which the Insured:

- a** lets the Premises to a Commercial Tenant; or
- b** occupies the Premises as a Commercial Tenant in connection with the Business and in return for the payment of rent.

Commercial Tenant

The tenant named in the Commercial Tenancy Agreement who occupies the Premises for non-residential purposes.

Contract

An actual or alleged contract, whether verbal or in writing and to which the Insured is a party, for the sale, purchase, hire, service, supply or repair of goods or for the supply or purchase of a service. A Contract does not include any actual or alleged contract with an Employee or any contract of service entered into between the Insured and any sub-contractor or with anyone who is self-employed.

Data Protection Compensation Awards

Compensation awarded under the terms of section 13 of the Data Protection Act 1998 against the Insured for the holding, loss or unauthorised disclosure of data.

Debt Recovery Service

The debt collection service nominated by the Insurer which is provided as an Additional Service to the Insured for the recovery of Undisputed Debts.

Employee

Any person under a permanent full or permanent part time contract of service or apprenticeship with the Insured.

Excess

The amount specified in the Exclusions that the Insured Person must first pay in respect of Any One Claim under this Section before the Insurer then becomes liable to make payment under that Claim.

Geographical Limits – (Events 1, 2, 3, 4, 5, 6, 7, 8, 9, 11 & 12)

Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.

Geographical Limits – (Event 10 only)

Any member country of the European Union and Croatia, Iceland, Norway and Switzerland.

HMRC

HM Revenue & Customs.

HMRC Investigation

a Business Self Assessment Aspect Enquiry

An enquiry following the issue of a formal written notice by HMRC under Paragraph 24(1) Schedule 18 Finance Act 1998 or S9A or S12AC of the Taxes Management Act 1970 in order to make an enquiry into one or more specific aspects of the Insured's business self assessment return or

b Business Self Assessment Full Enquiry

An enquiry following the issue of a formal written notice by HMRC under Paragraph 24(1) Schedule 18 Finance Act 1998 or under S9A or S12AC of the Taxes Management Act 1970 to examine the whole of the Insured's business self assessment return or

c Employer Compliance Dispute

A dispute which takes place following a formal written expression of dissatisfaction with the Insured's PAYE, National Insurance Contributions or Construction Industry Scheme affairs following an employer compliance check by HMRC or following a formal written expression of dissatisfaction with the Insured's P11Ds or P9Ds or

d VAT Dispute

A dispute which takes place following:

- i a VAT compliance check where a written decision, assessment or statement of alleged arrears is received from HMRC in respect of the Insured's Value Added Tax Return or
- ii the receipt by the Insured of a formal written notice of VAT default surcharge.

Insured Person

The Insured and, at the request of the Insured with the agreement of the Insurer, the Insured's proprietors, partners and directors and also all Employees acting in the normal course of their employment.

Insurer

Allianz Legal Protection a trading name of Allianz Insurance plc.

Jury Service Allowance

The payment of up to £100 per day to the Insured in respect of an Insured Person who is absent from work as a result of their attendance for jury service within the Geographical Limits, but only in so far as this is not otherwise recoverable from the relevant court and payment of such sum has been made by the Insured to the Insured Person under any contract of employment. The amount that the Insurer will pay is based on:

- a the time the Insured Person is off work including the time it takes to travel to and from the court. This will be calculated to the nearest half day assuming that a whole day is 8 hours
- b if the Insured Person works full time, the salary or wages for each day equals 1/250th of the Insured Person's annual salary or wages
- c if the Insured Person works part time, the salary or wages will be a proportion of the Insured Person's weekly salary or wages.

Lawphone Legal Helpline

A telephone advisory service provided by the Insurer:

- a to advise the Insured on Business related legal matters and
- b for the Insured to report all Claims under this Section to the Insurer.

Section 9 – Commercial Legal Expenses (continued)

Legal Expenses

Fees and Expenses

- a** any unrecovered professional fees, expenses or other disbursements reasonably and properly incurred by the Legal Representative on the Standard Basis and up to the Guideline Hourly Rates issued by the Senior Courts Costs Office, as may be agreed and confirmed by the written consent of the Insurer in respect of any Claim, including costs and expenses of expert witnesses and those incurred by the Insurer in connection with such Claim
- b** any costs incurred by other parties, insofar as the Insured Person is held liable in a civil court or tribunal to pay such costs or under a settlement made with another party with the Insurer's consent, but excluding any costs which the Insured Person may be ordered to pay by a court of criminal jurisdiction
- c** any unrecovered professional fees, expenses or other disbursements reasonably and properly incurred by the Legal Representative on the Standard Basis and up to the Guideline Hourly Rates issued by the Senior Courts Costs Office, as may be agreed and confirmed by the written consent of the Insurer in an appeal, or in resisting an appeal, against the judgment of a relevant court or tribunal
- d** any unrecovered professional fees, expenses or other disbursements reasonably and properly incurred by the Legal Representative on the Standard Basis and up to the Guideline Hourly Rates issued by the Senior Courts Costs Office, or in such amounts, as may be agreed and confirmed by the written consent of the Insurer where it is necessary for an accountant to represent the Insured in connection with any Claim relating to an HMRC Investigation or subsequent appeal, but excluding any tax or interest and penalties demanded, assessed or requested by HMRC.

Legal Representative

A solicitor, barrister, accountant or any other appropriately qualified person appointed in the name of and on behalf of the Insured Person with the agreement of the Insurer to act for the Insured Person in accordance with the terms of this Section.

Reasonable Prospects of a Satisfactory Outcome

- a** In civil proceedings Reasonable Prospects of a Satisfactory Outcome only exist if the Legal Representative advises that the Insured Person is more likely than not to succeed, assuming the case was determined at trial or other final hearing at first instance and the likely damages claimed and recovered by or against the Insured Person will exceed the Insured Person's own likely Legal Expenses
- b** In criminal proceedings Reasonable Prospects of a Satisfactory Outcome only exist if:
 - i** the Insured Person is more likely than not to succeed in defending the prosecution assuming the case was determined at trial or other final hearing at first instance or
 - ii** the Insured Person is more likely than not to succeed in a significant mitigation of their sentence or fine where the Insured Person intends to plead guilty to the offence, or is advised to do so by the Legal Representative
- c** In an Employer Compliance Dispute or VAT Dispute and in all appeals following an HMRC Investigation Reasonable Prospects of a Satisfactory Outcome only exist if the Insured is more likely than not to succeed in reversing the decision made or reducing the liabilities alleged by HMRC.

Small Claims Court

- a** A court in England & Wales that hears a Claim falling under the small claims track in the County Court as defined by Section 26.6 (1) of the Civil Procedure Rules 1999 or
- b** A Sheriff Court in Scotland that hears a small claim or
- c** A Small Claims Court in Northern Ireland or
- d** Any equivalent Court that hears a small claim under Event 12 elsewhere within the Geographical Limits.

Small Claims Limit

The maximum value of a Claim that can be heard in the Small Claims Court as shown in the Policy Schedule.

Standard Basis

The assessment of Legal Expenses which are proportionate to the Insured Person's Claim.

Statutory Licence

A licence or certificate of registration issued under statute, statutory instrument or by a Government or local authority to the Insured Person and which is required to enable the Insured Person to carry on the normal activities of the Business.

Tax Avoidance Scheme

Any matter which is notifiable to HMRC under the regulations for Disclosure of Tax Avoidance Schemes (DOTAS).

Undisputed Debt

Money and interest that has not been paid to the Insured under the terms of a Contract, in respect of which the other party to that Contract would not, in the opinion of the Debt Recovery Service or the Insurer, have a realistic chance of succeeding in the defence of any legal action taken in respect of the amount due.

Witness Attendance Allowance

The payment of up to £100 per day to the Insured in respect of the Insured Person who is absent from work as a result of their attending as a witness for the Insured at a hearing, court, tribunal or arbitration within the Geographical Limits at the request of the Legal Representative with the Insurer's written consent of, but only in so far as this is not otherwise recoverable from the relevant hearing, court, tribunal or arbitration. The amount that the Insurer will pay is based on:

- a** the time the Insured Person is off work including the time it takes to travel to and from the hearing, court, tribunal or arbitration. This will be calculated to the nearest half day assuming that a whole day is 8 hours
- b** if the Insured Person works full time, the salary or wages for each day equals 1/250th of the Insured Person's annual salary or wages
- c** if the Insured Person works part time, the salary or wages will be a proportion of the Insured Person's weekly salary or wages.

Limit of Indemnity

The maximum amount the Insurer is liable to pay under this Section is:

- 1** £100,000 Any One Claim other than a Claim relating to a Business Self Assessment Aspect Enquiry under Event 2 Taxation Proceedings, Event 11 Jury Service Allowance, Event 12 Contract Disputes – Below Small Claims Limit and Witness Attendance Allowance
- 2** £2,000 Any One Claim relating to a Business Self Assessment Aspect Enquiry under Event 2 Taxation Proceedings
- 3** £5,000 Any One Claim relating to Event 11 Jury Service Allowance
- 4** £50,000 Any One Claim relating to Event 12 Contract Disputes – Below Small Claims Limit
- 5** £5,000 Any One Claim relating to Witness Attendance Allowance

- 6** £1,000,000 for all Claims first notified to the Insurer during the Period of Insurance

(collectively "the Limit of Indemnity")

The above amounts are all inclusive of Legal Expenses.

Cover

The Insurer agrees to pay up to the Limit of Indemnity and on behalf of the Insured Person, Legal Expenses, Awards of Compensation, Data Protection Compensation Awards, Jury Service Allowance and Witness Attendance Allowance incurred by the Insured Person in the pursuit or defence of any Claim brought within the Geographical Limits, which is first notified to the Insurer during the Period of Insurance and which falls within the cover provided by Events 1 to 12 described below.

