



# Commercial Combined

## Policy Wording

# Welcome

## Welcome to Bspoke Commercial

Thank You for selecting Bspoke Commercial Limited. We are confident your trust is well placed and are determined to provide you with outstanding customer service at all times and to make insuring with us as easy and trouble-free as possible.

This policy wording outlines all the information you need to know about the cover, please read the wording in full and make sure you are happy with the cover provided and that it meets your requirements.

## About Bspoke Commercial Limited

A specialist commercial insurer, Bspoke Commercial's operating style is to develop products according to the requirements outlined by you and demanded by our brokers. We provide insurance solutions for a range of product categories including Commercial Property and Liabilities.

Our wealth of commercial expertise and industry experience enables us to maintain an innovative approach to commercial insurance and risk management. Our commercial products are designed to protect the assets and insure the liabilities of your business, while also reducing your businesses exposure to risk by providing effective risk management assistance.

## Getting to know each other

To learn more about Bspoke Commercial Limited please visit [www.Bspokecommercial.co.uk](http://www.Bspokecommercial.co.uk)

If you need to know more about your cover or the policy wording, then contact the broker who placed the business for you.

## Definitions

Certain words in the policy have special meanings. These meanings are given in the Policy Definitions Section on page 16 or defined at the beginning of the appropriate section or sub-section. To help you identify these words in the policy we have printed them in ***bold italics*** throughout.

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## The Insurance Contract

This policy is a legal contract of insurance between **You** and **Us**. It is not **Our** intention that the Contracts (Rights of Third Parties) Act 1999 gives anyone else any rights under this policy or the right to enforce any term of this contract but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

The following are elements for the contract of insurance between **You** and **Us** based on information **You** have provided to **Us**. Please read them carefully and if **You** require any amendments please return them to **Your** broker for correction. Keep the policy safe in case **You** need to refer to it.

- **Your** policy,
- The **Schedule**,
- Endorsements.

It is important that **You**:

- (a) tell us about any material circumstances which affect **Your** insurance and which have occurred either since the policy started or since the last renewal date
- (b) check that the Sections **You** have requested are included in the **Schedule**;
- (c) check that the information **You** have given **Us** is accurate;
- (d) keep a written record (including copies of letters) of any information **You** give **Us** or **Your** insurance adviser when **You** renew this policy;
- (e) comply with **Your** duties under each Section and the insurance as a whole.

A circumstance is material if it would influence **Our** judgement in determining whether to provide the cover and, if so, on what terms. If **You** are not sure whether a circumstance is material ask **Your** insurance adviser. If **You** fail to tell **Us** it could affect the extent of cover provided under the policy.

## The Agreement

In consideration of the payment of the premium, **We** will compensate **You** by payment, or at **Our** option, by reinstatement or repair in respect of **Damage**, accident, or injury occurring in connection with the **Business** during the **Period of Insurance**, subject to the terms, Conditions and Exclusions contained in or endorsed on the policy.

Signed by Authorised signatory

### **What is not covered**



**Nick Grazier**  
Managing Director  
Bspoke Commercial Limited  
Brookfield Court  
Selby Road  
Leeds  
West Yorkshire  
LS25 1NB

# Customer Information

## Applicable Data Protection Legislation

**We** are registered under the UK Data Protection Act 1998 and comply with the EU General Data Protection Regulation in all **Our** dealings with **Your** personal data. **Your** personal information will be kept secure. **We** undertake to ensure **Your** personal data is:

- processed lawfully, fairly and in a transparent manner;
- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes;
- adequate, relevant and limited to what is necessary in relation to the purposes for which it is processed;
- accurate and, where necessary, kept up to date and every reasonable step will be taken by **Us** to ensure that personal data that is inaccurate, having regard to the purposes for which it is processed, is erased or rectified without delay;
- kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data is processed;
- processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures.

As part of **Our** day-to-day communications with **You**, **We** will generally use e-mail and unless **You** advise **Us** to the contrary in writing then **You** accept this is a valid communication enforceable as written communication for legal and regulatory purposes.

## Data and privacy notice.

This privacy notice covers the processing of data for individuals and companies that **We** have a prospective or existing business relationship with and as a result **We** process their data to manage this relationship.

This privacy notice does not apply to any customers/policyholders related to Bspoke Commercial Limited. **We** refer to these individuals as "You/Your" in this notice.

**We** are dedicated to being transparent and this privacy notice tells **You** what **We** do with the information that **We** collect about **You**.

**We** process **Your** personal data in accordance with the relevant data protection legislation. **We** are the data controller for the data that **We** process about **You**, and **We** will not collect any information from **You** that **We** do not need for the purpose of managing the business relationship.

**You** can find more information and full details of our Privacy notices on our Website at [www.bspokecommercial.co.uk](http://www.bspokecommercial.co.uk)

**We** are Bspoke Commercial Limited, referred to as "We/Us/our" in this notice. Our data controller registration number issued by the Information Commissioner's Officer is ZA142428. Our registered address is Brookfield Court, Selby Road, Leeds, LS25 1NB.

## Conformity

In this policy **You** will find that some items can be singular or plural, feminine or masculine. This clause is designed to correct this. Words in the singular shall include the plural and vice versa. Words importing the masculine will import the feminine. References to 'a person' will also include any individual, company, partnership, or any other legal entity. References to a statute law also includes all its amendments or replacements.

## Information You have given Us

In deciding to accept this policy and in setting the terms and premium, **We** have relied on the information **You** have given **Us**.

**You** must take care when answering any questions **We** ask by ensuring that all information provided is a fair representation.

If **We** establish that **You** deliberately or recklessly provided **Us** with false or misleading information **We** will treat this policy as if it never existed, decline all claims and keep all premiums paid.

**We** may:

- (a) treat this policy as if it had never existed and refuse to pay all claims and return the premium paid. **We** will only do this if **We** provided **You** with insurance cover which **We** would not otherwise have offered as long as the misrepresentation or omission was not made deliberately or recklessly,
- (b) amend the terms of **Your** insurance. **We** may apply these amended terms as if they were already in place if a claim has been adversely impacted by **Your** careless omission to supply the information we required to consider the insurance cover provided,
- (c) charge **You** more for **Your** policy or reduce the amount **We** pay on a claim in the same proportion the premium **You** have paid bears to the premium **We** would have charged **You**,
- (d) cancel **Your** policy in accordance with **Our** Cancellation Rights below.

**We** will write to **Your** Insurance Broker if **We**:

- (a) intend to treat **Your** policy as if it never existed, or
- (b) need to amend the terms of **Your** policy, or
- (c) require **You** to pay more for **Your** insurance.

If **You** become aware that information **You** have given **Us** is inaccurate, **You** must inform **Your** broker as soon as practicable.

### **Law and Jurisdiction**

**You** and **Us** are free to choose the court jurisdiction applicable to this contract of insurance. Unless specifically agreed to the contrary this contract of insurance will be governed by the laws of the United Kingdom, the Isle of Man or the Channel Islands depending upon **Your** address as shown in the **Schedule** and the jurisdiction of the courts of England.

### **Use of Language**

Unless otherwise agreed, the contractual terms and conditions and other information relating to this contract will be in English.

### **Sanctions**

**We** shall not provide any benefit under this contract of insurance to the extent of providing cover, payment of any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

### **Your Duties**

**You** shall take all reasonable care:

- (a) to prevent any occurrence which may give rise to a claim under this policy
- (b) to maintain the **Premises**, machinery and equipment and everything used in the **Business** in efficient and safe working condition
- (c) in the selection and supervision of **Employees**
- (d) to comply with all statutory and other obligations and regulations imposed by any authority,
- (e) to make good or remedy any defect or danger which becomes apparent and take such additional precautions as circumstances may require.

### **Telephone Call Charges and Recording**

Calls to 0800 numbers from UK landlines and mobiles are free. The cost of calls to 03 prefixed numbers are charged at national call rates (charges may vary dependent on your network provider) and are usually included in inclusive minute plans from landlines and mobiles. For our joint protection telephone calls may be recorded and/or monitored.

# Information about Words with Special Meanings

## **Average**

Some items insured are subject to **Average**, this means that if at the time of the **Damage** the sum insured is less than the reinstatement value of the **Property Insured** the amount **We** will pay will be reduced in proportion to the amount of underinsurance.

## **Conditions Precedent**

A Condition which must be complied with before **We** are to be liable for a claim.

**You** may find a **Condition Precedent** applies only to a particular policy Section in which case it will be shown under that Section.

## **Breach of Term**

**We** agree that where there has been a breach of any term (express or implied) which would otherwise result in **Us** automatically being discharged from any liability, then such a breach shall result in any liability **We** might have under this policy being suspended. Such a suspension will apply only from the date and time at which the breach occurred and up until the date and time at which the breach is remedied. This means that **We** will have no liability in respect of any loss occurring, or attributable to something happening, during the period of suspension.

## **Terms not relevant to the actual loss**

Where there has been non-compliance with any term (express or implied) of this policy, other than a term that defines the risk as a whole, and compliance with such term would tend to reduce the risk of:

- loss of a particular kind, and/or
- loss at a particular location, and/or
- loss at a particular time,

then **We** agree that **We** may not rely on the non-compliance to exclude, limit or discharge **Our** liability under this policy if **You** show that non-compliance with the term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

# Complaints Procedure

## How to complain

At Bspoke Commercial Limited, we care about our customers and believe in building long-term relationships by providing quality products combined with a high standard of service. If **You** have cause for complaint, either in relation to your policy or any aspect regarding the standard of our service, please see the contacts outlined below.

As **You** have arranged **Your** policy with Bspoke Commercial Limited through a Broker or Intermediary, **You** should firstly direct **Your** complaint to the Broker or Intermediary with whom **You** arranged **Your** policy.

**Useful Complaint Contacts** are provided in the table below:

Reason for complaint	Contact	Contact Details
Sales or Service Related	Complaints Department Bspoke Commercial Limited	Brookfield Court, Selby Road Leeds West Yorkshire LS25 1NB <a href="mailto:complaints@bspokecommercial.co.uk">complaints@bspokecommercial.co.uk</a> 0113 345 1768
Claims (other than Legal Expenses or Equipment Breakdown claims noted below)	Complaints Department Sedgwick International UK	Oakleigh House 14-16 Park Place Cardiff CF10 3DQ <a href="mailto:Bspokecommercialclaims1@uk.sedgwick.com">Bspokecommercialclaims1@uk.sedgwick.com</a> 0345 850 0597
Legal Expenses Claims	Customer Service Arc Legal Assistance Limited	PO Box 8921 The Gatehouse Lodge Park Lodge Lane Colchester Essex CO4 5NE <a href="mailto:customerservice@arclegal.co.uk">customerservice@arclegal.co.uk</a> 01206 615000
Equipment Breakdown Cover Claims	Complaints Department HSB Engineering Insurance	Chancery Place 50 Brown Street Manchester M2 2JT <a href="mailto:claims@hsbeil.com">claims@hsbeil.com</a> 0330 100 3443

If **You** remain dissatisfied after Bspoke Commercial Limited and the **Insurer** has considered **Your** complaint or **You** have not received a final decision by the time Bspoke Commercial Limited and the **Insurer** have taken eight (8) weeks overall to consider **Your** complaint, **You** may be eligible to refer **Your** complaint to the Financial Ombudsman Service at:

The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Telephone Number: 0800 0234 567  
(free for people phoning from a "fixed line", for example, a landline at home)  
or  
Telephone Number: 0300 1239 123

(free for mobile phone users who pay a monthly charge for calls to numbers starting 01 or 02)

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

This complaint procedure does not affect **Your** right to take legal action.

## Claims Procedure

### How to Make a Claim

Policy Section	Contact Details
Sections A to K and N	Claims helpline 02920 320839
Section M – Commercial Legal Protection (please refer to the section wording for additional notes and conditions)	Legal Claims Notification 01384 887585
Section O – Equipment Breakdown (please refer to the section wording for additional conditions)	Claims helpline 03301003432 <a href="mailto:New.loss@hsbeil.com">New.loss@hsbeil.com</a>

It is a **Condition Precedent** to **Our** liability under this policy that **You** comply with the following conditions. If **You** fail to do so, **We** may not pay **Your** claim, or any payment could be reduced.

In the event of any occurrence likely to give rise to a claim under this policy **You** will report it to **Us** as soon as practicable or in any event within 5 days and provide full details of what has happened in writing within 30 days (within seven days if caused by riot or civil commotion) and

- (a) at **Your** own expense, provide any other information required including evidence of value or age (or both) if requested,
- (b) forward as soon as practicable any letter, claim, writ, summons or other legal document **You** receive if a claim for liability is made against **You**,
- (c) inform the police as soon as practicable following any loss caused by malicious acts, violent disorder, riots or civil commotion, theft or attempted theft,
- (d) do not admit liability or offer or agree to settle any claim without **Our** written permission,
- (e) take all care and necessary measures to minimise the loss and avoid interruption or interference with the **Business** and to prevent further **Damage** or injury,
- (f) notify **Us** immediately when **You** have knowledge of an impending prosecution, coroner's inquest or fatal accident inquiry.

### How We deal with Your claim

#### Basis of Settlement

Some Sections of the policy contain the Basis of Settlement that will apply to that particular Section. These will tell **You** how **We** settle any claim.

#### Consent

No admission, offer, promise, payment or indemnity shall be made or given by **You** or anyone on **Your** behalf without **Our** written consent. **You** shall give such assistance in dealing with claims and the conduct of any legal proceedings arising from the claim as **We** or **Our** chosen legal advisers and consultants may reasonably require.

#### Defence of claims

**We** may, at **Our** discretion:

- (a) take full responsibility for conducting, defending or settling any claim in **Your** name,
- (b) take any action **We** consider necessary to enforce **Your** rights or **Our** rights under this insurance,
- (c) appoint any other person or persons to act on **Our** behalf for such purpose and any settlement agreed either before or after any payments are made.

#### Our Rights after a claim

Upon the happening or discovery of any occurrence **We** may enter and take possession of or require **You** to deliver to **Us** the **Property Insured** which **We** will deal with in a manner without incurring liability or reducing **Our** rights. **You** shall not be entitled to abandon any property to **Us**

**We** will not pay for **Damage** if **You** or anyone acting on **Your** behalf does not comply with **Our** requirements or hinders or obstructs **Us**.

#### Fraudulent claims

If **You**, or anyone acting on **Your** behalf, make a claim knowing it to be false or fraudulent in amount or in any other respect this insurance will become invalid. This means **We** will not pay the false or fraudulent claim, or any subsequent claim.

