

Material Damage Section

Definitions

Ancillary Equipment and Housings

Electrical or mechanical control distribution monitoring and power storage equipment shown in the **Schedule** solely for use with **Plant and Machinery**.

Breakdown

The actual breaking distortion or burning out of any part of the **Property** insured while in use arising from mechanical or electrical defects in the **Property** insured causing sudden stoppage which necessitates repair or replacement before it can resume normal working.

Civils

Structures shown in the **Schedule** solely for use with **Plant and Machinery**.

Damage/Damaged

Physical loss destruction or **Breakdown** of or physical damage to **Property** insured.

Declared Value

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 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

- a** any additional cost of reinstatement to comply with Public Authorities regulations bye-laws or stipulations
- b** professional fees
- c** removal of debris costs.

Plant and Machinery

STOR Plant described in the **Schedule**.

Premises

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** where the **Property** insured is situated.

Property

Plant and Machinery Ancillary Equipment and Housings and **Civils** shown and/or described in the **Schedule** belonging to **the Insured** or held in trust by **the Insured** and for which **the Insured** are responsible.

SCADA

Supervisory control and data acquisition system.

Specified Events

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

STOR Plant

Short term operational reserve plant and machinery including reciprocating engines and ancillary plant described in the **Schedule**.

Material Damage Section (continued)

Cover

The Insurer will pay the Insured for Damage to Property insured at the Premises shown in the Schedule within the United Kingdom during the Period of Insurance.

Basis of Settlement

The Insurer will pay the Insured the value of the Property insured at the time of its loss or destruction or the amount of the Damage or at the Insurer's option will reinstate or replace such Property or any part of such Property.

The most the Insurer will pay for any one claim is

- A 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
- B the amount of the Sum Insured or limit of liability remaining after deduction for any other Damage occurring during the same Period of Insurance unless the Insurer agrees to reinstate any such Sum Insured or limit of liability.

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

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

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

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

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 Reinstatement (Day One Basis)

- A Subject to the Special Conditions set out below the basis on which the amount payable for Property insured for which a Declared Value is specified in the Schedule is to be calculated will be the reinstatement of the Property lost destroyed or Damaged.

For this purpose "reinstatement" means

- i the rebuilding or replacement of Property lost or destroyed which provided the Insurer's liability is not increased may be carried out
 - a in any manner suitable to the requirements of the Insured
 - b on another site
- ii the repair or restoration of Property Damaged

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) having been stated in writing by the Insured has been used to calculate the premium.

Material Damage Section (continued)

Special Conditions

- 1 At 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**.
- 2 If at the time of **Damage** the **Declared Value** of the **Property** is less than the cost of reinstatement (as defined in paragraph **A i** above) 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 115% (one hundred and fifteen per cent) of **Declared Values**.

2 Average (Underinsurance)

The **Sums Insured** by any items of **Property** insured 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.

3 Seventy Two (72) Hours Clause

Damage occurring within 72 (seventy two) consecutive hours of and arising from the **Specified Events** of storm or flood is deemed to be one claim.

The Insured have the right to select the moment from which the 72 (seventy two) 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**.

4 Series Loss

In the event of **Damage** resulting from faulty or defective design materials or workmanship arising out of the same cause to **Plant and Machinery** of the same type or design the **Insurer's** liability for such loss shall be

- a 100% of the first loss
- b 75% of the second loss
- c 50% of the third loss
- d 0% of the fourth and any subsequent loss.

5 European Union and Public Authorities Regulations

This **Section** extends to cover the additional cost of reinstatement of the **Property** insured following **Damage** for which the **Insurer** has admitted liability as may be incurred solely to comply with European Union legislation and/or building or other regulations under or framed in pursuance of any act of parliament and/or with by-laws of any Municipal or Local Authority and/or any change by the Secretary of State to regulations with or without an act of parliament and/or the requirements of the **Insurer** to replace an automatic sprinkler installation in accordance with the current Loss Prevention Council (LPC) Sprinkler Rules or any change in interpretation of existing regulations.