Events (as shown in the Policy Schedule)

1 Employment Disputes and Awards of Compensation

The Insured has cover for:

a Employment Disputes

the defence of the legal rights of the Insured in a dispute in an Employment Tribunal with a previous, present or prospective Employee and which arises out of or relates to a contract of employment or a breach of employment or discrimination legislation

b Awards of Compensation

c Employment Service Occupancy

the pursuit of a previous Employee to recover possession of Premises belonging to the Insured and occupied for residential purposes by that previous Employee provided that:

- i** the occupation of the Property by the previous Employee was conditional on their employment by the Insured and was specifically included as part of the remuneration within that previous Employee's contract of employment and
- ii** the previous Employee's contract of employment has terminated and any notice period has been completed (whether notice of resignation or notice of dismissal and including where the Employee was placed on leave by the Insured for the whole, or part, of that notice period) and
- iii** the date of termination of the previous Employee's contract of employment was not before the date this Section started

Section 9 – Commercial Legal Expenses (continued)

d Breach of Restrictive Covenant

the pursuit of an injunction against a previous Employee following a breach of an express restrictive covenant in that Employee's contract of employment with the Insured, where the previous Employee has:

- i** solicited other Employees of the Insured or
- ii** solicited customers of the Insured, resulting in proven financial loss to the Insured

Provided that for all Claims made under Event 1:

- a** the Insured has issued all necessary documentation to an Employee as required by legislation
- b** the Insured has consulted with and then followed with due diligence the advice and procedures provided by the Lawphone Legal Helpline before making any significant variation to an Employee's contract or taking any action which might lead to the giving of a formal warning to, or the dismissal of, an Employee
- c** the Insured has consulted with the Lawphone Legal Helpline immediately the Insured knew, or ought reasonably to have known, of any cause, event or circumstance which has given or may give rise to a Claim involving the Insured

In respect of all parts of Event 1 – Employment Disputes and Awards of Compensation there is no cover for:

- a** any Claim arising as a result of the Insured's failure to consult with and then follow with due diligence the advice and procedures provided by the Lawphone Legal Helpline before making any significant variation to an Employee's contract or taking any action which leads to the giving of a formal warning to, or the dismissal of, an Employee
- b** any dispute with an Employee who was subject to either a written or verbal warning (formal or informal) in the 6 months immediately preceding the first Period of Insurance
- c** any dispute which necessitates the establishment of a transfer of employment under the Transfer of Undertakings (Protection of Employment) Regulations 2006 or the Acquired Rights Directive or a breach, or alleged breach, of either
- d** any dispute arising out of any contract of service entered into between the Insured and any sub-contractor or with anyone who is self-employed
- e** any dispute based upon, arising from or in consequence of any industrial dispute, industrial or labour arbitration or collective bargaining agreements

- f** any costs or expenses incurred by the Insured arising out of an internal disciplinary hearing or grievance relating to an Employee

In respect of Event 1c – Employment Service Occupancy there is no cover for the defence of the Insured's legal rights, other than to defend a counter-claim.

In respect of Event 1d – Breach of Restrictive Covenant there is no cover for any dispute with any individual who before the inception of this Section either ceased to be an Employee, or was working during their notice period (whether notice of resignation or notice of dismissal and including where the Employee was placed on leave by the Insured for the whole, or part, of that notice period).

2 Taxation Proceedings

The Insured has cover for representation of the Insured in an HMRC Investigation, and in any appeal proceedings arising from that HMRC Investigation.

Provided that:

- a** the HMRC Investigation arises out of the Business and
- b** the Insured has kept accurate business records in accordance with any relevant tax requirements and
- c** all relevant tax returns have been filed on time and
- d** Reasonable Prospects of a Satisfactory Outcome exist in respect of an Employer Compliance Dispute, VAT Dispute and in all appeals following an HMRC investigation

In respect of Event 2 – Taxation Proceedings there is no cover for:

- a** an Excess of £200 in respect of a Business Self Assessment Aspect Enquiry
- b** the preparation of accounts or self assessment returns
- c** an HMRC Investigation which arises out of:
 - i** deliberate or reckless or careless misstatements by the Insured in returns or submissions made to the relevant authorities
 - ii** failure by the Insured to make accurate, truthful and up to date submissions or returns or
 - iii** failure by the Insured to observe statutory time limits or requirements
- d** an HMRC Investigation which arises solely from an investigation of earlier accounts or records
- e** an enquiry under Public Notice 160 or Section 60 of the VAT Act 1994

- f** any matter conducted by HMRC Specialist Investigations or conducted under the HMRC Civil Investigation of Fraud or Criminal Investigations procedures
- g** the defence of any criminal prosecution
- h** any matter arising from the failure of the Insured to register for PAYE, VAT, or the Construction Industry Scheme or to notify chargeability in relation to any tax within the relevant time limits
- i** any matter relating to a Tax Avoidance Scheme
- j** any matter relating to IR35 legislation
- k** an HMRC Investigation arising from the payment of the National Minimum Wage.

3 Criminal Prosecution Defence

The Insured Person has cover for the defence of a criminal prosecution.

Provided that the criminal prosecution arises out of the Business.

In respect of Event 3 – Criminal Prosecution Defence there is no cover for:

- a** criminal proceedings being brought against the Insured Person for:
 - i** fraud, theft, money laundering or other dishonesty
 - ii** offences against another person, including offences of a sexual nature
 - iii** the manufacture, distribution or use of alcohol, drugs, indecent or obscene materials
 - iv** owning, possessing, hiring or using aircraft, watercraft, motor vehicles, trailers or caravans
 - v** any investigation by HMRC
 - vi** pollution
- b** any costs awarded against the Insured Person by a court of criminal jurisdiction.

4 Damage to Premises

The Insured has cover for the pursuit of the legal rights of the Insured in a dispute relating to physical damage to the Insured's Premises caused by another person or organisation resulting in proven financial loss to the Insured.

Provided that the Premises are used solely for the Insured's Business.

In respect of Event 4 – Damage to Premises there is no cover for:

- a** any dispute arising from the actual or alleged performance of, or failure to perform, in whole or in part, an actual or alleged Contract between the Insured and a third party
- b** any dispute relating to mining or other subsidence or heave
- c** any dispute relating to planning or building regulations or decisions
- d** any dispute relating to the renewal of a lease or Commercial Tenancy Agreement
- e** any dispute over the freehold or leasehold or commonhold or title of the Premises
- f** Adjudication
- g** any dispute with Government or local authority departments concerning the imposition of rates or other local taxes
- h** any dispute relating to the ownership, possession, hiring or use of aircraft, watercraft, motor vehicles, trailers or caravans
- i** the defence of the Insured's legal rights other than in defending a counter-claim by the other party to the dispute.

5 Data Protection

The Insured has cover for:

- a** the defence of the legal rights of the Insured in a civil dispute arising out of the Data Protection Act 1998
- b** an appeal by the Insured against a refusal of an application for registration or alteration of registered particulars
- c** an appeal by the Insured against any Enforcement, Deregistration or Transfer Prohibition Notice
- d** Data Protection Compensation Awards.

In respect of Event 5 – Data Protection there is no cover for any dispute or legal proceeding:

- a** which relates to the prosecution of the Insured
- b** which arises from a failure to register as a Data Controller
- c** which arises from a failure to comply with any legislative requirement concerning the processing of Sensitive Personal Data.

6 Commercial Tenancy Agreement

The Insured has cover for the pursuit of the Insured's legal rights in a dispute relating to the Insured's Commercial Tenancy Agreement.

Section 9 – Commercial Legal Expenses (continued)

In respect of Event 6 – Commercial Tenancy Agreement there is no cover for:

- a** any dispute relating to rent or service charges, tax, planning or building regulations or decisions
- b** any dispute relating to the renewal of a lease or Commercial Tenancy Agreement
- c** any dispute arising from an agreement the Insured enters into to let the Premises for residential purposes
- d** any dispute over the freehold or leasehold or commonhold or title of the Premises
- e** Adjudication
- f** any dispute with Government or local authority departments concerning the imposition of rates or other local taxes
- g** the defence of the Insured's legal rights other than in defending a counter-claim by the other party to the Commercial Tenancy Agreement.

7 Statutory Licence Appeal

The Insured Person has cover to appeal to the relevant authority, court or tribunal following a decision made by such licensing or regulatory authority to suspend, revoke, alter or refuse to renew a Statutory Licence.

In respect of Event 7 – Statutory Licence Appeal there is no cover for:

- a** any appeal arising out of a hearing that took place because of a commercial decision made by the Insured Person in relation to the Business
- b** any appeal following a hearing that the Insured Person knew about, or should reasonably have known about, before this Section commences
- c** any appeal involving a Statutory Licence for which the Insured Person has made an appeal in the 12 months before this Section commences
- d** any disciplinary or internal procedures conducted by authorities charged with the regulation of the Insured Person in the performance of their normal Business activities, or for any appeal following such procedures
- e** the first application for, or application for the renewal of, the Insured Person's Statutory Licence
- f** any suspension, revocation, alteration or refusal to renew a Statutory Licence which is imposed by Acts of Parliament or national or local government regulation or order

- g** any appeal arising out of hearings relating in whole or in part to:
 - i** owning, driving or using a motor vehicle
 - ii** drug offences
 - iii** under age drinking or under age admission to Premises or
 - iv** allegations of sexual or indecent activities.

8 Pension Trustee Defence

The Insured Person has cover for the defence of their legal rights in civil proceedings arising from the Insured Person's capacity as a trustee of a pension fund set up for the benefit of Employees.

9 Employee's Civil Defence

The Insured Person has cover for the defence of their legal rights in civil proceedings arising from the Insured Person's work as an Employee under legislation for unlawful discrimination on the grounds of sex, sexual orientation, race, disability, age, religious belief, political opinion or any other discrimination identified by Acts of Parliament.

10 Personal Injury

The Insured Person has cover for the pursuit of their legal rights following an event which causes the Insured Person's death or bodily injury.

Provided that the death or bodily injury arises out of the Business

In respect of Event 10 – Personal Injury there is no cover for disputes between the Insured and the Insured Person.

11 Jury Service Allowance

The Insured has cover for Jury Service Allowance.

12 Contract Disputes – Below Small Claims Limit

The Insured has cover for the pursuit or defence of a dispute with a manufacturer or supplier or customer in respect of a Contract.

Provided that:

- a** the goods or services in question are supplied in connection with the normal Business activities of the Insured and
- b** the amount in dispute is more than £250 but equal to or less than the Small Claims Limit and
- c** the Claim is heard within a Small Claims Court and
- d** if the Insured is pursuing another party to the Contract for an amount of money and interest, that amount is not an Undisputed Debt.