#### **Other Insurance**

Sometimes what is covered under one insurance policy may also be covered under another insurance policy. For example, the cover or maybe some of the cover that is insured under this policy could also be insured under another policy that **You** have.

For claims made under Section J – Employers Liability and Section K – Public and Products Liability **We** will only pay the excess beyond the amount payable under **Your** other insurance policy.

For claims made under all other Sections insured of this policy **We** will either at **Our** option pay the full claim and claim half of this back from **Your** other insurance policy or pay **Our** rateable share of the claim.

#### **Arbitration**

If **We** accept liability but **You** disagree with the amount **We** offer to pay, the claim will be referred to an arbitrator who will be jointly appointed in accordance with statutory provisions. This avoids having to use the courts to settle the dispute. Going to arbitration does not affect **Your** statutory rights.

An award made by the arbitrator will be a **Condition Precedent** to a right of legal action against **Us**.

#### **Subrogation**

**We** shall be entitled to pursue and, if necessary, instigate legal proceedings in **Your** name for **Our** benefit any claim for indemnity or **Damage** or otherwise against a third party and shall have full discretion in the conduct of any such action and **You** shall give to **Us** all such information and assistance as **We** may reasonably require.

## Cancelling Your Policy

**We** hope that **You** are happy with the cover this policy provides. However, **You** have the right to cancel **Your** policy during a period of 14 days after either the purchase or renewal of the contract or 14 days after the day on which **You** receive **Your** policy documentation, whichever is the later. **We** will return the premium in full if cancellation occurs within the 14-day period. If **We** pay any claim, in whole or in part, during the 14-day period then no refund of premium will be allowed.

If **You** wish to cancel **Your** policy after cooling off period **You** will need to give notice in writing (including by e-mail). **We** will cancel **Your** policy from the date upon which notice is dispatched to us. **You** are entitled to a return of premium which will be based upon the length of time remaining for the **Period of Insurance** less a deduction of a minimum premium of £100 plus the administration costs in providing this insurance. The amount is shown in the **Schedule**.

If **We** pay any claim, in whole or in part, during the current **Period of Insurance** then no refund of premium will be allowed. If a claim is made after the policy has been cancelled for an incident which occurred before the cancellation date **We** will deduct any premium owed to **Us** from the settlement of the claim.

## Our Right to Cancel Your Policy

**We** shall not be bound to accept any renewal of this policy. If this happens **We** will ensure that **You** are notified accordingly.

If **We** do not receive the premium and Insurance Premium Tax **We** may cancel this policy by sending **You** at least 7 days written notice of cancellation to **Your** Insurance Broker (subject to the provisions of the Consumer Credit Act where applicable).

**We** may cancel this policy at any other time by sending 14 days' notice of cancellation, giving details of the reason for cancellation, in writing to **Your** Insurance Broker.

In the event of such a cancellation **You** shall be entitled to the return of a proportionate part of the last premium paid in respect of the unexpired **Period of Insurance**.

If **We** pay any claim, in whole or in part, during the current **Period of Insurance** then no refund of premium will be allowed. If a claim is made after the policy has been cancelled for an incident which occurred before the cancellation date **We** will deduct any premium owed to **Us** from the settlement of the claim.

If **You** pay **Your** premium by instalments see also General Policy Condition 6 – Instalment Premiums.

## Employer's Liability Tracing Office Notice

Certain information relating to **Your** policy, namely:

- (a) The policy number(s)
- (b) Employers' names and addresses (including subsidiaries and any relevant changes of relevant name)
- (c) **Periods of Insurance**
- (d) (if relevant) the employers' reference numbers provided by His Majesty's Revenue and Customs and Companies House Reference Numbers

will be provided to the Employers' Liability Tracing Office, ("ELTO") and added to the Employers' Liability Database (ELD).

It is understood by **You** that the above-named information provided to **Us** will be processed by the **Us** for the purpose of providing ELD in compliance with the provisions of the Employers' Liability Insurance Disclosure by Insurers Instrument 2010.

The ELTO may provide such information to third parties to assist individuals with claims arising out of the course of their employment in the United Kingdom for employers carrying on, or who carried on, business in the United Kingdom, to identify an insurer that provided employers liability insurance.

## Who We are

**Your** policy is administered by Bspoke Commercial Limited is underwritten by **Accelerant Insurance UK Limited** (the **Insurer**). (Refer also to Sections M and O of this policy).

Bspoke Commercial Limited is authorised and regulated by the Financial Conduct Authority. Firm Reference No. 709456. Registered Office: Brookfield Court, Selby Road, Leeds, LS25 1NB. Registered in England & Wales. Company Number: 09284678.

Accelerant Insurance UK Limited is registered in England and Wales with the company number of 03326800 and the registered office of One Fleet Place, London, EC4M 7WS. Its trading address is Lodge Park Business Centre, Lodge Lane, Langham, Colchester, CO4 5NE. Accelerant Insurance UK Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (firm reference number: 207658).

## Compensation Arrangements

All sections other than M – Commercial Legal Protection and O – Equipment Breakdown:

If **You** are registered in (or a resident of) the United Kingdom **You** may be entitled to compensation from the Financial Services Compensation Scheme if Accelerant Insurance UK Limited is unable to meet its obligations to you under this insurance.

If **You** are entitled to compensation under the Scheme, the level and extent of the compensation would depend on the nature of the insurance. Further information about the Scheme is available from the Financial Services Compensation Scheme (10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU ) and on their website: [www.fscs.org.uk](http://www.fscs.org.uk)

Sections M – Commercial Legal Protection and O – Equipment Breakdown:

AmTrust Specialty Limited, and HSB Engineering Limited are covered by the Financial Services Compensation Scheme (FSCS). **You** may be entitled to compensation from the scheme if they cannot meet their obligations. This depends on the type of business and the circumstances of the claim. For compulsory insurance **You** may be entitled to compensation up to 100% of the claim. For all other types of insurance **You** may be entitled to compensation up to 90% of the claim.

**You** can obtain more information about Compensation Scheme arrangements from the FSCS by:

Telephone: 0800 678 1100 or 020 7741 4100

Website: <http://www.fscs.org.uk>

# Conditions Precedent

The following **Conditions Precedent** should be read in conjunction with other **Conditions Precedent** which may apply to a specific Section of the policy.

## 1. Change in Risk

It is a **Condition Precedent** to **Our** liability under Section F – Loss of Licence – that **You** shall notify **Us** in writing immediately **You** become aware of

- (a) a change in tenancy or management of the **Premises**
- (b) a transfer or proposed transfer of the **Licence**
- (c) a complaint against the **Premises** or the control of the **Premises**
- (d) any action against the
  - (a) **Licence** holder
  - (b) manager
  - (c) tenant or other occupier of the **Premises**

for any breach of the licensing law, or any other matter where the integrity of the person concerned is brought into question

- (e) objection to renewal of the **Licence**, or other reasons which could endanger the **Licence** or its renewal.

## 2. Compliance with Risk Improvements Conditions

It is a **Condition Precedent** to **Our** liability that all Risk Improvements or Requirements following any survey of the **Premises** and / or **Business** carried out by **Us** and confirmed by **You** to **Us** as having been completed, must continue to be complied with throughout the **Period of Insurance**.

## 3. Felt Roof Condition

It is a **Condition Precedent** to **Our** liability in respect of any **Damage** directly or indirectly caused by storm, that the felt roof portion of the **Buildings** is inspected by a competent roofing contractor at least once every twelve months and that any defects found are repaired immediately.

In respect of **Damage** directly or indirectly attributed to any flat roof section of the **Buildings** the **Excess** for the insured event storm is increased to £2,500.

## 4. Fire Alarms

It is a **Condition Precedent** to **Our** liability in respect of **Damage** caused by Fire that where the **Premises** are protected by a fire alarm system, **You**

- (a) carry out the testing and checking requirements in relation to the automatic fire alarm installation(s) identified in the **Proposal** and remedy promptly any defect disclosed
- (b) carry out the maintenance procedures in relation to the automatic fire alarm installation(s) specified by the manufacturers of the equipment
- (c) notify **Us** immediately of any disconnection or failure of the automatic fire alarm installation likely to leave any area unprotected for 12 hours or more
- (d) record details of all events such as alarm faults tests maintenance and disconnections and keep such details available for examination by **Our** representatives.

## 5. Fire Break Doors and Shutters

It is a **Condition Precedent** to **Our** liability in respect of **Damage** caused by fire that all fire break doors and shutters will be kept closed outside **Business Hours** and will be in efficient working order.

## 6. Fire Extinguishing Appliances

It is a **Condition Precedent** to **Our** liability in respect of **Damage** caused by fire that **You** maintain all fire extinguishing appliances on the **Premises**, so far as **Your** responsibility extends, in full working order in accordance with the manufacturer's instructions.

## 7. Fire Extinguishment – Automatic Sprinkler Installations

It is a **Condition Precedent** to **Our** liability that in relation to any sprinkler installation(s) identified in the **Proposal**:

- (a) **You** must carry out
  - (i) the following tests, checks or inspections at weekly intervals and promptly rectify any defects, faults or shortcomings revealed by such tests, checks and inspections:
    - a. a test of each installation alarm gong, recording the time taken for the alarm to sound
    - b. an inspection to ensure that all:
      - i. installation main stop valves
      - ii. incoming water supply stop valves
      - iii. subsidiary stop valvesare fully opened and secured by means of a suitable strap and padlock.

- (ii) a test to establish the condition of:
  - a. the circuit between the alarm switch and the control unit
  - b. the connection with the:
    - i. public fire station or
    - ii. alarm receiving centre or
    - iii. public fire brigade control

Where the circuit is not continuously monitored these tests must be carried out each working day.

- c. the batteries.

A maintenance contract and a half yearly inspection of this signalling system must be kept in force with approved engineers.

- (iii) a check of any alternate or dry installation valves for correct air pressure and settings including:
  - a. accelerators
  - b. exhausters
  - c. air compressors
  - d. ancillary valves.
- (iv) a test of the automatic, and where provision has been made, the manual starting of the sprinkler water supply pump(s) ensuring that any diesel driven pump(s) is allowed to run for a period of not less than 30 minutes.
- (v) a check of the electrically driven pump(s) to ensure that all:
  - a. isolators are correctly set
  - b. circuit breakers are correctly set
  - c. electrical supply phase indicators are illuminated.
- (vi) a check of all the diesel driven pumps'
  - a. engine oil level
  - b. fuel tank content
  - c. internal coolant circuits
  - d. battery electrolyte level
  - e. battery charger
  - f. oil hoses
  - g. water hoses
  - h. oil coolers
  - i. exhaust systems
  - j. turbo chargers
  - k. drive belt tensions.

Where replenishment or rectification is required this shall be carried out immediately on conclusion of the tests

- (vii) a. a check of the:
  - i. air pressure tank water level
  - ii. air pressure
- b. a test of the air and water charging equipment.
- (viii) a check:
  - a. of the water storage tank(s) water level
  - b. of the automatic refilling mechanism
  - c. that incoming supply valves are correctly set
  - d. that incoming supply valves are functional and that any frost precautions are in operation.

- (b) **You** must:

- (i) give **Us** advance notice, in writing, if any part of the system is to be altered, repaired or rendered inoperative.
- (ii) tell **Us** immediately by telephone, facsimile or email in the event of any emergency and take precautions as advised by **Us**.
- (iii) allow **Us** to have access to the **Premises** at all times to inspect or witness the testing of the system.

- (c) It is a **Condition Precedent** to liability in respect of Fire or Accidental Escape of Water from Automatic Sprinkler Installations that **You** fulfil all of **Your** obligations under this Condition. If in relation to any claim **You** have failed to fulfil any of these obligations, **You** will lose **Your** right to indemnity or payment for that claim.

## 8. Frying and Cooking Equipment

It is a **Condition Precedent** to **Our** liability in respect of **Damage** caused by fire that:

- (a) all deep frying and cooking equipment should be installed and operated in accordance with the manufacturers' instructions
- (b) all deep-frying equipment is fitted with a thermostat which prevents the temperature of fat or oil exceeding 205 degrees Centigrade (401 degrees Fahrenheit), with automatic thermostatic cut-offs to switch off the heat should the thermostats fail
- (c) all deep-frying equipment (other than counter top fryers), including flues and exhaust ducting is fixed and not in contact with combustible materials
- (d) all extraction hoods, canopies, filters and grease traps are cleaned at least every month
- (e) the entire length of all flues and extraction ducting, including extraction motors and fans, are cleaned at least every six months

- (f) suitable fire extinguishers and/or blankets shall be kept close to the equipment and cooking areas and staff shall be trained in their use
- (g) during deep frying and cooking operations no equipment is left unattended or unsupervised
- (h) all deep fat frying equipment must be serviced at least annually by an appropriately qualified engineer in line with the manufacturer's guidelines
- (i) a full record is kept of the servicing and cleaning as required by this Condition and such records are kept elsewhere than at the **Premises** and are available to **Us** upon request.

## 9. Intruder Alarm System

It is a **Condition Precedent** to **Our** liability in respect of **Damage** caused by theft or attempted theft involving entry to or exit from the **Premises** by forcible and violent means that where it is a requirement that the **Premises** are protected by an **Intruder Alarm System**:

- (a) the **Intruder Alarm System** shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance with a UKAS accredited installer.
- (b) no alteration or substitution of
  - (i) any part of the **Intruder Alarm System**
  - (ii) the procedures agreed with **Us** for police or other response to any activation of the **Intruder Alarm System**
  - (iii) the maintenance contract
 shall be made without **Our** written agreement.
- (c) whenever the **Premises** are closed for **Business** or left unattended
  - (i) at least one **Responsible Person** shall remain on the **Premises**
    - i. unless **the Intruder Alarm System** is fully set with the means of communication used to transmit signals in full operation
    - ii. if the police have withdrawn their response to alarm calls unless **We** agree otherwise.
  - (ii) all keys to the **Intruder Alarm System** are removed from the **Premises**.
- (d) **You** and each **Keyholder** keep secret the codes for the operation of the **Intruder Alarm System**, and not leave details of the codes on the **Premises**.
- (e) **You** appoint at least two **Keyholders** and notify this in writing to the police and the alarm company who are contracted to maintain the alarm. **You** must also tell them of any change of **Keyholders**.
- (f) when the **Intruder Alarm System** has been set, and notice given that it has been activated or the means of communication have been interrupted a **Keyholder** must attend the **Premises** as soon as possible following such notice and a **Responsible Person** must remain there until the requirements of paragraph (c) have been complied with. This must be done unless **We** have previously agreed in writing alternative procedures.
- (g) if **You** receive notice
  - (i) that police response to alarm signals/calls from the **Intruder Alarm System** may be withdrawn or the level of response reduced or delayed
  - (ii) from the local authority or magistrate imposing any requirements for abatement of a nuisance
  - (iii) from the installing company or another company agreed by **Us** the **Intruder Alarm System** cannot be returned to, or maintained in, full working order**You** must tell **Us** as soon as possible and in any event no later than 10.00am on **Our** next working day, and comply with all alternative measures **We** require.

