

Book Debts Extension

Definitions

Event

Destruction of or damage to the Insured's Records

- A at the Premises
- B at any premises in the Defined Territories occupied by persons acting on behalf of the Insured, to which Records have been temporarily removed
- C in transit, including sea or air transit, within the Defined Territories, but excluding such destruction or damage by theft or attempted theft.

Records

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

Outstanding Debit Balances

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

- A bad debts
- B amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the Insured's books at the time of the Event) to Customers' Accounts in the period between the date to which the total last recorded relates and the date of the Event
- C any abnormal condition of trade which had or could have had a material effect on the Business so that the adjusted figures represent as near as reasonably practicable results which but for the Event would have been obtained at the date of the Event had the Event not occurred.

Cover

The Insurer will pay the Insured for Outstanding Debit Balances following any Event covered under the Business Interruption Section of this Policy.

Basis of Settlement

The Insurer will pay the Insured the amount of their claim 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.

The most the Insurer will pay for any one claim is the Total Sum Insured at the time of the Event.

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

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

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

- A** the difference between
 - i** the Outstanding Debit Balances, and
 - ii** the total of the amounts received or traced in respect of such balances
- B** the additional expenditure incurred with the Insurer's previous consent in tracing and establishing customers' debit balances after the Event.

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 Auditors and Accountants Charges

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

3 Claims Preparation Expenses

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

- i such costs and expenses are limited to
 - any additional costs and expenses incurred by any employees of the Insured and the cost of the materials used in furnishing the Insurer's requirements
 - the reasonable charges payable by the Insured to their auditors or professional accountants for producing such information as may be required by the Insurer
- ii the Insurer shall have the right to review and audit all documentation relating to such costs and expenses
- iii such costs, expenses and charges are not otherwise recoverable under this Extension or the Policy
- iv an Excess of £500 shall apply in respect of each and every claim
- v the liability of the Insurer shall not exceed £25,000 in respect of any one claim, and such limit shall apply in addition to the Sums Insured or limits applying under this Extension.

Extension Conditions

Business Interruption Section Conditions apply to this Extension, and in addition

1 Outstanding Debit Recording

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

2 Additional Claims Condition

In the event of any Event in consequence of which the Insured make or may make a claim under this Extension, the Insured shall at their own expense deliver to the Insurer full information in writing of the particulars of the claim, together with details of all other policies covering Outstanding Debit Balances or any part of them, and the amount of any resulting Outstanding Debit Balances.

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