In respect of Event 12 – Contract Disputes – Below Small Claims Limit there is no cover for:

- a** the recovery of any Undisputed Debt other than where the other party to the Contract has indicated an intention to defend the Claim and that party has a realistic chance of defending the Claim
- b** the pursuit or defence of any Claim brought by or against the Insured Person caused by or arising from or in relation to professional services, advice or specification given by the Insured or on behalf of the Insured Person
- c** any dispute arising from or as a consequence of any breach or alleged breach of professional duty or any error or omission in any advice given by the Insured Person or on behalf of the Insured Person
- d** any dispute where a Claim is brought against the Insured caused by or arising from the provision of goods or services by the Insured relating to the construction, alteration or repair of any building, or part of that building, or structure
- e** any dispute relating to computer hardware, software, systems or services
- f** any arbitration unless wholly in accordance with the Arbitration Act 1996
- g** Adjudication
- h** any dispute in respect of assignment, bailment, bills of exchange, credit, insurance, securities or guarantee
- i** any dispute relating to a lease, licence or tenancy of land or buildings other than a dispute with a professional adviser in connection with the drafting of a lease, licence or Commercial Tenancy Agreement
- j** any dispute relating to the legal right of the Insured to own, occupy or use any land or building or any benefit or alleged benefit attaching to the land
- k** any dispute relating to the ownership, possession, hiring or use of motor vehicles
- l** any dispute arising out of the amount payable under an insurance policy.

Section Exclusions

In addition to the Policy Exclusions and the exclusions listed under each Event, the following apply to all Events of this Section:

- 1** In addition to any Excess specified within Events 1 and 3 to 12, a further Excess of £500 applies in respect of Any One Claim where the Insurer agrees to the Insured Person's request to appoint an alternative Legal Representative to the one chosen by the Insurer.
- 2** Legal Expenses, Awards of Compensation, Data Protection Compensation Awards, Jury Service Allowance or Witness Attendance Allowance incurred without the Insurer's written Consent.
- 3** Any Claim which does not arise from or relate to the Business, other than a Claim in respect of Jury Service Allowance.
- 4** Any Claim in respect of which the Insured Person is, or but for the existence of this Section would be, entitled to an indemnity or contribution under any other policy or certificate of insurance, service contract or membership, except for any excess beyond the amount which would have been covered under such other policy, certificate, service contract or membership.
- 5** Any Claim in respect of which the Insured Person is entitled to an indemnity or contribution under any other Section of this Policy.
- 6** Any Claim in respect of which the Insured Person is entitled to Legal Aid.
- 7** Any cause, event or circumstance occurring prior to or existing at the inception or on or after the renewal of this Section and which the Insured Person knew, or ought reasonably to have known, may give rise to a Claim by or against the Insured Person.
- 8** Any Claim arising out of a deliberate, conscious, intentional or reckless act by the Insured Person or where the Insured Person has shown wilful disregard for the need to take all reasonable steps to avoid, prevent and limit any such Claim.
- 9** Any Claim made, brought, commenced, continued or transferred outside of the Geographical Limits.
- 10** Any Claim where in the Insurer's opinion there are no Reasonable Prospects of a Satisfactory Outcome.
- 11** Fines or other penalties imposed by a court, tribunal or regulator, including any costs awarded against the Insured Person following criminal proceedings.

Section 9 – Commercial Legal Expenses (continued)

- 12** Any dispute between the Insured Person and the Insurer.
- 13** Any dispute between the Insured Person and the Legal Representative in respect of a Claim under this Section, or between the Insured and the provider of any Additional Service or telephone helpline available under this Section.
- 14** Any Claim relating to damage to goods in transit or goods lent or hired to third parties or goods at premises other than the Premises.
- 15** Any Claim arising from or relating to the operation of a franchise or distribution agreement.
- 16** Any dispute between individuals comprising the Insured or with any subsidiary, parent, associated or sister company or arising from a shareholding agreement, a partnership agreement or a trust.
- 17** Any Claim arising as a result of an allegation of libel or slander.
- 18** Any Claim relating to patents, copyrights, trademarks, merchandise marks, registered designs or other intellectual property, breach of secrecy or confidentiality, passing off action or restrictive covenants, other than as specified in Event 1d Breach of Restrictive Covenant.
- 19** Any Claim arising from or relating to an application for judicial review or other challenge to any legislation or proposed legislation.
- 20** Any Claim relating to any non-contracting party's right to enforce all or any part of this Section. The Contracts (Rights of Third Parties) Act 1999 does not apply to this Section.
- 21** Defending the Insured Person in any legal proceedings arising from:
- a** bodily injury, death, illness or disease (including psychiatric injury and stress) or
 - b** loss, destruction or damage to property or
 - c** alleged or actual breach of any duty owed as a director or officer of the Insured, other than as specified in Event 8 Pension Trustee Defence.
- 22** Any VAT attaching to Legal Expenses incurred with the Insurer's Consent which is recoverable by the Insured Person from elsewhere.

Section Conditions

In addition to the Policy Conditions, the following also apply to this Section:

A General Conditions

1 Change of Risk

It is a condition precedent to the liability of the Insurer to provide cover under this Section that the Insured must notify the Insurer in writing of any alteration during the Period of Insurance which would materially affect the Insurers assessment of the risk and that part of this insurance affected shall cease to be in force unless such alteration is agreed in writing by the Insurer. The Insurer shall have the right to amend the premium and the Insured will pay an additional premium to, or receive a refund of premium from, the Insurer as the case may be.

2 Arbitration

Any dispute between the Insured Person and the Insurer concerning this Section shall be referred to a single arbitrator who will be either a solicitor or barrister agreed upon by the parties or failing agreement one who is nominated by the President of the appropriate Law Society or by the Chairman of the Bar Council or appropriate professional body within the Geographical Limits. All the costs of the arbitration shall be met in full by the party against whom the decision is made. If the decision is not clearly made against one party the arbitrator will have the power to apportion costs. If the decision is made in the Insurer's favour, the Insured Person's costs will not be recoverable under this Section. The decision will be final and binding upon both the Insured Person and the Insurer and cannot be the subject of an appeal.

3 Maintenance of Records

It is a condition precedent to the Insurer's liability to provide cover under this Section that the Insured has kept and maintained reasonable books and records. Where the Insured is a corporate organisation such books and records must have been kept in accordance with the Companies Acts.

4 Disclosure of the Existence of this Section

The Insured Person or the Legal Representative must not reveal the existence of this Section unless the Insurer has given written consent or is ordered to do so by a court.

5 Assignment

This Section may not be assigned by the Insured Person or by the Insured Person's executors or administrators.

B Claims Process Conditions

1 Notification of Claims

It is a condition precedent to the Insurer's liability to provide cover under this Section that the Insurer is notified in writing by the Insured Person by the completion of a claim form, or in another way confirmed by the Insurer to the Insured Person, immediately the Insured Person is, or should have been, aware of any cause, event or circumstance which has given or may give rise to a Claim involving the Insured Person.

If the Insured Person fails to notify the Insurer of such cause, event or circumstance during the Period of Insurance any Claim arising from that cause, event or circumstance will not be accepted. When such a notification has been given, the Insurer agrees to treat any subsequent Claim in respect of the cause, event or circumstance notified as though the Claim had been made, brought or commenced during the Period of Insurance.

Important procedure for Employment Disputes

If a **Claim Form (ET1)** is received from an Employment Tribunal the Insured must **immediately** complete a claim form and forward it to the Insurer, to arrive no later than 7 days after receipt of the **Claim Form (ET1)**. **Response Form (ET3)**, which should be left blank, must also be sent.

2 Consent

It is a condition precedent to the liability of the Insurer to provide cover under this Section that consent to accept a claim and:

- a incur Legal Expenses; and
- b pay Awards of Compensation, Data Protection Compensation Awards, Jury Service Allowance or Witness Attendance Allowance

must first be obtained in writing from the Insurer ("Consent"). Consent will be given if the Insured Person can satisfy the Insurer that:

- a there are Reasonable Prospects of a Satisfactory Outcome and
- b in a particular case, it is reasonable for Legal Expenses to be incurred and/or a Claim in respect of Awards of Compensation, Data Protection Compensation Awards, Jury Service Allowance or Witness Attendance Allowance be accepted under this Section.

In reaching a decision on whether or not to give Consent the Insurer will seek the opinion of the Legal Representative.

If the Insurer and the Legal Representative are unable to agree on whether Reasonable Prospects of a Satisfactory Outcome exist, the Insurer will seek the opinion of any other legally qualified advisor or other expert appropriate to the Claim they feel it is necessary to consult in order to make their decision.

In all cases the Insured Person will be advised in writing of the granting or refusal of Consent.

3 Dealing with the Claim

If the Insurer grants Consent a Legal Representative will be instructed and will then act in accordance with Claims Process Condition 8.

The Insurer may withdraw Consent previously given at any time if facts become known which would mean that a particular Claim would not have been accepted under the terms of this Section or if there are no longer Reasonable Prospects of a Satisfactory Outcome. Provided there has been full compliance with the Section terms the Insurer agrees to indemnify the Insured Person in respect of Legal Expenses incurred up to the date when the Insurer notified the Insured Person that Consent had been withdrawn.

If the Insured Person decides to proceed with the pursuit or defence of a Claim to which the Insurer has refused to give Consent and is subsequently successful the Insurer will pay Legal Expenses as if the Insurer had given Consent at the outset.

4 Duty of the Insured Person to Minimise Claims

In respect of any Claim for which Consent has been granted under the Section the Insured Person must use best endeavours and take all reasonable measures to minimise the cost and effect of any Claim under this Section.

If the Insured Person fails to comply with this requirement then the Insurer will have the right to adjust the Insurer's liability under this Section to the extent that a Claim would have cost the Insurer had the Insured Person complied.

5 The Insurer's Right to Settle Claims

The Insurer shall have the right to take over and conduct in the name of the Insured Person any Claim at any time and can settle any Claim on behalf of the Insured Person on such terms as the Insurer deems appropriate. At its absolute discretion, the Insurer may decide to settle the Claim by paying the Insured Person the amount of damages claimed by, or against, the Insured Person instead of indemnifying the Insured Person for Legal Expenses or Awards of Compensation, Data Protection Compensation Awards or Witness Attendance Allowance. Where the Insurer exercises this discretion the Insurer will cease to be liable for any further Legal Expenses, Awards of Compensation, Data Protection Compensation Awards or Witness Attendance Allowance in respect of that Claim.

Section 9 – Commercial Legal Expenses (continued)

6 Insolvency of the Insured Person

During the course of any Claim to which the Insurer has given support, the Insurer has the right to withdraw that support immediately if the Insured Person

- a** becomes insolvent (or commits an act of insolvency or bankruptcy) or
- b** enters into liquidation or
- c** makes an arrangement with creditors or
- d** enters into a deed of arrangement or
- e** has part or all of their affairs assets or property placed in the care or control of a receiver or a liquidator or
- f** has an administration order over their affairs assets or property.