## 10. Minimum Physical Security Requirements

It is a **Condition Precedent** to **Our** liability in respect of **Damage** caused by theft or attempted theft involving entry to or exit from the **Premises** by forcible and violent means that devices for the security of the **Premises** are installed in accordance with the following **Specification** and that such devices are put into full and effective operation whenever the **Premises** are closed for **Business** or left unattended.

*Specification:*

- (a) The final exit door of the **Premises** be fitted with either:
  - a. for timber or steel framed doors: a mortice deadlock which has 5 or more levers and/or conforms to BS3621 with matching boxed striking plate, or
  - b. for aluminium or UPVC framed doors: a cylinder operated mortice deadlock or a deadlocking multi - point system
- (b) All other external doors and all internal doors giving access to any part of the **Buildings** not occupied by **You** for the purpose of the **Business** be fitted with either:
  - a. any of the locking arrangements as specified in (a) (i) or (ii) above in accordance with the construction of the door frame, or
  - b. two key - operated bolts for doors one fitted approximately 30cm from the top of the door and the other 30cm from the bottom
- (c) All outward opening external doors and all internal doors giving access to any part of the **Buildings** not occupied by **You** for the purpose of the **Business** be fitted and secured with hinge bolts

(d) All ground floor and basement opening windows/skylights and other opening windows/skylights accessible from roof decks balconies fire escapes canopies or down pipes are to be fitted with key - operated window locks. This requirement does not apply to windows/skylights which are protected by solid steel bars grilles lockable gates expanded metal or weld - mesh

Any door or window officially designated a fire exit by the fire authority is excluded from these requirements.

#### 11. Protective Measures

It is a **Condition Precedent** to **Our** liability in respect of **Damage** caused by theft or attempted theft involving entry to or exit from the **Premises** by forcible and violent means that whenever the **Premises** are closed for **Business** or left unattended:

- (i) all security devices provided to protect the **Premises** are properly fitted and put into full operation
- (ii) all keys for the **Premises** or any device in which **Property Insured** is kept are removed from the **Premises**.

#### 12. Unoccupancy Conditions

It is a **Condition Precedent** to **Our** liability that whilst **Buildings** or part thereof insured by this policy are **Unoccupied** the following requirements are complied with:

- (a) gas, water and electricity supplies are kept disconnected and that all water apparatus is drained except as otherwise agreed by **Us** in writing (other than those supplies required to operate fire and security protection or for other essential services)
- (b) all external doors are kept securely locked
- (c) ground floor window openings are kept securely fastened and, if specified by **Us** in writing, boarded up in accordance with **Our** requirements
- (d) the **Buildings** are maintained and all yards and external areas immediately surrounding the **Buildings** are kept free of all fuel and waste materials
- (e) all letterboxes are sealed to prevent insertion of material.

**You** must inspect the property at least weekly to check that the foregoing Conditions are observed. In the event of any breach of security of the **Buildings** or of malicious **Damage** or any evidence of unlawful entry or attempted entry to the **Buildings You** shall immediately:

- (a) carry out the necessary work to satisfy the above requirements
- (b) notify **Us**.

**You** must keep a record of these inspections and make this available for inspection by **Us** immediately upon request.

# General Policy Conditions

The following Policy Conditions should be read in conjunction with other Conditions which may apply to a specific Section of the policy.

## 1. Alteration in Risk or Interest

This policy shall be avoided with effect from the date the event occurs if after the commencement of this insurance:

- (a) **Your** interest ceases, except by will or operation of law
- (b) the **Business** does any of the following:
  - (i) makes a composition or arrangement with creditors
  - (ii) has a proposal for a voluntary arrangement for a composition of debts or scheme of arrangement approved in accordance with the Insolvency Act 1986
  - (iii) has an application made under the Insolvency Act 1986 to the court for the appointment of an administrator
  - (iv) has a winding-up order made or (except for the purposes of amalgamation or reconstruction) a resolution for voluntary winding up passed or has a provisional liquidator, receiver or receiver and manager duly appointed
  - (v) has an administrative receiver, as defined in the Insolvency Act 1986, appointed or having possession taken by or on behalf of the holders of any debentures secured by floating charge or of any property comprised in or subject to the floating chargeunless agreed by **Us** in writing
- (c) there has been any alteration to the **Property Insured** and/or the **Premises** and/or the **Business** after the effective date of this insurance which increases the risk of loss, destruction, damage, accident or injury.

## 2. Designation

For the purpose of determining where necessary the item heading under which the property is insured **We** agree to accept the designation under which the property has been entered in **Your** books.

## 3. Discharge of Liability

**We** may at any time pay:

- (a) the Limit of Indemnity
- or
- (b) the Sum Insured
- or
- (c) a smaller amount for which a claim can be settled after deduction of any sum already paid.

**We** will not be liable for any further payment except for costs and expenses incurred prior to the payment of the claim or with **Our** consent.

## 4. Fraud

If a claim made by **You** or anyone acting on **Your** behalf is fraudulent or fraudulently exaggerated or supported by a false statement or fraudulent means or fraudulent evidence is provided to support the claim, **We** may:

- (a) refuse to pay the claim,
- (b) recover from **You** any sums paid by **Us** to **You** in respect of the claim,
- (c) by notice to **You** cancel the policy with effect from the date of the fraudulent act without any return of premium.

If **We** cancel the policy under (c) above, then **We** may refuse to provide cover after the time of the fraudulent act. This will not affect any liability **We** may have in respect of the provision of cover before the time of the fraudulent act.

If this policy provides cover to any person other than **You** and a claim made by such person or anyone acting on their behalf is fraudulent or fraudulently exaggerated or supported by a false statement or fraudulent means or fraudulent evidence is provided to support the claim, **We** may:

- (a) refuse to pay the claim,
- (b) recover any sums paid by **Us** in respect of the claim (from **You** or such person, depending on who received the sums or who benefited from the cover provided),
- (c) by notice to **You** and such person cancel the cover provided for such person with effect from the date of the fraudulent act without any return of premium in respect of such cover.

If **We** cancel a person's cover under (c) above, then **We** may refuse to provide cover after the time of the fraudulent act. This will not affect any liability **We** may have under such cover occurring before the time of the fraudulent act.

## 5. Inflation Protection Clause

**We** will adjust the sums insured under Section A – Material Damage (including Theft) – and Section C – Specified All Risks – in line with suitable indices of costs. The renewal premium will be based on the adjusted sums insured.

## 6. Instalment Premiums

- (a) Where reference is made in this policy to the payment of premium this includes **You** having agreed to pay by instalments.
- (b) If **We** have agreed to accept payment of the first premium or any subsequent premium by instalment:
- (i) this policy remains a contract for the **Period of Insurance**
  - (ii) if any instalment of premium is not received by **Us** on or before its due date all unpaid instalments of premium and any service fee shall immediately become payable. Should the full premium and service fee not be paid within 7 days of **Us** giving written notice of non-payment of an instalment, this policy shall be cancelled immediately on expiry of such notice.
- (c) Following such cancellations **We** shall return to **You** the balance of any instalment already paid after deduction of an appropriate charge for the Insurance cover to the date of cancellation except that if:
- (i) a claim has been made under the policy for which **We** have made a payment, or which is still under consideration
  - (ii) an incident has occurred which is likely to give rise to a claim but is yet to be reported to **Us**
- no refund of premiums shall be made and the annual premium remains due in full. In such cases monthly collection must continue or a one-off payment be agreed to settle the outstanding amount. Where a one-off payment is not made to settle the outstanding amount **You** must continue with the instalment payments. Alternatively, **We** may deduct any outstanding instalments from any claim payment that may be due to **You** or payable on **Your** behalf.

## 7. Non-Disclosure, Misrepresentation or Misdescription

### (a) Before this policy was entered into

If **You** have breached **Your** duty to make a fair presentation of the risk to **Us** before this policy was entered into, then:

- (i) where the breach was deliberate or reckless, **We** may avoid this policy and refuse all claims, and keep all premiums paid;
- (ii) where the breach was neither deliberate nor reckless, and but for the breach:
  - a. **We** would not have agreed to provide cover under this policy on any terms, **We** may avoid this policy and refuse all claims, but will return any premiums paid
  - b. **We** would have agreed to provide cover under this policy but on different terms (other than premium terms), **We** may require that this policy includes such different terms with effect from its commencement, and/or
  - c. **We** would have agreed to provide cover under this policy but would have charged a higher premium, **Our** liability for any loss amount payable shall be limited to the proportion that the premium **We** charged bears to the higher premium **We** would have charged, as outlined in Schedule 1 to the Insurance Act 2015.

### (b) Before a variation was agreed

If **You** have breached **Your** duty to make a fair presentation of the risk to **Us** before any variation to this policy was agreed, then:

- (i) where the breach was deliberate or reckless, **We** may cancel this policy with effect from the date of the variation, and keep all premiums paid;
- (ii) where the breach was neither deliberate nor reckless, and but for the breach:
  - a. **We** would not have agreed to the variation on any terms, **We** may treat this policy as though the variation was never made, but will return any additional premiums paid
  - b. **We** would have agreed to the variation but on different terms (other than premium terms), **We** may require that the variation includes such different terms with effect from the date it was made, and/or
  - c. **We** would have agreed to the variation but would have increased the premium, or would have increased it by more than **We** did, or would not have reduced it or would have reduced it by less than **We** did, **Our** liability for any loss amount payable shall be limited on a proportionate basis, as outlined in Schedule 1 to the Insurance Act 2015.

This condition operates in addition to any provisions relating to underinsurance in this policy.

## 8. Notice of Buildings becoming Unoccupied/Occupied

**You** must give **Us** notice as soon as reasonably practicable when any **Building** or part thereof becomes **Unoccupied** or when an **Unoccupied Building** or part thereof is again occupied. If **We** accept the risk a suitable additional premium must be paid if required. **We** have the right to change the terms and Conditions of the policy and **You** must action any risk improvement measures that **We** may require.

## 9. Several Liability Notice

The liability of an **insurer** / underwriter under this contract is several and not joint with other **insurers** party to this **contract**. An **insurer** is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

# General Policy Exclusions

The following Policy Exclusions should be read in conjunction with other Exclusions which may apply to a specific Section of the policy.

## 1. Communicable Disease Exclusion

Notwithstanding any provision to the contrary within this Agreement, within any endorsement to this Agreement or within any extension to this Agreement, this Agreement and its endorsements (if any) and its extensions (if any) exclude any loss, damage, liability, claim, cost or expense (whether such loss, damage, liability, claim, cost or expense has been suffered by an insured or a third party) of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, in connection with, or otherwise in any way directly or indirectly attributable to:

- a) Coronaviruses; and
- b) Coronavirus disease (COVID-19); and
- c) Severe acute respiratory syndrome coronavirus 2 (SARS- CoV-2); and
- d) any mutation of or variation of a), b) or c) above; and
- e) any infectious disease that is designated or treated as a pandemic by the World Health Organisation; and
- f) any fear or anticipation of a), b), c), d) or e) above, regardless of any other cause or event contributing concurrently or in any other sequence thereto.

## 2. Date Recognition

This policy does not cover **Damage** or **Consequential Loss** of whatsoever nature and/or liability for damages attaching to **You** or any associated costs relating thereto, directly or indirectly caused by, contributed to, consisting of or arising from the **Failure** of any:

- (a) computer, **Data** processing equipment or **Media**, microchip, integrated circuit or similar device
- (b) other equipment or system for processing, storing or retrieving **Data**
- (c) computer software, whether **Your** property or not, and whether occurring before, during or after the year 2000 to:
  - (i) recognise correctly any date as its true calendar date
  - (ii) capture, save, retain or correctly manipulate, interpret or process any **Data**, information, command or instruction as a result of treating any date otherwise than its true calendar date
  - (iii) capture, save, retain or correctly process any **Data** as a result of the operation of any programmed command which causes the **Loss of Data** or the inability to capture, save, retain or correctly to process such **Data** on or after any date.

Provided that such indemnity shall apply in respect of subsequent **Damage** which itself results from a Defined Peril to the extent insured and which is not otherwise excluded in any Section.

For the purpose of this Exclusion Defined Peril means fire, lightning, explosion, storm, flood, earthquake, or impact by any aircraft or aerial devices, vehicle or articles dropped from them or animals.

## 3. Electrical Equipment

This policy does not cover any **Damage** or any **Consequential Loss** to any electrical plant or appliance caused by its own:

- (a) over-running
- (b) short-circuiting
- (c) excessive pressure
- (d) self-heating.

This exclusion shall not apply where fire spreads to cause **Damage** to other plant or appliances or other **Property Insured**.

## 4. Electronic Risks

This policy does not cover any claim arising directly or indirectly from, or in connection with, or consisting of:

### (a) Loss of Data.

other than arising directly or indirectly from, or in connection with, or consisting of **Loss of Data**, which claim is not otherwise excluded and which results from a **Malicious Event** involving physical force and violence or a **Specified Event** where either is insured under any of the following Sections of the policy and only to the same extent that such claim is insured under that Section

- (i) Material Damage (including Theft)
- (ii) Money
- (iii) Business Interruption
- (iv) Loss of Licence
- (v) Specified All Risks

### (b) any **Damage, Failure** or **Loss of Data** resulting directly or indirectly from, or in connection with **Virus or Similar Mechanism, Denial of Service Attack**, unauthorised access to or use of **Computer and Electronic Equipment**.

Other than any claim in respect of any subsequent **Damage** to property other than **Computer and Electronic Equipment** and **Data Storage Materials** which is not otherwise excluded and which results from a **Malicious Event** involving physical force and

violence or a **Specified Event** where either is insured under any of the following Sections of the policy and only to the same extent that such subsequent **Damage** to property is insured under that Section

- (i) Material Damage (including Theft)
- (ii) Money
- (iii) Business Interruption
- (iv) Loss of Licence
- (v) Specified All Risks

Exclusions (a) and (b) do not apply to the following Sections, when insured by the policy:

- (i) Section L – Terrorism
- (ii) Section J – Employers' Liability
- (iii) Section K – Public and Products Liability.