Material Damage Section (continued)

Provided that

- a** the work of reinstatement is commenced and carried out within a reasonable timescale and in any case completed within 12 (twelve) months after the occurrence of the **Damage** or within such further time as **the Insurer** may during that 12 (twelve) months allow in writing and may be carried out wholly or partially upon another site (if the legislation or regulations or by-laws or requirements detailed in this Basis of Settlement Adjustment so necessitate) subject to the liability of **the Insurer** under this Basis of Settlement Adjustment not being thereby increased
- b** if the liability of **the Insurer** under this **Section** or **Policy** apart from this Basis of Settlement Adjustment shall be reduced by the application of any of the terms Conditions and Exclusions of this **Section** or **Policy** then the liability of **the Insurer** under this this Basis of Settlement Adjustment in respect of any such item shall be reduced proportionately
- c** the liability of **the Insurer** in respect of the **Property** suffering **Damage** shall not exceed 10% (ten percent) of the **Sum Insured** applicable to each separate **Premises**
- d** all the **Section** Conditions of this **Section** except insofar as they may be expressly varied for the purposes of this Basis of Settlement Adjustment shall apply as if they had been incorporated into this Basis of Settlement Adjustment

excluding

- A** the cost incurred in complying with any of the legislation or requirements or regulations or by-laws detailed in this Basis of Settlement Adjustment
 - i** in respect of **Damage** occurring prior to the granting of this cover
 - ii** in respect of **Damage** not insured by this **Section**
 - iii** under which notice has been served upon **the Insured** before the date of the **Damage** or where an existing requirement must be completed within a stipulated period
 - iv** in respect of undamaged portions of the **Property** any property which has not sustained loss destruction or **Damage** as insured by this **Section** or the **Policy**
- B** 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 legislation or regulations or bye-laws or requirements detailed in this Basis of Settlement Adjustment not arisen
- C** the amount of any rate or tax or duty or development or other charge or assessment arising out of Capital appreciation which may be payable in respect of the **Property** insured by reason of compliance with any such regulations bye-laws or stipulations.

Material Damage Section (continued)

6 Alterations and Additions

To the extent that they are not otherwise insured **Property** insured includes

- a alterations additions and improvements (but not appreciation in value in excess of **Sums Insured**) to **Plant and Machinery Ancillary Equipment and Housings** or **Civils**
- b any newly acquired or newly erected **Property** provided that the value of any additional **Property** shall not exceed
 - i £1,000,000 any one **Period of Insurance**
 - ii £250,000 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 (ninety) days of the commencement date of the Insured's responsibility to effect specific cover retrospective to such date and pay the appropriate additional premium.

Provided that any additional **Plant and Machinery**

- 1 is free from any material defect so far as **the Insured** is aware
- 2 is of the same manufacture model and capacity as insured under this **Section**
- 3 has completed successful testing and commissioning.

7 Professional Fees

This **Section** extends to cover architects surveyors consulting engineers or other professional fees in accordance with those authorised by the appropriate professional body necessarily incurred in the reinstatement of the **Property** insured following **Damage** for which **the Insurers** have admitted liability but not the cost of preparing a claim under this **Section**.

Provided that the liability of **the Insurers** shall not exceed £50,000.

8 Removal of Debris Costs

This **Section** extends to cover the cost necessarily and reasonably incurred by **the Insured** in respect of

- a removing debris
- b dismantling and/or demolishing
- c shoring up and/or propping up and/or protecting

the **Property** insured following **Damage** for which **the Insurer** has admitted liability under this **Section**

Provided that the liability of **the Insurer** shall not exceed £50,000.

The Insurers will not be liable for the cost incurred

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

9 Temporary Removal

Plant and Machinery and **Ancillary Equipment and Housings** are covered whilst temporarily removed from the **Premises** for the purposes of repair service or maintenance to any address within the European Union or European Free Trade Area including whilst in transit.

Provided that the liability of **the Insurer** shall not exceed £100,000.

The Insurer will not pay for such Property more specifically insured.

Material Damage Section (continued)

10 Loss Minimisation and Prevention Expenditure

Cover extends to include the costs incurred by **the Insured** in taking exceptional measures that are reasonable to avoid or reduce impending **Damage** which would have resulted in a claim under this **Section**.