7 Appeal Procedure

If, following legal proceedings to which the Insurer has given Consent, the Insured Person wishes to appeal against the judgment or decision of a court or tribunal, it is a condition precedent to the Insurer's liability to continue to provide cover under this Section that the grounds of such appeal must be submitted to the Insurer in good time and by secure means so that the Insurer may consider whether there are Reasonable Prospects of a Satisfactory Outcome in respect of the appeal and if so whether to Consent to such further action. The Insurer will inform the Insured Person and the Legal Representative of their decision.

If the Insurer requires it, the Insured Person will co-operate fully in an appeal against the judgment or decision of a court or tribunal.

8. Legal Proceedings

a Freedom to choose a Legal Representative

For any Claim where the Insurer may be liable to pay Awards of Compensation under Event 1 Employment Disputes and Awards of Compensation, or Data Protection Compensation Awards under Event 5 Data Protection, the Insurer will choose the Legal Representative.

For any other Claim the Insurer will choose the Legal Representative at any time before the Insurer agrees that legal proceedings need to be issued or defended. The Insured Person can only choose a Legal Representative if the Insurer agrees that legal proceedings need to be issued or defended or if a conflict of interest arises which means that the Legal Representative originally chosen by the Insurer cannot act for the Insured Person. The Insured Person must send the name and address of the Insured Person's chosen Legal Representative to the Insurer.

Other than where such a conflict of interest has arisen, if the Insurer agrees to appoint a Legal Representative that the Insured Person chooses, the Insured Person must pay a £500 Excess. The Insured Person must pay the Excess at the start of the Claim. If the Insurer agrees to appoint a Legal Representative that the Insured Person chooses, that Legal Representative will be appointed on the same terms as the Insurer would have appointed its' chosen Legal Representative.

In respect of any Claim for which the Insurer has granted Consent, the Legal Representative will be appointed in the name of and on behalf of the Insured Person to act for the Insured Person in accordance with the terms of this Section.

In agreeing to the selection of a Legal Representative the Insured Person will comply with Claims Process Condition 4.

The Insurer's liability to provide cover under this Section will cease immediately with no liability to indemnify the Insured Person in any respect unless in its absolute discretion the Insurer agrees to another Legal Representative being appointed to continue acting for the Insured Person under the terms of this Section, if:

- i** due to any conduct or failure to act by the Insured Person, the Legal Representative reasonably refuses to continue acting for the Insured Person or
- ii** the Insured Person unreasonably dismisses the Legal Representative against the advice of the Legal Representative and without the Insurer's agreement.

b Disclosures to the Legal Representative

It is a condition precedent to the Insurer's liability to provide cover under this Section that the Insured Person must give the Legal Representative all possible help and information including a complete and truthful account of the facts of the case and all relevant documentary or other evidence in the Insured Person's possession. The Insured Person must provide, obtain or execute all documents as necessary and attend meetings or conferences as requested.

c Access to Information

The Insurer is entitled to receive from the Legal Representative any information, document or advice in connection with any Claim, even if privileged. On request the Insured Person will give to the Legal Representative any instructions necessary to secure the required access.

d Obligations of the Insured Person and Legal Representative in relation to any Claim.

It is a condition precedent to the Insurer's liability to provide cover under this Section that:

- i** The Insured Person and on their behalf the Legal Representative immediately notify the Insurer in writing of any information as soon as it is received which may affect the Insurer's opinion on the Reasonable Prospects of a Satisfactory Outcome of the Claim
- ii** The Insured Person and on their behalf the Legal Representative will inform the Insurer in writing as soon as any offer to settle a Claim is received or made or an offer of payment into Court is received. The Insured Person or the Legal Representative will under no circumstances enter into any agreement to settle without the Insurer's prior written consent. If, in the Insurer's opinion, the Insured Person unreasonably withholds agreement to settle, cover under this Section will cease immediately. The Insurer agrees to indemnify the Insured Person in respect of Legal Expenses incurred up to the date when cover ceased
- iii** The Insured Person and on their behalf the Legal Representative will report in writing the result of the Claim to the Insurer when it is finished.

e Payment of Legal Representative's Bills

The Insurer shall have the right to settle Legal Expenses at the conclusion of a Claim.

The Insured Person should forward all bills which are received from the Legal Representative relating to the Claim to the Insurer without delay following conclusion of the Claim. If the Insurer requires, the Insured Person must ask the Legal Representative to submit the bill of costs for audit or assessment by the appropriate court or, at the discretion of the Insurer, a law costs draughtsman or other competent party. The Insurer will only pay Legal Expenses that are determined as reasonable by the audit or assessment.

The Insured Person is responsible for the payment of all Legal Expenses. The Insurer may settle these direct if requested by the Insured Person to do so. The payment of some Legal Expenses does not imply that all Legal Expenses will be paid.

The Insured Person must not, without the Insurer's written consent, enter into any agreement with the Legal Representative as to the basis of calculation of Legal Expenses.

f Instruction of Counsel

If, during the course of any Claim (other than where Claims Process Condition 2 applies), the Insured Person or the Legal Representative considers it necessary and wishes to instruct counsel, counsel's name must first be submitted to the Insurer for Consent to the proposed instruction.

g Conduct of the Claim

It is a condition precedent to the Insurer's continuing liability to provide cover under this Section that the Insured Person

- i** does not withdraw from a Claim or dismiss the Legal Representative without the written agreement of the Insurer and the Legal Representative
- ii** co-operates fully with the Legal Representative or the Insurer in the conduct of the Claim
- iii** follows the advice of the Legal Representative.

If the Insured Person fails to comply with either i, ii or iii then the Insurer's liability to provide cover under this Section will cease immediately and the Insurer will not be responsible for the payment of Legal Expenses, Compensatory Awards or Data Protection Compensation Awards and will be entitled to reimbursement of all Legal Expenses already incurred in respect of the Claim unless the Insurer agrees to appoint another Legal Representative to continue the Claim.

h Award of Costs

Where the Insured Person is awarded costs, it is a condition precedent to the Insurer's liability to provide cover under this Section that the Insured Person and the Legal Representative must take every reasonable step to recover Legal Expenses which would be or have been subject to payment under this Section. All such recoveries will be taken into account when calculating the Insurer's liability under this Section.

i Alternative Dispute Resolution

When, in the Insurer's opinion, alternative dispute resolution would appear to provide a more effective method of resolving any Claim, the Insurer may request that the Insured Person agrees to submit such Claim to a professional dispute resolution service, to be selected by the Insurer.

In considering alternative dispute resolution the Insured Person will comply with Claims Process Condition 4 and will not therefore unreasonably withhold Consent.

Section 9 – Commercial Legal Expenses (continued)

Communications

All notices and communications from the Insurer or the Insurer's representatives to the Insured Person will be deemed to have been duly sent if sent to the Insured Person's last known address or, in relation to any matters arising out of any Claim, if sent to the Legal Representative.

All notices and communication from the Insured Person to the Insurer should be sent to:

Allianz Legal Protection
2530 The Quadrant
Aztec West
Almondsbury
Bristol
BS32 4AW
United Kingdom
Telephone: **0370 243 4340**
Email: alpenquiries@allianz.co.uk

Additional Services

In addition to the indemnity provided by the Insurer in respect of Events 1 to 12, two further services are available to the Insured under this Section. The Insured may access these services at any time during the Period of Insurance, although the Insurer will not be liable to provide any indemnity in respect of legal costs or other expenses incurred by the Insured as a result of using either service.

1 Commercial Litigator Service - Contract Disputes above the Small Claims Limit in Great Britain

If the Insured is involved in a dispute arising out of a Contract (including a dispute over professional negligence in the delivery of services to the Insured) and wishes to pursue a legal action against another party to that Contract, the Insured has access to free legal advice to determine the merits of taking that action.

This service does not apply to disputes arising out of, or relating to:

- Libel or slander
- Debt recovery
- Employment contracts, partnerships or shareholdings
- Property (including intellectual property)
- Taxation, inheritance or trusts
- Insurance contracts

To make use of this service, the Insured should download a Litigation Assessment Form from:

www.allianzlegalprotection.co.uk/home/intermediaries/commercial-litigator.html

This form should be completed by the Insured and sent to the Insurer at:

The Underwriting Department
Allianz Legal Protection
2530 The Quadrant
Aztec West
Almondsbury
Bristol
BS32 4AW
Telephone: **0370 243 4340**
Fax: 01454 201 505
Email: commercial-litigator@allianz.co.uk

If the Insured is unable to download a Litigation Assessment Form, the Insured should contact the Insurer using the details above.

The Litigation Assessment Form will provide the Insured with a choice of Legal Representative to advise on the merits of taking legal action where the dispute will be pursued in England or Wales. If no choice is made by the Insured, or for all disputes that will be pursued in Scotland, the Insurer will choose the Legal Representative.

The Legal Representative will provide the Insured with a written assessment on the merits of pursuing the legal action. There will be no cost to the Insured for this written assessment provided that:

- a the legal action falls outside of the jurisdiction of the Small Claims Court and will be decided by a court within Great Britain and
- b the assessment requires no more than 7 hours of work from the Legal Representative and
- c the Legal Representative does not need to incur any expenses or other disbursements in order to produce the assessment and
- d the Insured has not previously received a legal opinion or taken any legal action in respect of the dispute.

If the Legal Representative needs to carry out more than 7 hours of work or needs to incur expenses or other disbursements in order to provide the Insured with the assessment, these costs will be payable by the Insured to the Legal Representative. The costs will be confirmed to, and agreed with, the Insured before the Legal Representative continues with the production of the assessment.

If the Legal Representative and the Insurer agree that the Insured has reasonable prospects of successfully pursuing the dispute, the Insured will be given an option to enter into a legal action against

the other party to the Contract. This legal action will be conducted under a separate agreement between the Insured and the Legal Representative

In conjunction with that separate agreement, the Insured will be offered a Commercial Litigator After the Event Insurance Policy to cover:

- a** disbursements that the Insured incurs in pursuing the dispute and
- b** legal costs and expenses incurred by the Insured's opponent if they are awarded against the Insured in the event that the Insured is unsuccessful in the legal action. A copy of the Commercial Litigator After the Event policy wording and a policy summary are available from the Insurer on request, and will also be provided to the Insured if the Insured takes out the cover.