## 5. Excluded Property

This policy does not cover any **Damage** or any **Consequential Loss** to any:

- (a) vehicles licenced for road use, including their contents or accessories, caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft
- (b) property or structures in course of construction or erection and materials and supplies in connection with such property in course of construction or erection
- (c) bonds, bills of exchange, deeds, promissory notes, cheques, securities, **Money** or stamps
- (d) rare books
- (e) medals, coins, furs, gold and silver articles, jewellery, precious metals, bullion, precious stones
- (f) animals, growing crops or trees
- (g) land, roads, pavements, piers, jetties, bridges, culverts or excavations
- (h) explosives
- (i) paintings, prints and works of art with an individual value exceeding £500 unless specifically agreed and mentioned in this policy.

## 6. Northern Ireland

This policy does not cover **Damage** to any property in Northern Ireland resulting from, caused by, happening through or in consequence of:

- (a) civil commotion
- (b) any unlawful, wanton or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any **Unlawful Association**

## 7. Perfluoroalkyl And Polyfluoroalkyl Substances (PFAS) Exclusion

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Bodily Injury And Property Damage Liability:

Exclusions

This insurance does not apply to:

Perfluoroalkyl And Polyfluoroalkyl Substances

- a) "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any "perfluoroalkyl or polyfluoroalkyl substances".
- b) Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "perfluoroalkyl or polyfluoroalkyl substances", by any insured or by any other person or entity.

The following definition applies:

"Perfluoroalkyl or polyfluoroalkyl substances" means any:

- 1. Chemical or substance that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to:
  - a. Polymer, oligomer, monomer or nonpolymer chemicals and their homologues, isomers, telomers, salts, derivatives, precursor chemicals, degradation products or by-products;
  - b. Perfluoroalkyl acids (PFAA), such as perfluorooctanoic acid (PFOA) and its salts, or perfluorooctane sulfonic acid (PFOS) and its salts;
  - c. Perfluoropolyethers (PFPE);
  - d. Fluorotelomer-based substances; or

e. Side-chain fluorinated polymers; or

2. Good or product, including containers, materials, parts or equipment furnished in connection with such goods or products, that consists of or contains any chemical or substance described in Paragraph 1 above.

Personal And Advertising Injury Liability:

Exclusions

This insurance does not apply to:

Perfluoroalkyl And Polyfluoroalkyl Substances

a) "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any "perfluoroalkyl or polyfluoroalkyl substances".

b) Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "perfluoroalkyl or polyfluoroalkyl substances", by any insured or by any other person or entity.

The following definition applies:

"Perfluoroalkyl or polyfluoroalkyl substances" means any:

1. Chemical or substance that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to:

a) Polymer, oligomer, monomer or nonpolymer chemicals and their homologues, isomers, telomers, salts, derivatives, precursor chemicals, degradation products or by-products;

b) Perfluoroalkyl acids (PFAA), such as perfluorooctanoic acid (PFOA) and its salts, or perfluorooctane sulfonic acid (PFOS) and its salts;

c) Perfluoropolyethers (PFPE);

d) Fluorotelomer-based substances; or

e) Side-chain fluorinated polymers; or

2. Good or product, including containers, materials, parts or equipment furnished in connection with such goods or products, that consists of or contains any chemical or substance described in Paragraph 1 above.

## 8. Radioactive Contamination

This policy does not cover any death or disablement, loss or destruction of or damage to any property, any loss or expense whatsoever, any consequential loss or any legal liability directly or indirectly caused by or contributed to by or arising from:

- (a) (i) ionising radiations or contamination by radioactivity from nuclear fuel or from nuclear waste from the combustion of nuclear fuel
- (ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
- (b) the use of any weapon or device
  - (i) dispersing radioactive material and/or ionising radiation
  - or
  - (ii) using atomic or nuclear fission and/or fusion or other like reaction.
- (c) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this will not apply in respect of radioactive isotopes at The Premises (other than nuclear fuel or nuclear waste) used in the course of the **Business** for the purposes for which they were intended.

However,

(1) in relation to the Employers' Liability Section, exception (2) (a) only applies when **You** under a contract or agreement have undertaken to

(a) indemnify another party

or

(b) assume the liability of another party.

(2) exceptions (2) (a) and (2) (b) do not apply to the following Sections, when insured by this policy

(a) Section L – Terrorism.

## 9. Sonic Bangs

This policy does not cover any **Damage** or any **Consequential Loss** occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

## 10. Terrorism

This policy does not cover any **Damage** to any property or any consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event

- (a) Terrorism
  - (b) any action taken in controlling, preventing, suppressing or in any way relating to (a) above
- except as stated in the Special Provision – Terrorism below.

In any action, suit or other proceedings where **We** allege that any consequence whatsoever resulting directly or indirectly from or in connection with 8(a) and/or 8(b) above regardless of any other contributory cause or event is not covered under this policy (or is covered up to a specified limit of liability) the burden of proving that any such consequence is covered (or is covered beyond that limit of liability) under this policy shall be upon **You**.

Special Provision – Terrorism

Subject otherwise to the terms of this policy.

Neither of the exclusions in 8(a) and 8(b) above shall apply to Section J – Employer's Liability (if stated as operative in the **Schedule**) but the **Limit of Indemnity** for the purpose of this Special Provision – Terrorism is limited to £5,000,000 including **Costs and Expenses**.

## 11. War and Similar Risks

The policy does not cover any consequence whatsoever which is the direct or indirect result of any of the following, or anything connected with any of the following, whether or not such consequence has been contributed to by any other cause or event

- (a) (i) war, invasion, act of a foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power
- (ii) mutiny or military uprising, martial law
- (b) nationalisation, confiscation, requisition, seizure, damage or destruction by or by order of any government or any local or public authority, and
- (c) any action taken in controlling, preventing, suppressing or in any way relating to (1) (a) and/or (1) (b) above.

However, exceptions (a) (b) and (c) do not apply to the following Sections, when insured by this policy

- (i) Section L – Terrorism
- (ii) Section J – Employers' Liability.

## Policy Definitions

Certain words in the policy have special meanings. These meanings are given below or defined at the beginning of the appropriate Section or sub-section. To help **You** identify these words in the policy **We** have printed them in **Bold Italics** throughout.

### **All Other Contents**

This term includes:

- (a) documents, manuscripts and business books
- (b) computer systems records.

The most **We** will pay in respect of computer systems records is £10,000 any one loss

- (c) patterns, models, moulds, plans and designs but only for:

- (i) the value of the materials
- (ii) the cost of labour and computer time spent in reproducing them

- (d) property within **Outbuildings**

- (e) property in open yards

- (f) directors', partners', **Employees**' and visitors' pedal cycles and other **Personal Effects** but only if they are not otherwise insured.

The most **We** will pay in respect of any one director, partner, **Employee** and visitor is £1,000.

**We** will not pay for:

- (a) expenses in connection with producing information to be recorded
- (b) the value to **You** of any information lost
- (c) wines, spirits, cigarettes and tobacco held for **Your** own private
- (d) entertainment purposes
- (e) **Money**.

### **Annual Gross Fees**

The **Gross Fees** during the twelve months immediately before the date of the **Damage**.

The **Annual Gross Fees** may be adjusted to reflect any trends or circumstances which:

- (a) affect the **Business** before or after the **Damage**
- (b) would have affected the **Business** had the **Damage** not occurred.

The adjusted figure will represent as near as possible the results which would have been achieved during the same period had the **Damage** not occurred.

### **Annual Gross Revenue**

The **Gross Revenue** during the twelve months immediately before the date of the **Damage**.

The **Annual Gross Revenue** may be adjusted to reflect any trends or circumstances which:

- (a) affect the **Business** before or after the **Damage**
- (b) would have affected the **Business** had the **Damage** not occurred.

The adjusted figure will represent as near as possible the results which would have been achieved during the same period had the **Damage** not occurred.

### **Annual Turnover**

The **Turnover** during the twelve months immediately before the date of the **Damage**.

The **Annual Turnover** may be adjusted to reflect any trends or circumstances which:

- (a) affect the **Business** before or after the **Damage**
- (b) would have affected the **Business** had the **Damage** not occurred.

The adjusted figure will represent as near as possible the results which would have been achieved during the same period had the **Damage** not occurred.

### **Asbestos**

Asbestos, asbestos fibres and any derivative of asbestos.

### **Average**

Some items insured are subject to **Average**, this means that if at the time of the **Damage** the sum insured is less than the reinstatement value of the **Property Insured** the amount **We** will pay will be reduced in proportion to the amount of underinsurance.

**Bodily injury**

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

**Book Debts**

The total last recorded by **You** under the provisions of the Debit Recording Condition under Section E – Book Debts – adjusted for:

- (a) bad debts
- (b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the **Damage**) to **Customer Accounts** in the period between the date to which the last statement relates and the date of the **Damage**
- (c) any abnormal condition of trade which had or could have had a material effect on the **Business**.

The adjusted figures will represent, as near as possible, the figures which would have been obtained at the date of the **Damage** had the **Damage** not occurred.

**Buildings**

The Buildings of the **Premises** shown in the **Schedule** comprising:

- (a) the **Business** and residential accommodation and any **Outbuildings**
- (b) the shop front and, if fixed to the Buildings, any external fitments or blinds
- (c) walls, gates and fences around the Buildings and belonging to them
- (d) yards, car parks and pavements
- (e) landlord's fixtures and fittings
- (f) annexes, conveniences and external hoists, gangways and staircases
- (g) communicating extensions

all belonging to **You** or for which **You** are legally responsible and used in connection with the **Business**.

**Business**

The business described in the **Schedule** or as extended in respect of Sections J and K.

**Business Hours**

The period during which the **Premises** are occupied for **Business** purposes and during which **You** or **Your Employees** are in the **Premises**.

**Computer and Electronic Equipment**

All computers, computer installations and systems, microchips, integrated circuits, microprocessors, embedded systems, hardware and any electronic equipment, **Data** processing equipment, information repository, telecommunication equipment, computer controlled or programmed machinery, equipment capable of processing **Data** and/or similar devices, whether physically or remotely connected thereto.

**Condition Precedent**

A Condition which must be complied with before **We** are to be liable for a claim.

**Consequential Loss**

Includes but is not limited to indirect and/or consequential, exemplary, incidental, punitive and special damages, wasted management time, loss of anticipated savings, business, data, goodwill, opportunity, profits and revenue; consequential and indirect loss including in each case pure economic loss.

**Contents**

The Contents of the **Buildings** (other than residential accommodation) used in connection with the **Business**, belonging to **You** or for which **You** are legally responsible, including:

- (a) trade fixtures and fittings and **All Other Contents**
- (b) any telephone installation, gas or electricity meter
- (c) National Lottery equipment for which **You** are responsible.

**We** will not pay for:

- (a) **Stock** and **Target Stock**
- (b) **Money**
- (c) glass in the shop front
- (d) **Personal Effects** comprising jewellery and furs
- (e) landlords' fixtures and fittings
- (f) property more specifically insured.

### **Customer Accounts**

**Your** accounts for all customers who trade with **You** on a credit or hire purchase basis.

### **Cyber Vandal**

The person or persons, whether identified or not, responsible for, or involved with, creating a **Virus or Similar Mechanism** or a **Denial of Service Attack**, unauthorised access to or use of **Computer and Electronic Equipment**.

### **Damage**

Physical loss or destruction of, or damage to, the **Property Insured**.

### **Data**

All information which is:

- (a) electronically stored
- (b) electronically represented
- (c) contained on any current and back-up disks, tapes or other materials or devices used for the storage of Data including but not limited to operating systems, records, programmes, software or firmware, code or series of instructions.

### **Data Storage Materials**

Any materials or devices used for the storage or representation of **Data** including but not limited to disks, tapes, CD-ROMs, DVDs, memory sticks, memory cards or other materials or devices which may or may not also constitute **Computer and Electronic Equipment**.

### **Denial of Service Attack**

Any actions or instructions with the ability to **Damage**, interfere with, or otherwise affect the availability of **Computer and Electronic Equipment, Data**, networks, network services, network connectivity or information systems.

This includes but is not limited to the generation of excess traffic into network addresses, the exploitation of systems or network weaknesses, and the generation of excess or non-genuine traffic between or amongst networks.

### **Employee**

Any of the following people working for **You** in connection with **Your Business**:

- (a) any person under a contract of service or apprenticeship with **You**
- (b) any labour master or labour only sub-contractor or person supplied or employed by them
- (c) any self-employed person
- (d) any person hired to or borrowed by **You**
- (e) any person engaged under a work experience, youth training or similar scheme
- (f) any volunteer worker.

### **Estimated Gross Profit**

**Your** estimate of **Gross Profit** for the financial year most closely corresponding to the **Period of Insurance** (proportionately increased if the **Maximum Indemnity Period** exceeds 12 months).

### **Estimated Gross Revenue**

**Your** estimate of **Gross Revenue** for the financial year most closely corresponding to the **Period of Insurance** (proportionately increased if the **Maximum Indemnity Period** exceeds 12 months).

### **Excess(es)**

The first amount(s) of each and every claim, as shown in **Your** policy or the **Schedule**, for which **You** are responsible after all other terms and Conditions have been applied.

### **Failure**

Any partial or complete reduction in the:

- (a) performance
- (b) availability
- (c) functionality
- (d) ability to recognise or process any date or time

of any:

- (i) **Computer and Electronic Equipment**
- (ii) electronic means of communication
- (iii) web site.

**Gross Fees**

The **Money** paid or payable to **You** in the course of the **Business** at the **Premises**.

**Gross Profit**

- (a) The combined value of the **Turnover**, closing **Stock** and work in progress less
- (b) the combined value of opening **Stock** and work in progress and **Specified Working Expenses**.

The values of opening and closing **Stocks** and work in progress will:

- (a) be calculated using **Your** usual accounting methods
- (b) make due provision for depreciation.

**Gross Revenue**

The **Money** paid or payable to **You** for work done and for services rendered in the course of the **Business** at the **Premises**.

**Hacking**

Unauthorised access to any computer or other equipment or component or system or item which processes, stores, transmits or retrieves **Data**, whether **Your** property or not.

**Indemnity Period**

The period during which the **Business** results are affected due to the **Damage**, starting from the date of the **Damage** and lasting no longer than the **Maximum Indemnity Period**.

**Indemnity Period for Rent Payable**

The period during which the **Buildings** or any part thereof are unfit for occupation in consequence of **Damage**.

