

Book Debts Extension

Definitions

Event

Destruction of or damage to **the Insured's Records**

- A. at the premises
- B. 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
- C. In transit, including sea or air transit, within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands, 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 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**.

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

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. Accountants Charges

If the professional accountants of **the Insured** produce any particulars or details required by **the Insurer** from **the Insured's** books of account or other business books or documents, or any other proofs, information or evidence under the terms of Condition 2 of this **Extension**, **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 **Extension** shall not exceed the liability of **the Insurer** under this **Extension**.

Extension Conditions

Business Interruption Section Conditions 1, 2, 3, 4, 5 and 6 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**.