2 Undisputed Debt Recovery Service

The Insured has access to the Debt Recovery Service if the Insured has an Undisputed Debt of at least £250 and the legal action to recover that Undisputed Debt can be brought within Great Britain. The Undisputed Debt should be referred to the Debt Recovery Service as soon as possible after the amount becomes due and payable.

The Debt Recovery Service is provided by an organisation that specialises in the recovery of debts. The organisation providing the Debt Recovery Service is not part of the Insurer and does not act on the Insurer's behalf. For Undisputed Debts that are pursued in England or Wales, that organisation will be DWF LLP, of 5 St Paul's Square, Old Hall Street, Liverpool L3 9AE. For Undisputed Debts that are pursued in Scotland, the service will be provided by HBI Claim Solutions solicitors, of 247 West George Street, Glasgow, Lanarkshire G2 4QE.

When the Insured needs to contact the Debt Recovery Service the Insured should call the number below, which relates to the country in which the Undisputed Debt will be pursued. The Insured should quote 'Allianz Undisputed Debt Recovery Service' and the Master Policy reference contained within the Policy Schedule.

Debts pursued in England or Wales **0151 907 3141**

Debts pursued in Scotland **0141 249 6095**

The telephone lines are open between the hours of 9.00am and 5.00pm, Monday to Friday (excluding Public Holidays).

Use of the Debt Recovery Service by the Insured may be subject to

a fee being payable by the Insured to the Debt Recovery Service. The fee will be a percentage of the Undisputed Debt. The level of the fee, and the time at which it will be payable by the Insured, will be confirmed to the Insured by the Debt Recovery Service when the Debt Recovery Service is initially contacted. There may be additional expenses that are necessarily incurred by the Debt Recovery Service to recover the Undisputed Debt. These will also be payable by the Insured and will be confirmed by the Debt Recovery Service to the Insured at the appropriate time.

This Section does not cover the fee charged by the Debt Recovery Service or any expenses incurred in recovering the Undisputed Debt.

If, in the view of the Debt Recovery Service and the Insurer, the other party to the Contract submits a viable defence in respect of the Undisputed Debt

- a** the Insured must report the matter as a Claim under Event 12 Contract Disputes – Below Small Claims Limit if the amount in dispute is less than or equal to the Small Claims Limit. The pursuit of the debt will then be handled in accordance with the terms and conditions of this Section or
- b** if the amount in dispute is above the Small Claims Limit, the Insured will have the option of using the Additional Service 1 described above to obtain an assessment on whether Reasonable Prospects of a Satisfactory Outcome exist to pursue a legal action against the other party to the Contract.

Section 10 – Personal Accident

Definitions

Accidental Bodily Injury

Bodily injury caused by:

- 1 accidental violent external and visible means
- 2 unavoidable exposure to the elements.

Aircraft Accumulation Limit

The Insurer's maximum liability in total under this and any other group personal accident and/or business travel policies issued or to be issued by the Insurer to the Insured for all Losses involving any Scheduled Air Transport as shown in the Schedule.

Annual Salary

The annualised gross salary (excluding bonus payments) payable per annum by the Insured to the Insured Person as at the date of occurrence of the accident giving rise to Accidental Bodily Injury.

Associated Illness

Sickness or disease (except any psychological condition or disorder) that results directly from the Insured Person sustaining Accidental Bodily Injury that would not otherwise have arisen and had not previously arisen.

Benefit

The sum or sums of money that the Insurer has agreed to pay the Insured or, as applicable, the Insured Person as shown in the Schedule.

Business of the Insured

The Business of the Insured as shown in the Schedule.

Capital Sum Benefit

A Benefit that is not payable at a weekly rate.

Contamination

Contamination or poisoning of people by nuclear and/or chemical and/or biological substances that cause illness and/or disablement and/or Death.

Contamination by Terrorism Accumulation Limit

The Insurer's maximum liability in total under this and any other group personal accident, business travel and sickness policies issued or to be issued by the Insurer to the Insured in respect of any one Loss involving Contamination by Terrorism as shown in the Schedule.

Death

Death caused by Accidental Bodily Injury.

Employee

Any employee of the Insured or any other person acting in the capacity of an employee whilst working for the Insured in connection with the Business of the Insured.

Event Accumulation Limit

The Insurer's maximum liability in total under this and any other group personal accident and/or business travel and/or sickness policies issued or to be issued by the Insurer to the Insured for all Losses not involving air travel as shown in the Schedule.

Excess Period

The first period of Temporary Total Disablement or Temporary Partial Disablement for which no Benefit is payable as shown in the Schedule.

Illness

Any disease, medical complaint or medical condition which is not Accidental Bodily Injury.

Insured Person

Those persons specified in the Schedule as being Insured Persons.

Loss

A loss or series of losses arising out of or consequent upon or contributed to directly or indirectly by one originating event.

Loss of Hearing

Total and permanent loss of hearing in one or both ears that in the opinion of an independent qualified medical referee acceptable to the Insurer is never going to improve.

Loss of Internal Organ

Total and permanent:

- 1 loss by removal or
- 2 effective loss of use

of one lung or one kidney, the spleen or the liver.

Loss of Limb

Total and permanent loss

- 1 by physical separation or
- 2 of use

of a hand, at or above the wrist or a foot at or above the ankle.

Loss of Sight

Total and permanent loss of sight which will be considered as having occurred:

- 1 in both eyes if the Insured Person's name has been added to the Register of Blind Persons maintained by the government on the authority of a fully qualified ophthalmic specialist or
- 2 in one eye, if the degree of sight remaining after correction is 3/60 or less on the Snellen Scale.

Loss of Speech

Total and permanent loss of the ability to speak or communicate verbally

Maximum Benefit

The maximum amount of Benefit payable, as shown in the Scale(s) of Compensation in the Schedule.

Maximum Benefit Period

The maximum length of time for which a Benefit is payable after the Excess Period has expired as shown in the Schedule.

Non-Scheduled Air Accumulation Limit

The Insurer's maximum liability in total under this and any other group personal accident and/or business travel policies issued or to be issued by the Insurer to the Insured for all Losses involving air travel other than Scheduled Air Transport as shown in the Schedule.

Occupational

- 1 While an Insured Person is carrying out their occupational duties for the Insured or while travelling between:
 - a an Insured Person's place of residence and place of work
 - b between places of work

where the travel is at the expense of the Insured.
- 2 At any time where Accidental Bodily Injury is the direct result of an unprovoked physical assault by another person.

Operative Times of Cover

The time and circumstances when cover under this Policy is effective within the Period of Insurance shown in the Schedule.

Permanent Total Disablement

Any permanent disablement other than

- 1 Loss of Sight
- 2 Loss of Hearing
- 3 Loss of Limb
- 4 Loss of Internal Organ
- 5 Loss of Speech

which having lasted without interruption for at least 12 months, has no reasonable prospect of improving, and in the opinion of an independent qualified medical referee acceptable to the Insurer, will in all probability permanently, completely and continuously prevent the Insured Person from engaging in or giving attention to:

- a their Usual Occupation if in gainful employment
- b business profession or occupation of each and every kind if the Insured Person is not in gainful employment
- c business schooling profession or occupation of each and every kind if the Insured Person is under 16 years of age or under 18 years of age and in full time education for the remainder of their life.

Permanent Partial Disablement

Means Loss of Sight, Loss of Hearing, Loss of Speech, Loss of Limb, Loss of Internal Organ.

Scale(s) of Compensation

The scale of Benefits as shown in the Schedule.

Scheduled Air Transport

A registered fixed wing aircraft which flies from an internationally recognised airport on a published schedule and which has more than 18 seats.

Temporary Partial Disablement

Disablement that completely prevents the Insured Person from performing more than 50% of the functions of their Usual Occupation.

Temporary Total Disablement

Disablement which completely prevents the Insured Person from performing each and every function of their Usual Occupation.

Section 10 – Personal Accident (continued)

Terrorism

An act of Terrorism means an act including but not limited to the use of force or violence and/or the threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political, religious, ideological, ethnic or similar purposes or reasons including the intention to influence any government and/or to put the public or any section of the public in fear.

United Kingdom

England, Scotland, Wales, Northern Ireland, the Isle of Man and the Channel Islands.

Usual Occupation

The tasks, duties and other functions, which the Insured normally pays the Insured Person to perform in connection with the Business of the Insured.

War

Invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

Weekly Benefit

The amount shown in the Schedule that the Insurer will pay to the Insured for each complete working week, during any period of Temporary Total Disablement or Temporary Partial Disablement of an Insured Person.

Weekly Wage

The gross basic weekly amount (or in the case of salaried employees 1/52nd of the Annual Salary) normally paid (excluding bonus payments) by the Insured to the Insured Person as at the date of occurrence of the accident giving rise to Accidental Bodily Injury for their Usual Occupation.

Cover

The Insurer will pay the Insured compensation in accordance with the Scale(s) of Compensation specified in the Schedule if any Insured Person suffers Accidental Bodily Injury during the Period of Insurance and Operative Time of Cover which, within 12 months thereof solely, directly and independently of any other cause results in the:

- 1 Death**
- 2 Permanent Total Disablement**
- 3 Permanent Partial Disablement**
- 4 Temporary Total Disablement**
- 5 Temporary Partial Disablement of an Insured Person.**

Section Exclusions

Policy Exclusions 3, 5 and 11 apply to this Section and in addition it does not cover:

Any claim arising out of or consequent upon or contributed to directly or indirectly by:

- 1** any Insured Person committing a criminal act or taking part or whilst engaged in civil commotions or riots of any kind.
- 2** an Insured Person
 - a** taking illegal drugs or taking non-prescribed drugs for recreational purposes or taking drugs prescribed for the Insured Person's own drug addiction or alcoholism
 - b** serving in the Armed Forces of any Nation or International Authority
 - c** committing suicide, attempted suicide or intentional self-injury
 - d** engaging in air travel as aircraft crew of any kind carrying out any trade or technical operation whilst an aircraft is in flight
 - e** motor cycling (other than in respect of mopeds or scooters up to 50cc)
 - f** hunting
 - g** engaging in winter sports other than curling or skating
 - h** mountaineering or rock climbing (necessitating the use of ropes or guides)
 - i** engaging in armed or unarmed combat sports, pot holing, skin-diving or other hazardous activity
 - j** riding or driving in any kind of race or endurance test (or practice therefore)
 - k** any gainful occupation outside the Business of the Insured specified in the Policy.
- 3** war (whether declared or not):
 - a** between any of the Major Powers (specifically China, France, the United Kingdom, any of the former member states of the Soviet Union and the United States of America) and/or
 - b** within Europe in which any of such Major Powers or their armed forces are involved or any enforcement action within Europe by or on behalf of the United Nations.