Provided that

- a the impending **Damage** did not arise from any defect in the **Property** insured
- b the impending **Damage** did not arise from a reasonably foreseeable cause
- c the **Damage** would have been the natural outcome to be expected in the absence of the measures taken
- d **The Insurer** is satisfied that **Damage** which would have been insured under this **Section** has been avoided or reduced in consequence of the measures taken
- e the liability of **The Insurer** shall not exceed the cost which would have been incurred had the measures not been taken and **Damage** insured by this **Section** had occurred.

11 Fire Extinguishers and Sprinklers

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 installed solely for the protection of the **Property** insured
- 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 £10,000.

12 Fire Brigade Charges

The Insurer will pay the cost of charges arising from the activities of the Fire Brigade in dealing with the consequences of **Damage** for which **the Insurer** has admitted liability.

Provided that the liability if **the Insurer** shall not exceed £10,000.

13 Additional Cost

The Insurer will pay necessary and reasonable cost incurred by **the Insured** following **Damage** insured by this **Policy** in effecting temporary repair or expediting a permanent repair.

Provided that the liability if **the Insurer** shall not exceed £25,000.

14 Payments on Account

The Insurer will make payment as agreed by **the Insured** and **the Insurer** in advance of final settlement of a claim under this **Policy** where **the Insurer** has admitted liability.

15 Maintaining Machinery Guarantees

The Insurers will pay the additional and exceptional cost necessary to preserve all benefit under any manufacturers or suppliers guarantee or warranty applicable to any part of the **Property** insured following **Damage** insured under this **Section**

Provided that

- i the prior consent of **the Insurer** has been obtained
- ii the liability if **the Insurer** shall not exceed £25,000.

Material Damage Section (continued)

Section Exclusions applicable to this Section of the Policy

1 Excess

The amount stated in the **Schedule** as the **Excess** in respect of each and every occurrence for which **the Insured** is indemnified by this **Section**.

2 Maintenance Faulty Workmanship or Application of Tools or Heat

the cost of

- a maintenance
- b rectification of faulty workmanship occurring during the execution of servicing or repairs

but not **Damage** resulting from a or b which is not otherwise excluded

- c **Damage** by direct application of tools or heat.

3 Wear and Tear or Gradual Deterioration

Damage caused by or consisting of

- 1 inevitable wear and tear erosion corrosion or other deterioration caused by or naturally resulting from ordinary work use or exposure
- 2 gradually developing flaws or fractures which do not necessitate immediate stoppage
- 3 corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring pitting vermin or insects

but **the Insurer** will pay for subsequent **Damage** which is not otherwise excluded.

4 Scratching

Damage caused by or consisting of scratching scouring or spoiling of glass painted polished smooth or any other similar finished surfaces unless accompanied by **Damage** to other parts or portions of the **Property** insured for which liability has been admitted under this **Section**.

5 Mould and Fungi

Damage caused by or consisting of mould mildew fungi spores or any other similar organism.

This Exclusion shall apply to all such **Damage** without consequence of whether such **Damage** is manifest concurrently or in sequence with other **Damage**.

6 Subsidence and Ground Heave or Landslip

Damage caused by or consisting of

- a subsidence ground heave or landslip
 - i in respect of **Civils** walls gates fences forecourts patios unless covered by this **Section** and STOR Plant covered by this **Section** is **Damaged** by the same cause at the same time
 - ii resulting from
 - a the settlement or movement of made-up ground
 - b coastal or river erosion
 - iii which commenced prior to the inception of this cover
 - iv occurring as a result of demolition construction structural alteration or repair of any **Property** or as a result of ground works or excavation at the same **Premises**
- b normal settlement or bedding of new structures.

Material Damage Section (continued)

7 Inventory loss or Unidentifiable Occurrence

loss of the **Property** insured

- a by its disappearance or by shortage if such disappearance or shortage is only revealed when an inventory is made or
- b due to its being stolen or otherwise missing unless such loss is identifiable by **the Insured** with a specific occurrence which has been the subject of notification under the terms of General Condition 3 Claims and the **Section** Claims Condition under this **Section** and which has been reported to the Police.