**Insured Person**

**You** or **Your** directors, principals or **Employees** aged between 16 and 70.

**Insurer**

Accelerant Insurance UK Limited (This definition does not apply to Sections M and O).

**Intruder Alarm System**

The component parts detailed in the alarm specification including the means of communication used to transmit signals.

**Keyholder**

**You** or any **Responsible Person** or keyholding company authorised by **You** to:

- (a) accept notification of faults or alarm signals relating to the **Intruder Alarm System**
- (b) attend and allow access to the **Premises**

at least one of whom must be available at all times.

**Licence**

The Licence which authorises the **Premises** to be used for one or more licensable activities in connection with the **Business**.

**Loss of Data**

Physical or electronic or other loss or destruction or alteration or loss of use, whether permanent or temporary, of, or **Damage** to, **Data**, of whatsoever nature, in whole or in part, including, but not limited to, **Loss of Data** resulting from **Damage** to **Computers and Electronic Equipment** or **Data Storage Materials**, including while stored on **Data Storage Materials**.

**Loss of Licence**

- (a) forfeiture due to licensing regulations
- (b) refusal to renew by the licensing authority due to causes beyond **Your** control.

**Loss of Limbs or Eyes**

**Physical Injury**, which solely and directly results in:

- (a) loss by physical severance of the hand or foot at or above the wrist or ankle or the total and permanent loss of use of an entire hand or arm or an entire foot or leg
- (b) total and irrecoverable loss of all sight in one or both eyes.

**Malicious Event**

- (a) riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances
- (b) malicious persons, other than thieves and **Cyber Vandals**.

**Maximum Indemnity Period**

The number of months stated in the **Schedule**.

### **Maximum Limit**

- (a) The result of dividing the Sum Insured for Increase in Cost of Working by the number of separate **Buildings** at all of the **Premises**.
- (b) If a special limit stated in the **Schedule** applies to one or more **Building**, the Maximum Limit for the **Building** will be calculated by applying the 'Percentage Limit' shown against each **Building** to the Sum Insured for Increased Cost of Working.

The remainder of the Sum Insured will be divided equally between the other **Buildings** to produce the Maximum Limit for each.

If the limit is shown as an amount, this amount will be the Maximum Limit for the **Building** concerned.

### **Media**

All forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic **Data** processing equipment.

### **Money**

Cash, bank currency notes, cheques, giro cheques, travellers cheques, postal or money orders, banker's drafts, current postage and revenue stamps, unused units in postage stamp franking machines, national insurance stamps, stamped or franked national insurance cards, national savings stamps, national savings certificates, premium bonds, holiday-with-pay stamps, bills of exchange, credit and debit card sales vouchers, luncheon vouchers, consumer redemption vouchers, trading stamps, gift tokens, lottery and other prize scratch cards and VAT purchase invoices all pertaining to the **Business** and belonging to **You** or which is **Your** responsibility.

### **Non-Negotiable Money**

Crossed cheques, crossed **Money** orders, crossed postal orders, crossed bankers' drafts, stamped national insurance cards, national savings certificates, unexpired units in franking machines, credit card sales vouchers and VAT purchase invoices.

### **Outbuildings**

Any building at the Premises which does not incorporate permanent foundations below ground level.

### **Period of Insurance**

From the effective date until the expiry date shown in the **Schedule**.

### **Permanent Total Disablement**

**Physical Injury** not resulting in death or **Loss of Limbs or Eyes**, which solely and directly results in permanent and absolute inability of the **Insured Person** to attend to any part whatsoever of their occupation or any other occupation for which they are fitted by knowledge or training.

### **Personal Effects**

Those articles which are normally worn or carried by the user when in use.

### **Physical Injury**

Injury (including multiple injuries sustained in one incident) caused solely and directly by violent, external and visible means (excluding sickness, disease or mental illness or shock) as a result of malicious attack by anyone stealing or attempting to steal the **Property Insured** or **Money**.

### **Pollution and/or Contamination**

- (a) Pollution or contamination of buildings or other structures or of water or land or the atmosphere and
- (b) all loss, **Damage to Property** and **Bodily Injury** directly or indirectly caused by such pollution or contamination.

### **Premises**

The **Buildings** and land inside the boundaries at the risk address shown in the **Schedule**.

### **Products Supplied**

Anything which is:

- (a) manufactured, sold, supplied, processed or treated
- (b) repaired, serviced or tested
- (c) installed, constructed, erected or transported

by **You** or on **Your** behalf and which is no longer owned by **You** or in **Your** custody or control or that of any **Employee**.

### **Property Insured**

**Property Insured** as detailed in the **Schedule**.

**Rate of Gross Profit**

**Gross Profit** earned on and expressed as a percentage of **Turnover** during the financial year immediately before the date of the **Damage**.

The **Rate of Gross Profit** may be adjusted to reflect any trends or circumstances which:

- (a) affect the **Business** before or after the **Damage**
- (b) would have affected the **Business** had the **Damage** not occurred.

The adjusted figure will represent as near as possible the results which would have been achieved during the same period had the **Damage** not occurred.

**Remainder Limit**

The **Maximum Limit** less any sum paid or payable for loss during the first three months of the **Indemnity Period**.

**Remainder Period**

The **Maximum Indemnity Period** less three months.

**Rent Receivable**

The **Money** paid or payable to **You** by the tenants for rental of the **Premises**.

**Responsible Person**

**You** or any person authorised by **You** to be responsible for the security of the **Premises** or property.

**Schedule**

The document attaching to this policy that contains details of the **Insured**; the **Premises**; the Sections of cover, any **Excess(es)** and Endorsements that are operative.

**Specified Disease**

Any of the following diseases contracted by any person

- (a) Acute encephalitis, Acute poliomyelitis, Anthrax, Botulism, Brucellosis, Chicken pox, Cholera, Diphtheria, Dysentery, Erysipeloid, Legionellosis, Legionnaires Disease, Leprosy, Leptospirosis, Lyme Disease, Malaria, Measles, Meningitis, Meningococcal septicaemia, Mumps, Ophthalmia neonatorum, Paratyphoid fever, Puerperal fever, Plague, Rabies, Relapsing fevers, Rubella, Scarlet fever, Smallpox, Tetanus, Toxoplasmosis, Tuberculosis, Typhoid fever, Typhus fever, Viral hepatitis, Whooping cough, Yellow fever
- (b) Viral haemorrhagic fever caused by the following virus's Lassa virus, Junin virus, Machupo virus, Sabia virus, Guanarito virus, Ebola virus, Marburg virus, Crimean-Congo haemorrhagic fever virus, Hanta virus, Rift Valley fever virus, Yellow fever virus, Dengue virus.

**Specified Event**

The following insured events:

Fire, lightning, explosion, earthquake and/or subterranean fire, theft, storm, flood, escape of water from any fixed tank, apparatus or pipe, and, impact by aircraft or other aerial devices, any vehicle or articles falling from them, or by animals.

**Specified Working Expenses**

- (a) purchases of materials for production or re-sale (less any discounts received)
- (b) bad debts
- (c) discounts allowed
- (d) any additional **Specified Working Expenses** stated in the **Schedule**.

The words and expressions used in this Definition will have the meaning usually attached to them in **Your** books and accounts.

**Standard Gross Fees**

The **Gross Fees** during that period in the twelve months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**.

The **Standard Gross Fees** may be adjusted to reflect any trends or circumstances which:

- (a) affect the **Business** before or after the **Damage**
- (b) would have affected the **Business** had the **Damage** not occurred.

The adjusted figure will represent as near as possible the results which would have been achieved during the same period had the **Damage** not occurred.

### **Standard Gross Revenue**

The **Gross Revenue** during that period in the twelve months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**.

The **Standard Gross Revenue** may be adjusted to reflect any trends or circumstances which:

- (a) affect the **Business** before or after the **Damage**
- (b) would have affected the **Business** had the **Damage** not occurred.

The adjusted figure will represent as near as possible the results which would have been achieved during the same period had the **Damage** not occurred.

### **Standard Turnover**

The **Turnover** during that period in the twelve months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**.

The **Standard Turnover** may be adjusted to reflect any trends or circumstances which:

- (a) affect the **Business** before or after the **Damage**
- (b) would have affected the **Business** had the **Damage** not occurred.

The adjusted figure will represent as near as possible the results which would have been achieved during the same period had the **Damage** not occurred.

### **Stock**

Stock in trade belonging to **You** or held in trust or on commission by **You** for which **You** are responsible, excluding **Target Stock**.

### **Target Stock**

**Stock** in trade belonging to **You** or held in trust or on commission by **You** for which **You** are responsible comprising :

- (a) cigars, cigarettes and tobacco
- (b) e-cigarettes and accessories
- (c) wines and spirits
- (d) radio, television, audio or video equipment, tapes, cassettes and discs
- (e) computers, computer equipment and games
- (f) portable electronic devices
- (g) non-ferrous metals
- (h) photographic equipment and binoculars.

### **Temporary Total Disablement**

**Physical Injury** which solely and directly results in total and absolute inability of the **Insured Person** to attend any part whatsoever of their occupation.

### **Territorial Limits**

- (a) the United Kingdom, the Isle of Man and the Channel Islands
- (b) a country which is a member of the European Union but only in respect of temporary **Business** carried out by **You** and any **Employee** normally resident in the territories set out in (a) above
- (c) elsewhere in the world in respect of temporary **Business** journeys by any person normally resident in the territories set out in (a) above which do not involve manual labour or the supervision of manual labour.

(This definition does not apply to Section M – Commercial Legal Protection)

### **Terrorism**

Any act or acts, including but not limited to

- (a) the use of force or violence and/or the threat thereof  
and /or
- (b) harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and /or radiological means  
caused or occasioned by 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 ethnic purposes or reasons including the intention to influence or overthrow any government and/or to put the public, or any section of the public, in fear.

### **Turnover**

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

**Unattended Vehicle**

Any vehicle left without a **Responsible Person** either within the vehicle or sufficiently close to keep the vehicle under constant observation and able to prevent any attempt by any other person to interfere with the Vehicle.

**Unlawful Association**

Any organisation which is engaged in **Terrorism** including any organisation which, at any relevant time, is a proscribed organisation within the meaning of the Northern Ireland (Emergency Provisions) Act 1973.

**Unoccupied**

Any **Building** or part thereof that is unoccupied or not in active use by You or any legal tenant of Yours.

**Virus or Similar Mechanism**

Program code, programming instruction or any set of instructions constructed with the purpose and ability, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor computer programs, Computer Systems, Data 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 and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

**We/Us/Our**

Bspoke Commercial Limited acting on behalf of the **Insurer**. (This definition does not apply to Sections M and O).

**You/Your/Yourselves**

The person, persons, company, companies, partnership, partnerships or unincorporated association named in the **Schedule** as the Insured.

# Section A – Material Damage (including Theft)

## The Cover

**We** will compensate **You** in respect of **Damage** to the **Property Insured** at the **Premises** caused by the insured events in paragraphs 1 – 17, and, if specified in the **Schedule**, paragraph 18

### **What is covered**

### **What is not covered**

1. Fire.

#### **Damage:**

- (a) caused by explosion resulting from fire unless explosion as defined by the event in paragraph 4. is insured
- (b) caused by earthquake or subterranean fire unless earthquake or subterranean fire as defined by the event in paragraph 5. is insured
- (c) caused by spontaneous fermentation or heating
- (d) to the **Property Insured** caused by its undergoing any process involving the application of heat.

2. Lightning.

3. Aircraft or other aerial devices or articles falling from them.

**Damage** arising from pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

4. Explosion.

**Damage** caused by the bursting of:

- (a) a boiler
  - (b) other equipment
- where the internal pressure is due to steam only and such apparatus belongs to **You** or is under **Your** control, unless the boiler is used only for domestic purposes

**Damage** in respect of any equipment which belongs to **You** or is under **Your** control, which requires examination under Statutory Regulations unless such equipment is the subject of a contract providing such examination.

5. Earthquake or subterranean fire.

6. (a) Theft or attempted theft.

**Damage** caused by theft or attempted theft not involving entry to or exit from the **Buildings** by forcible and violent means.

(b) Robbery or attempted robbery committed in the **Premises**.

**Damage** to **Outbuildings**, walls, gates and fences, yards, car parks and pavements.

Loss or **Damage** from yards, gardens, open spaces or **Outbuildings** unless their contents are specifically mentioned as insured by this Section in the **Schedule**.

**Damage** to any coin and similarly operated gaming or amusement machines or their contents.

**Damage** whilst the **Premises** are **Unoccupied**.

7. Riot, civil commotion, strikers, locked out workers, people taking part in labour disturbances or malicious people.

**Damage** caused through confiscation, destruction or requisition by order of the Government or any statutory authority.

**Damage** resulting from stoppage of work.

**Damage** whilst the **Premises** are **Unoccupied**.

## What is covered

## What is not covered

### 8. Storm or Flood.

#### **Damage:**

- (a) caused by frost, subsidence, ground heave or landslip
- (b) to **Stock** or **Target Stock** in the basement or cellar unless placed on racks, shelves or stillages at least 15cm above floor level
- (c) due to a change in the water table level
- (d) to fences, gates and moveable property in the open.

**Damage** whilst the **Premises** are **Unoccupied**.

### 9. Escape of water from fixed water apparatus.

**Damage** to **Stock** or **Target Stock** in the basement or cellar unless placed on racks, shelves or stillages at least 15cm above floor level.

**Damage** to the actual tank, apparatus or pipes from which the water escaped unless caused by freezing.

**Damage** caused by water discharged or leaking from any automatic sprinkler installation.

**Damage** whilst the **Premises** are **Unoccupied**

### 10. Impact by any vehicle or by any animal.

### 11. Falling radio or television aerials and dishes, fittings or masts.

**Damage** arising from the erection, dismantling, repair or maintenance of such apparatus.

**Damage** to fences, gates and moveable property in the open.

### 12. Falling trees or branches.

**Damage** caused:

- (a) by felling lopping or pruning of trees
- (b) to fences, gates and moveable property in the open.

### 13. Leakage of fuel oil from any fixed oil-fired heating installation.

**Damage** whilst the **Premises** are **Unoccupied**.

### 14. Leakage of beer from fixed tanks, pipes or apparatus.

**Damage** whilst the **Premises** are **Unoccupied**.

### 15. Accidental breakage of fixed: (a) glass in windows, doors, showcases, counters and shelves (b) blinds and canopies (c) sanitaryware for which **You** are responsible at the **Premises**.