- 4** ionising radiations radioactive contamination or radiation of any kind including the radioactive, toxic or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
- 5** pregnancy or childbirth
- 6** sexually transmitted diseases including HIV (Human Immunodeficiency Virus) and/or any HIV related illness including AIDS (Acquired Immune Deficiency Syndrome) and/or any mutant derivative or variations thereof however caused
- 7** the following Exclusion applies to any Loss in excess of the Contamination by Terrorism Accumulation Limit shown in the Schedule.

Claims are not payable as a result of any event directly or indirectly arising out of Contamination due to any act of Terrorism regardless of any other cause or any other event contributing at the same time or in any other sequence to such event. If the Insurer alleges that by reason of this exclusion any loss damage cost or expense is not covered the burden of proving the contrary shall be upon the Insured or Insured Person, as applicable.

- 8** travel to a country or area that the Foreign Office Travel Advice Unit has advised against all travel unless agreed in writing by the Insurer.
- 9** any claim in excess of:
 - a** £100,000
 - b** the Event Accumulation Limit, Non-scheduled Air Accumulation Limit, Aircraft Accumulation Limit
 - c** Contamination by Terrorism Accumulation Limit
 whichever shall be the lower.
- 10** any claim in respect of:
 - a** any Benefit during the Excess Period
 - b** sickness or disease (with the exception of Associated Illness)
- 11** an Insured Person being affected by alcohol where the alcohol level is greater than 80 milligrams per 100 millilitre of blood.

Section Conditions

The Policy Conditions apply to this Section with the exception of Policy Conditions 2–4, 6–9, 15, 16 and 22.

In addition the following Conditions apply to this Section:

1 Misrepresentation of Facts Relevant to an Insured Person

If the Insured fails to comply with Policy Condition 2 (Fair Presentation of the Risk), the Insurer will not invoke any of the remedies available to it under that Condition as against the Insured, if the failure concerns only facts or information which relate to a particular Insured Person or Insured Persons. In that case, provided that the Insured Person concerned or the Insured on their behalf made a careless misrepresentation of facts, the Insurer may invoke the remedies available to it under Policy Condition 2 (Fair Presentation of the Risk) as against that Insured Person only, as if a separate insurance contract had been issued to such person, leaving the remainder of the Policy unaffected.

2 Payment of Premium

The Insured must pay to the Insurer all premiums due to the Insurer together with all taxes due on the premiums.

If the Insurer agrees to accept payment of premiums by instalments and payment of any instalment is not made on a due date for whatever reason the full outstanding balance shall become payable immediately.

If the Insured then fails to pay such amount within 7 days of the Insurer giving notice to the Insured of the default in payment the Insurer may cancel this Policy by giving 7 days' notice in writing to the Insured.

3 Assignment

The Insured and the Insured Person must not assign any of the benefits under this Section. The Insurer will not be bound to accept or be affected by any notice of trust, charge, lien or purported assignment or other dealing with or relating to this Section.

4 Cancellation – War Risks

The Insurer may cancel cover under this Section in respect of War risks at any time and at its discretion by sending 7 days notice by recorded delivery post to the Insured at the Insured's last known address.

5 Benefit Limits

- a** The Insurer will not pay more than the Maximum Benefit for Benefits 1 to 6 or any other Sum Insured as shown in the Schedule for any one Insured Person.

Section 10 – Personal Accident (continued)

- b** The Maximum Benefit payable in respect of Death of an Insured Person under 16 years of age or under 18 years of age and in full time education shall not exceed £10,000 or the Benefit stated in the Schedule whichever is the lower.
- c** The maximum Weekly Benefit payable for
 - Temporary Total Disablement will not exceed 100% of the Insured Person's normal Weekly Wage.
 - Temporary Partial Disablement will not exceed 50% of the Insured Person's normal Weekly Wage.

It is the duty of the Insured to inform the Insurer if any claim payment does exceed these limits. Payment will be proportionately reduced until these limits are not exceeded.

- d** Payment by the Insurer to the Insured of any Weekly Benefit does not prejudice the Insured's entitlement to any other Benefit but payment of Weekly Benefits will cease if the Insurer pays any of the Capital Sum Benefits and the Insurer will not be liable to pay any further Benefits in respect of the same Insured Person for the same Loss.
- e** The Schedule shows the Weekly Benefit payable to the Insured for each complete working week of Temporary Total Disablement or Temporary Partial Disablement.

Payment for any incomplete working week will be calculated as a proportion of the Weekly Benefit shown in the Schedule equivalent to the number of days of disablement compared to the number of days which the Insured normally pays the Insured Person to work in a normal week.
- f** The Insurer will not pay more than one of the Benefits 1 to 6 shown in the Table of Sums Insured in respect of any one Insured Person for injuries Arising from the same Loss.
- g** The Insurer will not pay more than one of Benefits 1, 7 and 8 shown in the Scale(s) of Compensation in respect of any one Insured Person for the same Loss.
- h** The Insurer will not pay more than one of Benefits 7 and 8 shown in the Scale(s) of Compensation for an accident arising from separate originating Losses concurrently.

6 Disappearance

Death of any Insured Person shall not be presumed by reason of their disappearance. If after a reasonable period of time has elapsed the Insurer having examined all the evidence available has no reason to suppose other than that the Insured Person has sustained an accident during the Operative Time of Cover resulting in their Death, the disappearance of such Insured Person shall be deemed to constitute Death by accident for the purposes of this Policy.

In the event of the Insured Person's re-appearance after payment of compensation under Benefit 1 in the Scale(s) of Compensation the beneficiary thereof will repay such compensation to the Insurer unless probate has been granted or legal evidence of the presumption of Death has been supplied to the Insurer.

7 Claims conditions

No claim will be paid unless the Insured and where applicable the Insured Person complies strictly with these conditions:

- a** The Insured or Insured Person must give notice to the Insurer as soon as possible and in any event within 30 days after the happening of any loss damage or occurrence which may result in a claim under this Policy.
- b** The Insured or Insured Person must provide the Insurer with all information and evidence which the Insurer may reasonably require at no cost to the Insurer.
- c** The Insured or Insured Person must at the Insurer's request provide a medical examination report in respect of any Accidental Bodily Injury where the Insured requires the Insurer to consider a claim under this Policy for which the Insurer will pay the cost of the medical examination fee.
- d** The Insured must ensure that as soon as possible after the occurrence of any Accidental Bodily Injury the Insured Person obtains and follows the advice of a registered medical practitioner.

The Insurer will not be liable for any bodily injury or medical condition which is worsened or prolonged or any other consequences which arise as a result of the Insured Person's failure to obtain and follow such advice and to use such treatment remedies or appliances as may be prescribed.
- e** In the event of the Death of an Insured Person the Insurer will be entitled to have a post-mortem examination carried out at its expense.

- f** For the Insured to claim for Weekly Benefits under this Policy the Insured Person must have no other weekly benefits insurance in force except as declared to and accepted by the Insurer during the Period of Insurance.

8 Accumulation Limits

The Insurer's maximum liability for all accepted claims in total in respect of all Insured Persons involved in the same Loss shall not exceed the Aircraft Accumulation Limit, Event Accumulation Limit, Non-scheduled Air Accumulation Limit or Contamination by Terrorism Accumulation Limit as applicable. Where the total of all individual claims exceeds the limit applicable the individual claims shall be reduced proportionately until the total of all individual claims does not exceed the limit applicable in the Schedule.

9 Age Limitation

Unless otherwise agreed by the Insurer and specifically noted in this Section no person aged 75 or over at commencement of the Period of Insurance will be covered by this Section.

10 Fraudulent Claims

If any fraud to which Policy Condition 7 (Fraud) relates is perpetrated by or on behalf of an Insured Person (and not on behalf of the Insured), Policy Condition 7 (Fraud) should be read as if it applies only to that Insured Person's claim and references to the Policy should be read as if they were references to the cover effected for that person alone and not to the Policy as a whole.

Section 11 – Theft by Employee

Definitions

Acting in Collusion

All circumstances where 2 or more Employees are concerned or implicated together or materially assist each other in committing the acts of Theft.

Date of Acceptance

- 1 the commencement date of the first Period of Insurance
- or
- 2 the date on which the Employee enters into a contract of service or apprenticeship with the Insured
- whichever is the latest.

Employee

Any person

- 1 under a contract of service or apprenticeship with the Insured or
- 2 undergoing training under any Government approved training scheme under the control of the Insured in connection with the Business whilst in the service of the Insured
- 3 normally resident in the Territorial Limits
- 4 who is a director of the Insured if such person
 - a is also employed by the Insured under a contract of service and
 - b controls no more than 5% of the issued share capital of the Insured company or of any subsidiary of the Insured company
- 5 who is retired from full-time employment with the Insured who is working for the Insured as a consultant under the control or direction of the Insured.

One Claim

All acts of Theft throughout the continuation of this insurance (or any insurance issued in substitution therefore or for which this insurance is substituted) committed by one individual Employee or by 2 or more Employees Acting in Collusion.

Territorial Limits

Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.

Theft

Any act of fraud or dishonesty by any Employee committed with the clear intent of obtaining an improper financial gain for themselves or for any other person or organisation intended by the Employee to receive such gain other than salaries, fees, commission or other employee benefit earned in the normal course of employment.

Cover

The Insurer will pay the Insured for direct loss of Money or goods belonging to the Insured or for which they are legally responsible caused by any act of Theft committed during the continuation of this Section by any Employee described in the Schedule under this Section and discovered no later than 24 months after

- 1 the termination of this Section
 - 2 the termination of the insurance in respect of any Employee
- whichever occurs first.**

Basis of Settlement

The amount payable by the Insurer as indemnity to the Insured shall be the value of the Money or the goods at the time of the loss or at the Insurer's option the replacement or reinstatement of such goods.