8 Property in the Open

Damage to any **Property** in respect of fences gates hoardings and moveable **Property** in the open caused by wind rain hail sleet snow flood sand dust theft or attempted theft.

9 Installation or Removal

Damage to any item of **Property** insured arising during

- a installation erection repositioning or removal
- b testing commissioning or decommissioning.

10 Sea or Air Transit

Damage occurring during transit by sea or air other than cover specifically provided under Basis of Settlement Adjustment 10 Temporary Removal.

11 Other Consequential Losses

Consequential loss or damage consisting of or in consequence of liquidated damages penalties for delay or detention or in connection with guarantees of performance or efficiency or loss of use or any other form of consequential loss not specifically provided for by this **Section**.

12 Computer Date Recognition

Damage 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 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 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 and/or correctly manipulate interpret calculate or process any data on or after any date

but **the Insurer** will pay for subsequent **Damage** which is not otherwise excluded and which itself results from a **Specified Event**.

13 Excluded Parts

Damage in respect of any parts that require periodic replacement.

If as a result of other **Damage** insured by this **Section** these items are **Damaged** beyond repair then **the Insurers** shall indemnify **the Insured** for any remaining residual value.

Material Damage Section (continued)

14 Multiple Lifting Operations

Damage to Property insured arising out of any lifting or lowering operation in which a load is shared by two or more machines unless the prior consent of **the Insurers** has been obtained.

15 Overloading or Abnormal Conditions

Damage to any item of **Property** insured

- a caused by or arising from the imposition of abnormal conditions deliberate overloading or overload testing other than overload testing in accordance with the Code of Practice for the Safe Use of Cranes BS 7121 including any subsequent amendments or revisions
- b during overload testing in accordance with the Code of Practice for the Safe Use of Cranes BS7121 including any subsequent amendments or revisions caused by or arising from a defect in the item.

16 Vessels Crafts Vehicles Devices Rigs or Platforms

Damage to any

- a vessel craft vehicle or device designed to float on in or travel under or through water air or space
- b marine rig or marine platform
- c equipment mounted on and fixed to such vessel craft vehicle device rig or platform.

17 Collapse or Cracking

Damage to Civils due to its own collapse or cracking unless resulting from a **Specified Event** so far as it is not otherwise excluded.

18 Excluded Items

Damage in respect of

- a overhead transmission and distribution lines and any associated pole or pylon mounted transformers other than those within 1000 (one thousand) feet of insured **Plant and Machinery**
- b **Plant and Machinery** which is in whole or in part prototype experimental or untried
- c **Plant and Machinery** until its installation testing and commissioning has been carried out
- d scaffolding access towers ladders or aluminium trackway
- e **Property** insured which is not permanently situated on land.

19 Guarantee Warranty or Maintenance

Damage that is recoverable under any manufacturer's or supplier's guarantee or warranty or any maintenance contract or maintenance provision.

20 Pollution or Contamination

Damage directly or indirectly caused by or contributed to by or arising from pollution or contamination.

This shall not apply to cost arising from pollution or contamination of **Property** insured caused directly by an occurrence which is insured by this **Section**.

Material Damage Section (continued)

22 Confiscation Civil Commotion and Similar Risks

- a **Damage** directly or indirectly caused by confiscation nationalisation requisition or destruction of or **Damage** to property by order of the Government or any Public Municipal or Local Authority.
- b In the case of **Property** insured outside Great Britain Northern Ireland the Isle of Man and the Channel Islands **Damage** or corruption directly or indirectly caused by warlike operations mutiny conspiracy martial law state of siege or any events or causes which determine the proclamation or maintenance of martial law or state of siege riot civil commotion strike lock-out persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation.
- c loss destruction or **Damage** in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot civil commotion and (except in respect of **Damage** by fire and explosion) strikers locked out workers persons taking part in labour disturbances or malicious persons.