Breakage of cracked or scratched glass, or glass that was in any way defective at the time cover was effected.

**Damage** resulting from repairs or alterations to the **Premises**.

**Damage** whilst the **Premises** are **Unoccupied**.

**We** will also pay for:

- (i) the reasonable cost of boarding up until the broken glass is replaced
- (ii) **Damage** to frames and framework
- (iii) **Damage** to Property within display windows
- (iv) lettering, ornamentation and alarm foil up to an amount not exceeding £1,000.

### 16. Accidental Escape of Water from any Automatic Sprinkler Installation in the Premises.

**Damage** whilst the **Premises** are **Unoccupied**

**Damage** caused by Explosion, Earthquake, Subterranean Fire or heat caused by Fire.

**17. Damage** from any cause which is not excluded by the terms, Conditions and limitations of the policy.

**Damage** caused by:

- (a) the events in paragraphs 1 to 16 or 18 or any of their detailed exclusions shown as **What is not covered**
- (b) frost but not subsequent **Damage** from a cause not otherwise excluded
- (c) wear, tear, gradual deterioration, depreciation or inherent or latent defect but not subsequent **Damage** from a cause not otherwise excluded
- (d) extremes or changes in temperature or humidity, wet or dry rot, rust or corrosion, vermin, insect infestation, toxic mould, shrinkage, evaporation, loss of weight, dryness, marring, scratching, damp or mildew, seepage below ground level, cracking, bruising, exposure to light or change in colour, texture, flavour or finish
- (e) collapse, cracking, settling, shrinkage or expansion of foundations walls, floors, ceilings or roofs
- (f) subsidence, ground heave or landslip
- (g) any process of testing or repairing, cleaning, dyeing, packing, production, restoration, renovation, treatment, commissioning, alteration, servicing or maintenance
- (h) mechanical or electrical breakdown, derangement of machinery or equipment, overloading or faulty or defective materials, design or workmanship (other than **Damage** to **Property Insured** not forming part of the same machine or equipment), operational error or omission on **Your** part or the part of any of **Your Employees**, electrical or magnetic disturbance or erasure of electronic recordings
- (i) leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith
- (j) disappearance, unexplained or inventory shortage or misplacing or misfiling of information
- (k) acts of fraud, dishonesty or deception, including collusion, by **You** or any of **Your** directors, partners or **Employees**, or any person to whom **Property Insured** has been entrusted
- (l) delay, loss of market, loss of use or **Consequential Loss** of any kind
- (m) or consisting of distortion, erasure or corruption of computer records or **Media**
- (n) **Pollution or Contamination:**
  - However, unless otherwise excluded, **We** will compensate **You** in respect of **Damage** to the **Property Insured**, not otherwise excluded, caused by:
    - (i) **Pollution and/or Contamination** which results from any of the events in paragraphs 1 – 18 under this Section
    - (ii) any of the events in paragraphs 1 – 18 under this Section which result from **Pollution or Contamination**
  - (o) or attributable solely to changes in the water table level.

**Damage** whilst the **Premises** are **Unoccupied**.

**Damage** to:

- (a) glass, china, earthenware, marble or other fragile or brittle objects
- (b) property in the open or in transit.

**Damage:**

**18. Subsidence, ground heave or landslip.**

## What is covered

Provided that **You** give **Us** immediate notice and in any event no later than 10.00am on **Our** next working day, in the event of construction demolition or excavation operations being commenced at the **Premises** or on any adjoining site. In such event **We** will have the right to vary or cancel the cover provided by this policy for **Damage** caused by subsidence, ground heave or landslip.

## What is not covered

- (a) caused by the settlement or movement of made up ground or by coastal or riverbank erosion
- (b) occurring whilst the **Buildings** or any part of the **Buildings** are in course of erection, demolition, structural alteration or structural repair
- (c) caused by collapse, cracking, settlement or shrinking of **Buildings**
- (d) caused by defective design or inadequate construction of foundations or in respect of defective workmanship or use of faulty materials
- (e) to land, roads, pavements, piers, jetties, bridges, culverts and excavations.

### Damage to:

- (a) **Outbuildings**, forecourts, yards, car parks, driveways, footpaths, swimming pools, terraces or patios
- (b) **Walls, gates, hedges or fences**

Unless **Damage** also occurs to the **Buildings**.

**Damage** whilst the **Premises** are **Unoccupied**.

## Section Conditions (also refer to the General Policy Conditions)

The following Conditions apply to this Section and shall keep the same meaning wherever they appear in the Section.

### 1. Average

The Sum Insured under each Item shown in the **Schedule** is separately subject to **Average**.

### 2. Basis of Claim Settlement – Indemnity

In the event of **Damage** to the **Property Insured** comprising **Stock, Target Stock, Employees’** pedal cycles or **Personal Effects**, the basis upon which **We** will calculate the amount **We** will pay in respect of any claim will be the cost of replacement or repair of the property lost, destroyed or **Damaged**, to a condition as good as, but not better or more extensive than, its condition immediately prior to the **Damage**, or at **Our** option, the reduction in value of the **Property Insured**.

### 3. Basis of Claim Settlement – Reinstatement

In the event of **Damage** to the **Property Insured** other than **Stock, Target Stock, Employees’** pedal cycles or **Personal Effects**, the basis upon which **We** will calculate the amount **We** will pay in respect of any claim will be the reinstatement of the property lost, destroyed or **Damaged**, subject to the following Conditions:

(a) Where the **Property Insured** is:

- (i) lost or destroyed, **We** will pay for its rebuilding or replacement by similar property in a condition as good as, but not better or more extensive than, its condition when new
- (ii) **Damaged**, **We** will pay for the replacement or repair of the **Damaged** portion to a condition as good as, but not better or more extensive than, its condition when new.

However, **We** will not pay more than **We** would have done if the property has been completely destroyed.

(b) The work of reinstatement:

- (i) may be carried out on another site and in a manner suitable to **Your** needs. However, **Our** liability must not be increased.
- (ii) must begin and be carried out as quickly as possible.

(c) The following condition of **Average** will apply:

If the **Sum Insured** at the time the **Damage** occurred is less than 85% of the amount necessary to replace the whole of the **Property Insured**, at the time of rebuilding or replacement, **You** will be liable to bear a proportionate share of the loss.

(d) **We** will not compensate **You** if **You**:

- (i) do not incur the cost of replacing, reinstating or repairing the **Property Insured**
- (ii) or someone acting on **Your** behalf, have insured the property under another policy which does not have a similar basis of reinstatement
- (iii) do not comply with any of the terms of this Condition.

#### 4. Basis of Claim Settlement – Reinstatement (Day One Basis)

Only applicable if stated in the **Schedule**

In the event of **Damage** to any item in the **Schedule** to which this Condition applies (other than in respect of **Employees’** pedal cycles or **Personal Effects**), the basis upon which **We** will calculate the amount **We** will pay in respect of any claim will be the reinstatement of the property lost, destroyed or **Damaged**, subject to the following Conditions:

- (a) Where the **Property Insured** is:
  - (i) lost or destroyed, **We** will pay for its rebuilding or replacement by similar property in a condition as good as, but not better or more extensive than, its condition when new
  - (ii) **Damaged**, **We** will pay for the replacement or repair of the damaged portion to a condition as good as, but not better or more extensive than, its condition when new.

However, **We** will not pay more than **We** would have done if the property has been completely destroyed.

- (b) The work of reinstatement:
  - (i) may be carried out on another site and in a manner suitable to **Your** needs.  
However, **Our** liability must not be increased
  - (ii) must begin and be carried out as quickly as possible.

- (c) The first and annual premiums are based upon the Declared Value as stated in the **Schedule**.

Declared Value shall mean **Your** assessment of the cost of reinstatement of the **Property Insured** arrived at in accordance with paragraph (a) at the level of costs applying at the start of the **Period of Insurance** (ignoring inflationary factors which may operate subsequently) together with an allowance for:

- (i) the additional cost of reinstatement to comply with:
  - a. Act of Parliament
  - b. Byelaws of any public authority
- (ii) professional fees
- (iii) debris removal costs.

The Declared Value incorporated in each Item is stated in the **Schedule**.

- (d) **You** must notify **Us** of the Declared Value at the start of each **Period of Insurance**.

If **You** fail to notify **Us** of the Declared Value at the start of any **Period of Insurance**, **We** will use the last Declared Value notified to **Us** for the following **Period of Insurance**.

- (e) The following condition of **Average** will apply:  
If the Declared Value at the time the **Damage** occurred is less than the amount necessary to replace the whole of the **Property Insured** at the start of the **Period of Insurance**, **You** will be liable to bear a proportionate share of the loss.
- (f) **We** will not compensate **You** if **You**:
  - (i) do not incur the cost of replacing, reinstating or repairing the **Property Insured**
  - (ii) or someone acting on **Your** behalf, have insured the property under another policy which does not have a similar basis of reinstatement.
  - (iii) do not comply with any of the terms of this Condition.
- (g) The maximum **We** will pay in respect of each separate item subject to this Condition is its Sum Insured. The Sum Insured applicable to each item to which this Condition applies is calculated by applying a 15% uplift to the Declared Value as stated in the Schedule (unless a different uplift is specified in the Schedule).

#### 5. Excess

The **Excess(es)** applicable under this Section is shown in the **Schedule**.

#### 6. Limit of Liability

The most **We** will pay under this Section in any one **Period of Insurance** is the Sum Insured by each item specified in the **Schedule** or any other stated limit of liability.

## Section A also provides the following Cover Enhancements

### 1. Automatic Reinstatement of Sum Insured

**We** will automatically reinstate the Sum Insured upon notification of a claim to **Us** unless **We** give written notice to the contrary.

Provided that:

- (a) **You** pay the appropriate additional premium
- (b) **You** take immediate steps to carry out any amendments in the protections of the **Premises** that **We** may require.

### 2. Capital Additions

**We** will compensate **You** in respect of **Damage** to:

- (a) newly built and/or newly acquired **Buildings** and/or **Contents**
- (b) alterations, additions and improvements to **Buildings** and/or **Contents**, but not in respect of any appreciation in value situate anywhere in the United Kingdom, the Isle of Man or the Channel Islands.

**We** will not pay for loss or **Damage** caused by Theft or attempted Theft or Robbery or attempted Robbery.

The most **We** will pay in respect of any one location is:

- (a) 10% of the total **Buildings** and **Contents** Sum Insured by this Section
  - or
  - (b) £500,000
- whichever is the lower.

**You** must provide **Us** with details of these extensions as soon as possible, but at least within six months and specifically insure such extensions with **Us**, from the date **Our** exposure commenced.

### 3. Changing Locks

**We** will pay for the cost of changing locks at the **Premises** if keys are lost from:

- (a) the **Premises**
  - (b) **Your** home
  - (c) the home of any authorised **Employee**
- following Theft or attempted Theft,

or

whilst in **Your** custody or that of an **Employee** following robbery or attempted robbery committed against **You** or an **Employee**.

If the keys belong to a safe they must be:

- (a) removed from the **Premises** overnight
- (b) kept in a secure place away from the safe when **You** or an **Employee** occupies the **Premises**.

The most **We** will pay for any one loss is £1,000.

### 4. Clearing of Drains

**We** will pay for the costs and expenses necessarily and reasonably incurred in cleaning, clearing or repairing drains, gutters or sewers at the **Premises**, for which **You** are responsible following **Damage** caused by any of the events in paragraphs 1 – 17, and if specified in the **Schedule**, paragraph 18.

### 5. Collusion

**We** will indemnify **You** in the event of **Damage** by Theft by or in collusion with any director, partner or **Employee** of **Yours**.

**We** will not compensate **You** for **Damage** caused by theft or attempted theft not involving entry to or exit from the **Buildings** by forcible and violent means.

### 6. Contract Sale Price

Where **You** have agreed the sale of but not delivered goods and as a result of **Damage** the sale is cancelled under the terms of the sale contract, either wholly or to the extent of the **Damage**, **We** will pay the Contract Price.

The most **We** will pay is the Sum Insured shown against the item for **Stock** in the **Schedule**.

### 7. Debris Removal

The Sum Insured for each item includes costs and expenses **You** incur, with **Our** consent, for:

- (a) removal of debris
- (b) dismantling or demolishing
- (c) shoring up or propping of the parts of the **Property Insured** which have suffered **Damage** insured under this Section.

**We** will not compensate **You** in respect of costs and expenses:

- (a) incurred in removing debris from anywhere other than the site of the **Damage** and the area adjacent to it

- (b) arising from **Pollution or Contamination** of property not insured under this Section
- (c) more specifically insured.

#### 8. Public Authorities

Following **Damage** as insured under this Section in respect of **Buildings** or **Contents**, **We** will pay the additional cost of reinstating the **Property Insured** necessary to comply with any:

- (a) Act of Parliament
- (b) byelaws of any Public Authority.

**We** will not compensate **You** in respect of

- (a) costs incurred:
  - (i) in respect of **Damage** not insured by this Section
  - (ii) where notice was served on **You** before the **Damage** occurred
  - (iii) where an existing requirement must be completed within a stipulated period
  - (iv) in respect of property or parts of the property, other than foundations (unless foundations are specifically excluded), which have not suffered **Damage**
- (ii) any charge or assessment arising from capital appreciation following compliance with this legislation.

The reinstatement of the property:

- (a) must begin and be carried out as quickly as possible
- (b) may be carried out on another site and in a manner suitable to **Your** needs but this must not increase **Our** liability.

If **Our** liability under this Section is reduced by the application of any terms or Conditions of this policy, **Our** liability under this Extension will be similarly reduced.

The most **We** will pay under this Extension in respect of any one item is the item Sum Insured.

#### 9. Exhibitions

**We** will pay for **Damage** to **Contents**, **Stock** or **Target Stock** whilst in any property being used for an exhibition within the United Kingdom, the Isle of Man or the Channel Islands, including transit to and from the exhibition, but excluding theft from **Unattended Vehicles**.

The most **We** will pay is £5,000 any one exhibition.

#### 10. Fire and Security Equipment

**We** will compensate **You** in respect of costs and expenses incurred in:

- (a) refilling, recharging or replacing any
  - (i) portable fire extinguishing appliances
  - (ii) local fire suppression system
  - (iii) fixed fire suppression system
  - (iv) sprinkler installation
  - (v) sprinkler heads
- (b) re-setting fire and/or intruder alarms and/or closed-circuit television equipment following **Damage** insured by this Section.

#### 11. Fire and Rescue Services Costs

**We** will pay costs charged by the Fire and Rescue Services or other emergency services directly relating to the extinguishing or fighting of fire at the **Premises**.