Limit of Indemnity

The liability of the Insurer under this Section

- 1 in respect of any One Claim
 - a caused by one Employee shall not exceed the Limit of Indemnity stated in the Schedule applicable to that Employee
 - b caused by 2 or more Employees Acting in Collusion shall not exceed the greater of the individual Limits of Indemnity stated in the Schedule applicable to the Employees involved
 - c irrespective of the number of Periods of Insurance during which the insurance by this Section (and any insurance issued in substitution therefor) shall remain in force shall not exceed the Limit of Indemnity stated in the Schedule
- 2 in respect of any one Period of Insurance shall not exceed the Aggregate Limit of Indemnity stated in the Schedule.

Extensions

(Subject to the terms, limits, conditions and exclusions of this Section and the Policy)

1 Auditors Fees and Rewriting of System Records

As a direct result of loss of Money or goods resulting in a valid claim under this Section the Insurer will also pay for

- a** auditors fees incurred with the Insurer's written consent solely to substantiate the amount of the claim
- b** the reasonable cost of rewriting or amending the software, programs or systems where such rewriting or amending is necessary to correct the programs or amend the security codes following the fraudulent use of computer hardware or software programs or computer systems the subject of a claim for which liability is admitted under this Section

provided that the total liability of the Insurer including any amount payable under the provisions of this Extension shall not exceed the Limit of Indemnity.

2 Previous Insurance

If this insurance immediately supersedes a fidelity insurance effected by the Insured (the "Superseded Insurance") the Insurer will indemnify the Insured in respect of any loss discovered during the continuation of this insurance but committed during the continuation of the Superseded Insurance if the loss is not recoverable thereunder solely because the period allowed for discovery has expired

Provided that

- a** such insurance had been continuously in force from the time of the loss until inception of this Section
- b** the loss would have been insured by this insurance had it been in force at the time of the loss
- c** the liability of the Insurer shall not exceed
 - i** the amount recoverable under the insurance in force at the time of the loss or
 - ii** the Limit of Indemnity under this insurance

whichever is the less

In any event the total liability of the Insurer in respect of any one claim continuing through both the term of the Superseded Insurance and the continuation of this insurance shall not exceed the Limit of Indemnity applicable under this Section.

Section Exclusions

The Policy Exclusions 2, 3, 7 and 9 do not apply to this Section. In addition this Section does not cover the following:

- 1 loss of interest or consequential loss of any kind.
- 2 loss caused by any act of any Employee committed prior to the Date of Acceptance applicable to that Employee.
- 3 loss where the Insured continues to entrust the defaulting Employee with money or goods after becoming aware of any material fact bearing on the honesty of the said Employee.
- 4 if there is any change in the nature of the Business unless such change is agreed by the Insurer in writing.
- 5 any unexplained shortages.
- 6 the Excess.

Section Conditions

The Policy Conditions apply to this Section and in addition the following:

1 Cessation of Cover

Immediately following the discovery by the Insured of any act of Theft by an Employee all liability for further acts of Theft by that Employee shall cease.

2 Claims (Action by the Insured)

On the discovery of any act which may give rise to a claim the Insured shall

- a** notify the Insurer immediately
- b** notify the police authority immediately and take all practical steps to discover any guilty person and to trace and recover the money and goods
- c** carry out and permit to be taken any action which may be reasonably practicable to prevent further loss

Section 11 – Theft by Employee (continued)

- d** deliver to the Insurer at their own expense within 30 days after such act, or such further time as the Insurer may allow:
 - i** full information in writing of the Money or goods lost and of the amount of the loss
 - ii** details of any other insurances on any Money or goods hereby insured
 - iii** all such proofs and information relating to the claim as may be reasonably required
 - iv** if demanded a statutory declaration of the truth of the claim and of any matters connected with it.

No claim under this Section shall be payable unless the terms of this Section condition have been complied with.

3 Non Contribution

If

- a** at the time of loss of Money or goods for which the Insured is legally responsible or
- b** at the time a claim arises for Money or goods for which the Insured is legally responsible

the Insured is, or would but for the existence of this insurance, be entitled to indemnity under any other insurance or to recover under any guarantee or indemnity fund the Insurer shall not be liable except in respect of any excess beyond the amount which would have been payable under such other insurance, guarantee or fund had this insurance not been effected.

4 Employee's Money

Any Money of the Employee in the Insured's hands upon discovering of any loss and any Money which but for the Employee's theft would have been due to the Employee from the Insured shall be deducted from the amount of the loss before a claim is made under this insurance.

5 Recoveries of further monies

Any recoveries effected by the Insured less any costs incurred in recovery shall accrue

- a** in the event that the Insured's claim has exceeded the Limit of Indemnity firstly to the benefit of the Insured to reduce or extinguish the amount of the Insured's loss (but not in respect of the amount of the Excess)
- b** thereafter to the benefit of the Insurer to the extent of the claim paid or payable
- c** finally to the benefit of the Insured where Excess had been deducted from the claim.

6 Minimum Standards of Control

It is a condition precedent to liability that the Insured must comply with the Minimum Standards of Control below

- a** All Employees must be instructed as to their duties and responsibilities in respect of the Minimum Standards of Control and compliance enforced
- b** Money
 - i** Cash Receipts - Employees are required to pay in daily all cash and cheques received in the course of the Business. Money received must be paid over to the employer or banked.
 - ii** Cash and Petty Cash - cash in hand and petty cash must be checked independently of Employees responsible at least monthly and additionally without warning every 6 months.
 - iii** Reconciliation - bank statements stamped bank paying slips receipts counterfoils and vouchers must be checked at least monthly against cash book entries and the balance tested with cash and unpresented cheques. This must be done independently of the Employee
 - 1** making the cash book entries
 - 2** signing cheques
 - 3** paying into the bank.
 - iv** "Cheques" signing - all cheques or other bank instruments drawn for more than £10,000 must be manually signed by 2 authorised persons after the amount has been inserted and the Insured must have advised their bankers accordingly.
 - v** No cheque or instrument must be signed until one signatory has validated the requisition examined the supporting documentation and ensured the payee is a genuine client or creditor.
 - vi** Wages - wages and salary sheets must be checked independently of the Employees responsible for their preparation to ensure that the amounts are correct and that no fictitious names have been included
- c** Stock
 - Stocktaking - there must be a physical check on all stock and materials held against verified stock records independently of Employees responsible at intervals of not more than 12 months

d Computer Security

- i** All computer operations and security precautions must have been vetted by professional auditors and any recommendations made fully complied with.
- ii** All Employees with access to wage accounts or stock control functions must have a secure individual password to access the system which must be changed at least every 6 months.
- iii** All computer media (disc tapes etc) in respect of wages accounts or stock control must be securely stored in locked cabinets when not in use by authorised Employees.

e Auditors

The accounts of the Insured, including all subsidiary companies, must be examined by external auditors every 12 months. All recommendations or alternative acceptable to the auditors must be implemented without delay.

f References

The Insured must obtain satisfactory references to confirm the honesty of each Employee who will be responsible for Money, goods, accounts, computer operations or computer programming.

Such references must be obtained directly from former employers for the 3 years immediately preceding engagement and before the Employee is entrusted without supervision. Any gaps in service must be accounted for.

References need not be obtained in respect of Employees who have satisfactorily and continuously served the Insured for at least three 3 in another capacity before being entrusted with the duties referred to above.

In respect of Employees joining directly from School or Government sponsored youth training schemes one character reference shall be obtained.

A written report of any verbal reference shall be made at the time it is obtained. The original copy of each written reference and the record of any verbal reference shall be retained by the Insured and shall be made available for inspection by the Insurer upon request.

g Termination of Service

Upon the termination of service of any Employee the Insured shall take all reasonable precautions to prevent a loss as insured by this Section, including but not limited to:

- i** the changing of all alarm and other security codes or passwords the Employee had or may have had knowledge of
- ii** the deletion or invalidation of any access codes or passwords the Employee has to access computer or other systems.

Section 12 – Terrorism

Definitions

Act of Terrorism

Acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty's government in the United Kingdom or any other government de jure or de facto.

Event

All individual losses arising in respect of a continuous period of 72 hours of which the proximate cause is the same Act of Terrorism. The date and time that any such period of 72 hours shall commence shall be set by the Insurer.

Territorial Limits

England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Seas Act 1987.

Note 1. This shall include the Channel Tunnel up to the frontier with the Republic of France, as set out by the Treaty of Canterbury.

Note 2. For the avoidance of doubt, this excludes Northern Ireland, the Isle of Man and the Channel Islands.

General Cover Policy

1 This Policy

or

2 where the Cover by this Policy is limited to the Terrorism Insurance Section only, the policy or policies specified in the Terrorism Section of the Schedule to this Policy.

Property Insured

Property as detailed in the Schedule to any General Cover Policy but excluding

- 1 property insured under a
 - a Marine, Aviation or Transit policy
 - b Motor Insurance policy (other than Motor Trade policy)
 - c Road Risks Section of a Motor Trade policy
 - d reinsurance policy or agreement
 - e Bankers Blanket Bond

whether such policy or agreement includes cover for an Act of Terrorism or not

2 any land or building which is insured in the name of an individual and is occupied by that individual for residential purposes, unless

- a insured under the same policy as the remainder of the land or building which is not a private residence
- b the property is a block of flats and/or private dwelling house and the Insured is a trustee or body of trustees or a sole trader

Note 1. Trustees and sole traders are not deemed to be individuals.

Note 2. For the avoidance of doubt, such blocks of flats, self-contained units insured as part of such blocks of flats or such private dwelling houses occupied as a private residence by any of the trustee(s) or sole trader(s) will be deemed to be insured in the name of an individual.

3 any Nuclear Installation or Nuclear Reactor

4 any loss whatsoever or any expenditure resulting or arising therefrom or any Business Interruption directly or indirectly relating to a private residence property when insured in the name of a private individual caused by or contributed to by or arising from:

- a the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- b ionising radiation or contamination by radioactivity or from the combustion of any radioactive material;
- c chemical and/or biological and/or radiological irritants contaminants or pollutants.

Damage

Loss or destruction of or damage to Property Insured.

Business Interruption

Loss resulting from interruption of or interference with the Business carried on by the Insured at the Premises in consequence of loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business.

Nuclear Installation

Any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument, being an installation designed for or adapted for

- 1 the production or use of atomic energy or
- 2 the carrying out of any process which is preparatory or ancillary to

the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations or

- 3** the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter, being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.

Nuclear Reactor

Any plant (including any machinery, equipment or appliance, whether affixed to land or not) designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons.