Section Conditions

1 General Precautions

The Insured must

- a take all reasonable precautions to keep the **Premises** and the **Property** insured secure
- b take all reasonable precautions to maintain the **Property** insured in a good state of repair.

2 Alteration in Risk

The Insured must notify **the Insurers** as soon as possible 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
- c there is any alteration to the facts or matters set out in the **Schedule** or otherwise comprising the risk presentation made by **the Insured** to **the Insurers** at inception renewal or variation of this **Section** which materially increases the risk of **Damage** as insured by this **Section**.

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

- i continue to provide cover under this **Section** on the same terms
- ii restrict the cover provided by this **Section**
- iii impose additional terms
- iv alter the premium
- v cancel this **Section** and the **Policy**.

If **the Insured** fails to notify **the Insurer** of any such alteration **the Insurer** may

- 1 treat this **Section** and the **Policy** as if it had come to an end as at the date of the alteration of the risk returning a proportionate amount of the premium for the unexpired **Period of Insurance** if **the Insurer** would have cancelled this **Section** and the **Policy** had it known of the increase in risk
- 2 treat this **Section** and the **Policy** as if it had contained such terms (other than relating to premium) or other restrictions (if any) from the date of the alteration in risk as **the Insurer** would have applied had it known of the increase in risk
- 3 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.

Material Damage Section (continued)

3 Non Invalidation

This **Section** 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.

4 Additional Claims Conditions

In the event of any occurrence giving rise or likely to give rise to a claim under this **Section** it is a condition precedent to the liability of **the Insurer** that **the Insured** shall

- a permit inspection by the representatives of **the Insurer** of any **Damaged** or defective parts of **Property** insured
- b at their own expense deliver to **the Insurer**
 - i within 30 (thirty) days after such occurrence 28 (twenty-eight) days in the case of loss or **Damage** by riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons or theft) or such further time as **the Insurer** may allow in writing
 - 1 full information in writing of the **Property** insured and the amount of loss or **Damage**
 - 2 details of any other insurances on the **Property** insured covered by this **Section**
 - ii all such proof and information relating to the claim as may reasonably be required
 - iii if required, a statutory declaration of the truth of the claim and of any matters connected with it.

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

5 Options for Claims Settlement

- a **The Insurer** may at their option repair reinstate or replace that which is lost or **Damaged** or pay for the loss or **Damage** in money.

If any **Property** insured 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 will not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner.

- b **The Insurer** will not be liable for the cost of repairs undertaken without their written consent except in urgent cases where it has been necessary to put minor repairs in hand.

Provided that

- i the requirements of General Condition 3 Claims and **Section** Claims Conditions 3 Additional Claims Conditions and 7 Subrogation have been complied with and
- ii the repairs are carried out to the satisfaction of **the Insurer**.
- c Where loss or **Damage** is confined to a part of the **Property** insured **the Insurer** will be liable for the value of that part plus the cost of any necessary removal and installation.
- d **The Insured** shall not be entitled to abandon any property to the Insurer whether taken into the possession of **the Insurer** or not.

Material Damage Section (continued)

6 Other Insurances

The Insurer will not indemnify **the Insured** in respect of loss of or **Damage to Property** insured which is insured by or would but for the existence of this **Section** be insured by any other policy effected by **the Insured** or on **the Insureds** behalf except in respect of any excess beyond the amount payable under the other policy or which would have been payable under the other policy had this insurance not been effected.

7 Subrogation

Any claimant under this **Section** shall at **the Insurers** 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**.

8 Arbitration

If any difference arises as to the amount to be paid under this **Section** (liability being otherwise admitted by **the Insurer**) such difference shall be referred to an arbitrator to be appointed by **the Insured** and **the Insurer** in accordance with statutory provisions.

Where any difference is referred to arbitration in accordance with this condition the making of an award shall be a condition precedent to any right of action against **the Insurer**.

9 SCADA

The Insurer will not indemnify **the Insured** in respect of loss or **Damage to Property** insured unless the installation is monitored by a suitable **SCADA** system.

10 Natural Gas

The Insured shall not be entitled to use any other gas or fuel other than natural gas from the network without the prior written consent of **the Insurer**.