#### 12. Fire and Rescue Services Damage

**We** will compensate **You** in respect of costs and expenses incurred in reinstating or repairing grounds, landscaped gardens, pavements, road surfaces and any other property comprising the **Premises** following **Damage** caused by the Fire and Rescue Services or other emergency services equipment or personnel in the course of combating fire.

The most **We** will pay in respect of any one claim is £1,000.

#### 13. Loss of Metered Water Oil or LPG

**We** will pay for charges for which **You** are responsible if water, oil or LPG is accidentally discharged from a metered system providing service to the **Premises**.

**We** will not compensate **You** in respect of:

- (a) Loss occurring when the **Premises** are **Unoccupied**
- (b) Loss which remains undiscovered for 120 days or more.

The most **We** will pay in respect of any one occurrence is £10,000.

#### 14. Non-invalidation

The insurance by this Section will not be invalidated by any act, omission or alteration, either unknown to **You** or beyond **Your** control, which increases the risk of **Damage**.

However, **You** must:

- (a) notify **Us** immediately **You** become aware of any such act, omission or alteration
- (b) pay any additional premium **We** require.

#### 15. Other Interests

The interests of third parties which **You** are required to include under the terms of any mortgage, hiring, leasing, hire purchase or similar agreement are automatically noted.

However, **You** must notify **Us** of the nature and extent of any such interest in the event of **Damage**.

#### 16. Professional Fees

The Sum Insured for each item of the **Schedule** for **Buildings** and **Contents** includes an amount for professional fees necessarily incurred in reinstating or repairing the **Property Insured**, following **Damage** insured under this Section.

**We** will not compensate **You** in respect of fees:

- (a) more specifically insured
- (b) incurred in preparing a claim.

#### 17. Seventy-Two Hours

**Damage** occurring within seventy-two consecutive hours of and arising from storm, flood, escape of water from fixed water apparatus is deemed to be one claim.

Any such event which continues for a period exceeding seventy-two consecutive hours shall be deemed multiple claims.

**You** have the right to select the moment from which the seventy-two-hour period begins within the terms of this Section, provided that:

- (a) this is not earlier than the first recorded **Damage** sustained by **You**
- (b) such **Damage** occurred prior to the expiry of the **Period of Insurance**.
- (c) no periods of seventy-two hours shall overlap.

#### 18. Subrogation Waiver

**We** agree to waive any rights, remedies or relief to which **We** may have become entitled by subrogation against any parent or subsidiary company of **Yours** or any fellow subsidiary where **You** are also a subsidiary as defined by the Companies Act or the Companies (N.I.) Order, current at the time of **Damage**.

#### 19. Temporary Removal

**We** will compensate **You** in respect of **Damage** as insured by this **Section** to:

- (a) the **Property Insured**, other than **Stock** or **Target Stock**, while temporarily removed for cleaning, renovation or repair
- (a) deeds and other documents (including stamps thereon), manuscripts, plans and writings of every description and books (written and printed)

within the United Kingdom, the Isle of Man or the Channel Islands, including while in transit.

The most **We** will pay is 10% of the Sum Insured.

#### 20. Theft Damage to Buildings

**We** will compensate **You** in respect of **Damage** to **Buildings** at the **Premises** for which **You** are responsible caused by theft or attempted theft.

**We** will not compensate **You** in respect of:

- (a) **Damage** occurring when the **Premises** are **Unoccupied**
- (b) **Damage** to **Outbuildings**, walls, gates and fences, yards, car parks and pavements.

The most **We** will pay under this Extension is the Sum Insured in respect of **Buildings**.

#### 21. Trace and Access

**We** will pay reasonable costs and expenses incurred with **Our** consent:

- (a) in locating the actual source of **Damage**
  - (b) any repairs directly arising from (a)
- caused by the escape of water from any tank apparatus or pipe or leakage of fuel from any fixed oil heating installation, provided such **Damage** is insured by this Section.

**We** will not compensate **You** in respect of costs or expenses incurred where **Damage** results solely from a change in the water table level.

The most **We** will pay is £10,000 in any one **Period of Insurance**.

## 22. Transfer of Interest

If at the time of **Damage** to **Buildings** insured under this Section, **You** have entered into a contract to sell **Your** interest in it, but:

(a) the contract has not yet been completed

(b) the **Buildings** have not yet been insured by or on behalf of the purchaser

and the purchase is subsequently completed, **We** will compensate the purchaser to the extent that this Section insures those **Buildings**.

This will not affect either **Your** or **Our** rights and liabilities up to the date of completion of the purchase.

## 23. Underground Services

Where **We** provide indemnity in respect of **Your Buildings**, or where **You** are liable as tenant, **We** will compensate **You** in respect of accidental **Damage** to underground pipes or cables which extend from the **Buildings** to the public mains.

**We** will not compensate **You** in respect of:

(a) the cost of maintenance

(b) accidental **Damage** caused by:

(i) gradual deterioration or wear and tear

(ii) corrosion, rust, rot or fungus

(iii) vermin or insects

(iv) atmospheric or climatic conditions

(v) normal settlement or shrinkage

(vi) faulty workmanship, defective design or the use of defective materials.

The most **We** will pay is £25,000 any one occurrence

## 24. Workmen

Repairs, general maintenance work or minor structural or other alterations may be carried out at the **Premises** without affecting the cover.

## Section B – Business Interruption

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### Section Definitions

#### (also refer to the Policy Definitions)

The following Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### **Damage**

Physical loss or destruction of, or **Damage** to, the **Property Insured** caused by one of the events under Section A – Material Damage (including Theft).

### The Cover

In respect of each item in the **Schedule**, **We** will compensate **You** in respect of any interruption or interference with the **Business** resulting from

**Damage** to property used by **You** at the **Premises** for the purpose of the **Business** occurring during the **Period of Insurance** to the extent of Cover under Section A – Material Damage (including Theft).

**The Schedule will show which basis is operative.**

#### **What is covered**

#### **What is not covered**

### Gross Profit

**Gross Profit** Sum Insured stated in the **Schedule**.

The insurance is limited to loss of **Gross Profit** due to:

- (a) reduction in **Turnover**
- and
- (b) increase in cost of working.

**We** will pay:

- (i) in respect of reduction in **Turnover**:  
the sum produced by applying the **Rate of Gross Profit** to the amount by which due to the **Damage**, the **Standard Turnover** exceeds the **Turnover** during the **Indemnity Period**
- (ii) in respect of increase in cost of working:  
any additional expense **You** necessarily and reasonably incur solely to prevent or limit a reduction in **Turnover** during the **Indemnity Period** which but for such additional expenses would have taken place due to the **Damage**

less any savings during the **Indemnity Period** in **Business** charges or expenses, payable out of **Gross Profit**, which reduce or cease due to the **Damage**.

If at the time of the **Damage** the Sum Insured is less than the sum produced by applying the **Rate of Gross Profit** to the **Annual Turnover** (proportionately increased where the **Maximum Indemnity Period** exceeds twelve months), **You**

will be responsible for the difference and bear a proportionate share of the loss.

In respect of increase in cost of working, **We** will not pay more than the amount produced by applying the **Rate of Gross Profit** to the reduction in **Turnover** avoided by the expenditure.

**We** will not compensate **You** if:

- (a) **You**:
  - (i) agree a composition or arrangement with creditors
  - (ii) agree a proposal for a voluntary arrangement for a composition of debts or a scheme of arrangement approved in accordance with the Insolvency Act 1986 (or any successor act)
  - (iii) have an application made under the Insolvency Act 1986 (or any successor act) to the court for the appointment of an administrator
  - (iv) have a winding up order made or a resolution for voluntary winding up passed (except for the purposes of amalgamation or reconstruction), or have a provisional liquidator, receiver, or receiver and manager of the **Business** duly appointed
  - (v) have an administrative receiver, as defined in the Insolvency Act 1986 (or any successor act), appointed or have possession taken by or on behalf of the holders of any debentures secured by floating charge or of any property comprised in or subject to the floating charge
- (b) **Your** interest ceases otherwise than by **Your** death  
unless **We** issue written agreement stating otherwise.

## What is covered

## What is not covered

The most **We** will pay is the Sum Insured stated in the **Schedule**.

### What is not covered

### What is covered

## Estimated Gross Profit

**Estimated Gross Profit** Sum Insured stated in the **Schedule**.

The insurance is limited to loss of **Gross Profit** due to:

- (a) reduction in **Turnover**  
and
- (b) increase in cost of working.

**We** will pay:

- (a) in respect of reduction in **Turnover**:  
the sum produced by applying the **Rate of Gross Profit** to the amount by which due to the **Damage**, the **Standard Turnover** exceeds the **Turnover** during the **Indemnity Period**
- (b) in respect of increase in cost of working:  
any additional expense **You** necessarily and reasonably incur solely to prevent or limit a reduction in **Turnover** during the **Indemnity Period** which but for such additional expenses would have taken place due to the **Damage**

less any savings during the **Indemnity Period** in **Business** charges or expenses, payable out of **Gross Profit**, which reduce or cease due to the **Damage**.

The most **We** will pay is:

- (a) in respect of **Gross Profit**:  
133⅓% of the **Estimated Gross Profit** stated in the **Schedule**
- (b) overall:  
133⅓% of the **Estimated Gross Profit** stated in the **Schedule**

and 100% of the Sums Insured by other items unless otherwise agreed by **Us**.

If at the time of the **Damage** the Sum Insured on **Estimated Gross Profit** is less than the sum produced by applying the **Rate of Gross Profit** to the **Annual Turnover** (proportionately increased where the **Maximum Indemnity Period** exceeds twelve months), **You**

will be responsible for the difference and bear a proportionate share of the loss and the maximum **We** will pay is the **Estimated Gross Profit** stated in the **Schedule**.

In respect of increase in cost of working, **We** will not pay more than the amount produced by applying the **Rate of Gross Profit** to the reduction in **Turnover** avoided by the expenditure.

**We** will not compensate **You** if:

- (a) **You**:
  - (i) agree a composition or arrangement with creditors
  - (ii) agree a proposal for a voluntary arrangement for a composition of debts or a scheme of arrangement approved in accordance with the Insolvency Act 1986 (or any successor act)
  - (iii) have an application made under the Insolvency Act 1986 (or any successor act) to the court for the appointment of an administrator
  - (iv) have a winding up order made or a resolution for voluntary winding up passed (except for the purposes of amalgamation or reconstruction), or have a provisional liquidator, receiver, or receiver and manager of the **Business** duly appointed
  - (v) have an administrative receiver, as defined in the Insolvency Act 1986 (or any successor act), appointed or have possession taken by or on behalf of the holders of any debentures secured by floating charge or of any property comprised in or subject to the floating charge
- (b) **Your** interest ceases otherwise than by **Your** death  
unless **We** issue written agreement stating otherwise.

## Gross Revenue

**Gross Revenue** Sum Insured stated in the **Schedule**.

The insurance is limited to loss of **Gross Revenue** due to:

- (a) reduction in **Gross Revenue**
- and
- (b) increase in cost of working.

**We** will pay:

- (a) in respect of reduction in **Gross Revenue**:  
the amount by which due to the **Damage**, the **Standard Gross Revenue** exceeds the actual **Gross Revenue** during the **Indemnity Period**
- (b) in respect of increase in cost of working:  
any additional expense **You** necessarily and reasonably incur solely to prevent or limit a reduction in **Gross Revenue** during the **Indemnity Period** which but for such additional expense would have taken place due to the **Damage**

less any savings during the **Indemnity Period** in **Business** charges or expenses, payable out of **Gross Revenue**, which reduce or cease due to the **Damage**.

If at the time of the **Damage** the Sum Insured is less than the **Annual Gross Revenue** (proportionately increased where the **Maximum Indemnity Period** exceeds twelve months), **You** will be responsible for the difference and bear a proportionate share of the loss.

The most **We** will pay is the Sum Insured stated in the **Schedule**.

In respect of increase in cost of working, **We** will not pay more than the reduction avoided by the expenditure.

**We** will not compensate **You** if:

- (a) **You**:
  - (i) agree a composition or arrangement with creditors
  - (ii) agree a proposal for a voluntary arrangement for a composition of debts or a scheme of arrangement approved in accordance with the Insolvency Act 1986 (or any successor act)
  - (iii) have an application made under the Insolvency Act 1986 (or any successor act) to the court for the appointment of an administrator
  - (iv) have a winding up order made or a resolution for voluntary winding up passed (except for the purposes of amalgamation or reconstruction), or have a provisional liquidator, receiver, or receiver and manager of the **Business** duly appointed
  - (v) have an administrative receiver, as defined in the Insolvency Act 1986 (or any successor act), appointed or have possession taken by or on behalf of the holders of any debentures secured by floating charge or of any property comprised in or subject to the floating charge
- (b) **Your** interest ceases otherwise than by **Your** death unless **We** issue written agreement stating otherwise.

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## What is not covered

## What is covered

## Estimated Gross Revenue

**Estimated Gross Revenue** Sum Insured stated in the **Schedule**.

The insurance is limited to loss of **Revenue** due to:

- (a) reduction in **Revenue**
- and
- (b) increase in cost of working.

**We** will pay:

- (i) in respect of reduction in **Gross Revenue**:  
the amount by which due to the **Damage**, the **Standard Gross Revenue** exceeds the actual **Gross Revenue** during the **Indemnity Period**

In respect of increase in cost of working, **We** will not pay more than the reduction avoided by the expenditure.

**We** will not compensate **You** if:

- (a) **You**:
  - (i) agree a composition or arrangement with creditors
  - (ii) agree a proposal for a voluntary arrangement for a composition of debts or a scheme of arrangement approved in accordance with the Insolvency Act 1986 (or any successor act)
  - (iii) have an application made under the Insolvency Act 1986 (or any successor act) to the court for the appointment of an administrator
  - (iv) have a winding up order made or a resolution for voluntary winding up passed (except for the purposes of amalgamation or reconstruction), or

- (ii) in respect of increase in cost of working:  
any additional expense **You** necessarily and reasonably incur solely to prevent or limit a reduction in **Gross Revenue** during the **Indemnity Period** which but for such additional expense would have taken place due to the **Damage**

less any savings during the **Indemnity Period** in **Business** charges or expenses, payable out of **Gross Revenue**, which reduce or cease due to the **Damage**.

The most **We** will pay is:

- a. in respect of **Gross Revenue**:  
133⅓% of the **Estimated Gross Revenue** stated in the **Schedule**
- b. overall:  
133⅓% of the **Estimated Gross Revenue** stated in the **Schedule**

and 100% of the Sums Insured by other items unless otherwise agreed by **Us**.