Virus or Similar Mechanism

Program code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations, whether involving self-replication or not. The definition of Virus or Similar Mechanism includes but is not limited to trojan horses, worms and logic bombs.

Hacking

Unauthorized access to any computer or other equipment or component or system or item which processes, stores, transmits or retrieves data, whether the property of the Insured or not.

Phishing

Any access or attempted access to data or information made by means of misrepresentation or deception.

Denial of Service Attack

Any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems. Denial of Service Attacks include, but are not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses, and the generation of excess or non-genuine traffic between and amongst networks.

Cover

The Insurer will pay the Insured for

- a** **Damage, or**
- b** **Business Interruption**

occasioned by or happening through or in consequence of an Act of Terrorism within the Territorial Limits

Provided always that the insurance by this Section

- a** **is not subject to the General Exclusions of the General Cover Policy**
- b** **is subject otherwise to all the terms and conditions of the General Cover Policy except where expressly varied within this Section**
- c** **is subject to a maximum Period of Insurance of 12 months from the Effective Date or any subsequent Renewal Date of this Policy**

Any subsequent period of cover of 12 months, or part thereof, provided by this Section is deemed to constitute a separate Period of Insurance, provided that

- i** **no subsequent Period of Insurance by this Section shall extend beyond the next Renewal Date of this Policy**
- ii** **the renewal premium due in respect of this Section has been received by the Insurer**
- d** **is not subject to any Long Term Undertaking applying to the General Cover Policy**
- e** **is not subject to any terms in the General Cover Policy which provide for adjustments of premium.**

Basis of Settlement

As described in and subject to the terms, definitions, provisions, exclusions and conditions of any General Cover Policy in respect of Damage or Business Interruption.

The most the Insurer will pay for any one Event is

- a** the Total Sum Insured, or
- b** for each item its individual Sum Insured, or
- c** any other limit of liability

in the General Cover Policy, whichever is the less, except where the liability of the Insurer exceeds the Total Sum Insured, or for each item its individual Sum Insured, or any other limit of liability in the General Cover Policy, where such excess is solely in respect of any Cover Extension as provided for in the General Cover Policy.

Section 12 – Terrorism (continued)

Section Exclusions

This Section does not cover the following:

1 Digital and Cyber Risk Exclusion

any losses whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from

- a the alteration, modification, distortion, corruption of or damage to any computer or other equipment or component or system or item which processes, stores, transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) or
- b any alteration, modification, distortion, erasure or corruption of data processed by any such computer or other equipment or component or system or item

whether the property of the Insured or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from Virus or Similar Mechanism or Hacking or Phishing or Denial of Service Attack.

2 Riot, Civil Commotion and War

any losses whatsoever occasioned by riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

3 Territorial Limits

any losses whatsoever arising directly or indirectly from any cover or extension of Premises provided by the General Cover Policy to locations outside the Territorial Limits.

Section Conditions

1 Burden of Proof

In any action suit or other proceedings where the Insurer alleges that any damage or loss resulting from damage is not covered by the General Cover Policy, the burden of proving that such damage or loss is covered shall be upon the Insured.

Additional Benefits

24 Hour Lawphone Legal Advice Helpline

Lawphone provides advice on any commercial legal matter 24 hours a day, 365 days a year. The advice the Insured receives from Lawphone will be in accordance with the laws of England and Wales, Scotland and Northern Ireland. Lawphone does not provide advice on the laws of any other country or jurisdiction. The Insurer may record the calls for the Insured and Insurer's mutual protection and the Insurer's training purposes.

Lawphone: **0344 873 7371**

The Insured should quote the Master Policy reference contained within the Policy Schedule and provide a brief summary of the problem. The details will be passed to an adviser who will return the Insured's call.

All areas of law relevant to the Business of the Insured are covered. This advice is available to the Insured during the currency of the Policy, although no liability can be accepted for inability to provide advice due to breakdown or failure of the telephone network.

This telephone helpline is provided by Allianz Legal Protection, part of Allianz Insurance plc.

Tax Advice Helpline

This helpline provides advice on any business tax matter affecting the Insured and is available between the hours of 9.00am and 5.00pm, Monday to Friday (excluding Public Holidays). Advice provided by the helpline will be in accordance with the taxation laws of England and Wales, Scotland and Northern Ireland. The Tax Advice Helpline cannot provide advice on the laws of any other country or jurisdiction.

Please note that this is a telephone service, which is intended for general enquiries. It does not provide advice on any matter relating to tax planning and the Tax Advice Helpline cannot engage in documentation review or enter into any written correspondence with the Insured, except where the advisor considers it appropriate to forward details of written procedures to the Insured by email. Advice and guidance will be in accordance with the advisers' understanding of the circumstances as described by the Insured.

This service should not be used as a substitute for a formal consultation with the Insured's accountant or other tax adviser, who can review the Insured's particular circumstances in more depth than is intended by this service.

When contacting the Tax Advice Helpline, the Insured should quote the Master Policy reference contained within the Policy Schedule.

Tax Helpline: **0344 873 0244**

The Insured can contact the helpline as often as required during the term of the Policy, although in the event that the telephone line is not available for technical reasons no liability can be accepted for inability to provide advice.

This helpline is provided by Abbey Tax Protection a trading division of Abbey Tax and Consultancy Services Ltd of One Mitchell Court, Castle Mound Way, Rugby CV23 0UY.

Allianz Legal Online

As part of the Commercial Legal Expenses facility the Insured has access to extensive online Business support via Allianz Legal Online. This facility provides tools and services that will help the Insured to produce legal paperwork in connection with the Insured's Business, for example, bespoke contracts of employment. In addition it provides the Insured with up to date guidance and advice on many legal issues, such as, employment legal procedures, managing the Insured's Business and debt recovery. The legal paperwork and guidance will always be in accordance with the laws of England and Wales, Scotland and Northern Ireland.

The Insured can access Allianz Legal Online at:
www.allianzlegal.co.uk

A registration number is required to enter the web site and this is shown within the Commercial Legal Expenses details on the Policy Schedule. If the Insured has any problems relating to Allianz Legal Online please contact the Allianz Legal Online customer services team on **0345 644 8966** or e-mail them at support@allianzlegal.co.uk

Allianz Legal Online is provided by Epoq Legal Ltd of Middlesex House, 29-45 High Street, Edgware, Middlesex HA8 7UU.

Additional Benefits (continued)

Glass Replacement

Broken glass is dangerous for both yourself and your customers and in some circumstances, can be a major security risk. Allianz have negotiated a special arrangement for you, with one of Britain's leading glass replacement specialists, Solaglas.

Solaglas will bill Allianz direct – you pay nothing except the policy excess and the VAT.

The service is available 24 hours a day, all year round, and can be telephoned FREE on **0800 474747**.

Help On Starting and Running a Business

Running a business means facing a constant stream of challenges and opportunities often with limited resources. Whether you're looking for help with management techniques, finance, export skills, design, technology, marketing or information technology, one phone call will put you in touch with a highly experienced team of experts with hands-on experience.

To contact your regional Business Support Helpline, telephone:

England:

Business Support Helpline

Telephone: **0300 456 3565**

Textphone: **0208 742 8620**

Monday to Friday, 9am to 6pm

Wales:

Business Wales Helpline

Telephone: **0300 060 3000**

Monday to Friday, 8am to 6pm

Scotland:

Business Gateway (Scotland)

Telephone: **0845 609 6611**

Textphone: **0141 952 7053**

Monday to Friday, 8am to 6pm

Support and advice can also be obtained through the GOV.UK website at <https://www.gov.uk/business-support-helpline>

Risk Director

Risk Director is Allianz's award winning online risk management service that is FREE for Allianz policyholders. At the click of a button you can access effective risk management guidance and information and also access trusted and impartial risk management product and service resources.

Try it now via www.riskdirector.co.uk

Data Protection

Allianz Insurance plc together with other companies within the Allianz SE group of companies (“Allianz Group”) may use the personal and business details you have provided or which are supplied by third parties including any details of directors, officers, partners and employees (whose consent you must obtain) to:

- provide you with a quotation, deal with the associated administration of your policy and to handle claims;
- search credit reference, credit scoring and fraud agencies who may keep a record of the search;
- share with other insurance organisations to help offset risks, administer your policy, for statistical analysis, and to handle claims and prevent fraud;
- support the development of our business by including your details in customer surveys, for market research and business reviews which may be carried out by third parties acting on our behalf.

Allianz Group may need to collect and process data relating to individuals who may benefit from the policy (“Insured Persons”), which under the Data Protection Act is defined as sensitive (such as medical history of Insured Persons) for the purpose of evaluating the risk and/or administering claims which may occur. You must ensure that you have explicit verbal or written consent from the Insured Persons to such information being processed by Allianz Group and that this fact is made known to the Insured Persons.

If your policy provides Employers' Liability cover information relating to your insurance policy will be provided to the Employers' Liability Tracing Office (the “ELTO”) and added to an electronic database, (the “Database”) in a format set out by the Employers' Liability Insurance: Disclosure by Insurers Instrument 2010.

The Database assists individual consumer claimants who have suffered an employment related injury or disease arising out of their course of employment in the UK whilst working for employers carrying on, or who carried on, business in the UK and as a result are covered by the employers' liability insurance of their employers, (the “Claimants”):

- i to identify which insurer (or insurers) was (or were) providing employers' liability cover during the relevant periods of employment; and
- ii to identify the relevant employers' liability insurance policies.

The Database and the data stored on it may be accessed and used by the Claimants, their appointed representatives, insurers with potential liability for UK commercial lines employers' liability insurance cover and any other persons or entities permitted by law.

The Database will be managed by the ELTO and further information can be found on the ELTO website www.elto.org.uk

Telephone calls may be recorded for our mutual protection, training and monitoring purposes.

Under the Data Protection Act 1998 individuals are entitled to request a copy of all the personal information Allianz Insurance plc holds about them. Please contact the Customer Satisfaction Manager, Allianz Insurance plc, 57 Ladymead, Guildford, Surrey, GU1 1DB.

Personal details may be transferred to countries outside the EEA. They will at all times be held securely and handled with the utmost care in accordance with all principles of English law.

By applying for and/or entering into this insurance policy you will be deemed to specifically consent to the use of your data and your insurance policy data in this way and for these purposes and that your directors, officers, partners, and employees have consented to our using their details in this way.

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www.allianz.co.uk

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