If at the time of the **Damage** the Sum Insured on **Estimated Gross Revenue** is less than 50% of the **Annual Gross Revenue** (proportionately increased where the **Maximum Indemnity Period** exceeds twelve months), **You** will be responsible for the difference and bear a proportionate share of the loss and the maximum **We** will pay is the **Estimated Gross Revenue** stated in the **Schedule**.

## **What is covered**

### **Gross Fees**

**Gross Fees** Sum Insured stated in the **Schedule**.

The insurance is limited to loss of **Gross Fees** due to:

- (a) reduction in **Gross Fees**  
and  
(b) increase in cost of working.

**We** will pay:

- (i) in respect of reduction in **Gross Fees**:  
the amount by which due to the **Damage**, the **Standard Gross Fees** exceed the **Gross Fees** during the **Indemnity Period**
- (ii) in respect of increase in cost of working  
any additional expense **You** necessarily and reasonably incur solely to prevent or limit a reduction in **Gross Fees** during the **Indemnity Period** which but for such additional expense would have taken place due to the **Damage**

- have a provisional liquidator, receiver, or receiver and manager of the **Business** duly appointed
- (v) have an administrative receiver, as defined in the Insolvency Act 1986 (or any successor act), appointed or have possession taken by or on behalf of the holders of any debentures secured by floating charge or of any property comprised in or subject to the floating charge
- (b) **Your** interest ceases otherwise than by **Your** death unless **We** issue written agreement stating otherwise.

## **What is not covered**

In respect of increase in cost of working, **We** will not pay more than the reduction avoided by the expenditure.

**We** will not compensate **You** if:

- (a) **You**:
- (i) agree a composition or arrangement with creditors
- (ii) agree a proposal for a voluntary arrangement for a composition of debts or a scheme of arrangement approved in accordance with the Insolvency Act 1986 (or any successor act)
- (iii) have an application made under the Insolvency Act 1986 (or any successor act) to the court for the appointment of an administrator
- (iv) have a winding up order made or a resolution for voluntary winding up passed (except for the purposes of

- amalgamation or reconstruction), or have a provisional liquidator, receiver, or receiver and manager of the **Business** duly appointed
- (v) have an administrative receiver, as defined in the

#### **What is covered**

less any savings during the **Indemnity Period** in **Business** charges or expenses, payable out of **Gross Fees**, which reduce or cease due to the **Damage**.

If at the time of the **Damage** the Sum Insured is less than the **Annual Gross Fees** (proportionately increased where the **Maximum Indemnity Period** exceeds twelve months), **You** will be responsible for the difference and bear a proportionate share of the loss.

The most **We** will pay is the Sum Insured stated in the **Schedule**.

#### **What is covered**

#### **What is not covered**

Insolvency Act 1986 (or any successor act), appointed or have possession taken by or on behalf of the holders of any debentures secured by floating charge or of any property comprised in or subject to the floating charge

- (b) **Your** interest ceases otherwise than by **Your** death unless **We** issue written agreement stating otherwise.

#### **What is not covered**

### **Increased Cost of Working**

Increased Cost of Working Sum Insured stated in the **Schedule**.

**We** will pay **Your** additional expenditure which has been reasonably and necessarily incurred, as a result of the **Damage**, to continue the **Business** during the **Indemnity Period**.

The maximum amount **We** will pay will not exceed:

- (a) during the first three months of the **Indemnity Period** 25% of the **Maximum Limit**
- (b) for each subsequent month of the **Indemnity Period** the proportion of the **Remainder Limit** which one month bears to:
  - (i) the **Remainder Period**
  - or
  - (ii) nine monthswhichever is the longer

less any savings in such expenditure during the **Indemnity Period** which reduce or cease due to the **Damage**.

The maximum amount **We** will pay in respect of any one **Building** is the **Maximum Limit**.

#### **What is covered**

**We** will not compensate **You** if:

- (a) **You**:
  - (i) agree a composition or arrangement with creditors
  - (ii) agree a proposal for a voluntary arrangement for a composition of debts or a scheme of arrangement approved in accordance with the Insolvency Act 1986 (or any successor act)
  - (iii) have an application made under the Insolvency Act 1986 (or any successor act) to the court for the appointment of an administrator
  - (iv) have a winding up order made or a resolution for voluntary winding up passed (except for the purposes of amalgamation or reconstruction), or have a provisional liquidator, receiver, or receiver and manager of the **Business** duly appointed
  - (v) have an administrative receiver, as defined in the Insolvency Act 1986 (or any successor act), appointed or have possession taken by or on behalf of the holders of any debentures secured by floating charge or of any property comprised in or subject to the floating charge
- (b) **Your** interest ceases otherwise than by **Your** death unless **We** issue written agreement stating otherwise.

#### **What is not covered**

**We** will not compensate **You** if:

- (a) **You**:

### **Rent Receivable**

**Rent Receivable** Sum Insured stated in the **Schedule**.

**We** will pay in respect of **Rent Receivable** the difference between:

- (a) the rent which would have been receivable in respect of the **Premises** during the **Indemnity Period** but for the **Damage**
- (b) the amount of rent actually received during the same period

less any savings in charges or expenses of the **Business**, payable out of **Rent Receivable**, which reduce or cease due to the **Damage**.

If at the time of the **Damage** the Sum Insured by this item is less than the rent which, but for the **Damage**, would have been receivable during the twelve months from the date of the

**Damage** (proportionately increased where the **Maximum Indemnity Period** exceeds twelve months), **You**

will be responsible for the difference and bear a proportionate share of the loss.

The most **We** will pay is the Sum Insured stated in the **Schedule**.

In respect of (i) increased cost of working, **We** will not pay more than the amount provided by applying the **Rate of Gross Profit** to the reduction in **Turnover** provided by the arrangement for a composition of debts or a scheme of

**We** will not compensate **You** if approved in accordance with the (g) the **Business** Insolvency Act 1986 (or any successor act)

(ii) have an application made under the Insolvency Act 1986 (or any successor act) to the court for

(h) **Your** interest ceases otherwise than by **Your** death unless **We** issue written agreement stating otherwise.

(i) have a winding up order made or a resolution for voluntary winding up passed (except for the purposes of amalgamation or reconstruction), or have a provisional liquidator, receiver, or receiver and manager of the **Business** duly appointed

(v) have an administrative receiver, as defined in the Insolvency Act 1986 (or any successor act), appointed or have possession taken by or on behalf of the holders of any debentures secured by floating charge or of any property comprised in or subject to the floating charge

(b) **Your** interest ceases otherwise than by **Your** death unless **We** issue written agreement stating otherwise.

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### What is covered

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### What is not covered

### Additional Increased Cost of Working

Additional Increased Cost of Working Sum Insured stated in the **Schedule**.

**We** will pay the additional expenditure necessarily and reasonably incurred due to the **Damage** solely for the purpose of avoiding or diminishing the reduction in **Turnover** (or **Gross Revenue** or **Gross Fees** as insured by this Section) during the **Indemnity Period** and which exceeds the amount recoverable as increase in cost of working, under this Section.

The maximum **We** will pay is the Sum Insured stated in the **Schedule**.

**We** will not compensate **You** if:

(a) **You**:

- (i) agree a composition or arrangement with creditors
- (ii) agree a proposal for a voluntary arrangement for a composition of debts or a scheme of arrangement approved in accordance with the Insolvency Act 1986 (or any successor act)
- (iii) have an application made under the Insolvency Act 1986 (or any successor act) to the court for the appointment of an administrator
- (iv) have a winding up order made or a resolution for voluntary winding up passed (except for the purposes of amalgamation or reconstruction), or have a provisional liquidator, receiver, or receiver and manager of the **Business** duly appointed
- (v) have an administrative receiver, as defined in the Insolvency Act 1986 (or any successor act), appointed or have possession taken by or on behalf of the holders of any debentures secured by floating charge or of any property comprised in or subject to the floating charge

(b) **Your** interest ceases otherwise than by **Your** death unless **We** issue written agreement stating otherwise.

## Section B also provides the following Cover Enhancements

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### What is Covered

### What is not Covered

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#### 1. Contract Sites

**We** will compensate **You** in respect of loss directly resulting from interruption of or interference with the **Business** carried out by **You** at the **Premises** resulting from **Damage to Your Stock, Target Stock or Contents** whilst at any situation not in **Your** occupation, where **You** are carrying out a contract within the United Kingdom, the Isle of Man and the Channel Islands by any cause included under Section A - Material Damage (including Theft).

The most **We** will pay in respect of the total of all losses occurring during the **Period of Insurance** is £250,000 or the total amount insured for business interruption, whichever is less.

#### 2. Customers – Specified

**We** will compensate **You** in respect of loss directly resulting from interruption of or interference with the **Business** carried out by **You** at the **Premises** resulting from **Damage** to any of **Your** customers' premises detailed in the **Schedule** within the United Kingdom, the Isle of Man and the Channel Islands by any cause included under Section A - Material Damage (including Theft).

The most **We** will pay in respect of the total of all losses occurring during the **Period of Insurance** is £250,000 or the total amount insured for business interruption, whichever is less.

#### 3. Customers – Unspecified

**We** will compensate **You** in respect of loss directly resulting from interruption of or interference with the **Business** carried out by **You** at the **Premises** resulting from **Damage** to any of **Your** customers' premises within the United Kingdom, the Isle of Man and the Channel Islands by any cause included under Section A - Material Damage (including Theft).

The most **We** will pay in respect of the total of all losses occurring during the **Period of Insurance** is £250,000 or the total amount insured for business interruption, whichever is less.

#### 4. Denial of Access

**We** will compensate **You** in respect of loss directly resulting from interruption of or interference with the **Business** carried out by **You** at the **Premises** resulting from **Damage** to property in the vicinity of the **Premises** by any cause included under Section A - Property Damage which hinders or prevents access to the **Premises**.

The most **We** will pay in respect of the total of all losses occurring during the **Period of Insurance** is £100,000 or the total amount insured for business interruption, whichever is less.

## 5. Non-Denial of Access

an incident during the **period of insurance** within the vicinity of the **business premises** which results in a denial of or hindrance in access to the **business premises** imposed by the police or other statutory authority.

The most **We** will pay in respect of the total of all losses occurring during the **Period of Insurance** is £100,000 or the total amount insured for business interruption, whichever is less.

## 6. Exhibition Sites

**We** will compensate **You** in respect of loss directly resulting from interruption of or interference with the **Business** carried out by **You** at the **Premises** resulting from **Damage to Your Stock, Target Stock or Contents** whilst at any exhibition or show within the United Kingdom, the Isle of Man and the Channel Islands by any cause included under Section A – Material Damage (including Theft).

The most **We** will pay in respect of the total of all losses occurring during the **Period of Insurance** is £250,000 or the total amount insured for business interruption, whichever is less.

## 7. Murder, Suicide, Defective Sanitation or Discovery of Vermin

**We** will compensate **You** in respect of loss directly resulting from interruption of or interference with the **Business** carried out by **You** at the **Premises** resulting from the occurrence of:

- (a) murder or suicide at the **Premises**
- (b) vermin or pests at the **Premises** where use of the **Premises** is restricted on the order or advice of the competent authority.
- (c) an accident which causes defects in the drains or other sanitary arrangements at the **Premises** where use of the **Premises** is restricted on the order or advice of the competent authority.

For the purpose of this Extension only, the Definition of **Indemnity Period** is amended to read:

“The period during which the results of the **Business** are affected in consequence of the **Damage** beginning:

- (a) in the case of (a) above with the occurrence or discovery of the incident
- (b) in the case of (b) and (c) above the date from which the restrictions on the **Premises** are applied and lasting no longer than the **Maximum Indemnity Period**”.

The most **We** will pay in respect of the total of all losses occurring during the **Period of Insurance** is £100,000 or the total amount insured for Business interruption, whichever is less

## 8. Specified Disease (at the Premises)

**We** will compensate **You** in respect of loss directly resulting from interruption of or interference with the **Business** carried out by **You** at the **Premises** resulting from the occurrence of:

- (a) an illness sustained by any person caused by food or drink poisoning attributable to food or drink supplied from the **Premises**.
- (b) a **Specified Disease** sustained by any person at the **Premises**

If in relation to any claim arising directly or indirectly from an occurrence of Legionellosis or Legionnaires Disease **You** have failed to fulfil the following condition, **You** will lose **Your** right to indemnity or payment for that claim.

At the **Premises You** must ensure compliance at all times with the Health and Safety Commissions Approved Code of Practice, "The Prevention and Control of Legionellosis (including Legionnaires Disease) "Ref ISBN-0-7176-1772- 6 or any supplementary, replacement or amending Code of Practice.

For the purpose of this Extension only, the Definition of **Indemnity Period** is amended to read:

"The period during which the results of the **Business** are affected in consequence of the **Damage** beginning with the occurrence or discovery of the incident and lasting no longer than the **Maximum Indemnity Period**".

The most **We** will pay in respect of the total of all losses occurring during the **Period of Insurance** is £100,000 or the total amount insured for Business interruption, whichever is less

#### 9. **Patterns, Moulds, Templates**

The most **We** will pay in respect of the total of all losses occurring during the **Period of Insurance** is £100,000 or the total amount insured for Business interruption, whichever is less.

#### 10. **Property Stored**

**We** will compensate **You** in respect of loss directly resulting from interruption of or interference with the **Business** carried out by **You** at the **Premises** resulting from **Damage to Your Stock, Target Stock or Contents** whilst stored at any situation not in **Your** occupation within the United Kingdom, the Isle of Man and the Channel Islands by any cause included under Section A - Material Damage (including Theft).

The most **We** will pay in respect of the total of all losses occurring during the **Period of Insurance** is £250,000 or the total amount insured for business interruption, whichever is less.

#### 11. **Public Utilities – (Supply Undertaking)**

**We** will compensate **You** in respect of loss directly resulting from interruption of or interference with the **Business** carried out by **You** at the **Premises** resulting from accidental failure of public supplies of electricity or gas or water at:

- (a) in respect of electricity, any generating station or substation of **Your** supplier(s) of electricity in the United Kingdom, the Isle of Man or the Channel Islands.
- (b) in respect of gas, any land-based premises in the United Kingdom, the Isle of Man or the Channel Islands of:
  - (i) **Your** supplier(s) of gas and
  - (ii) any natural gas producer directly linked to **Your** supplier(s) of gas
- (c) in respect of water, any waterworks or pumping station of **Your** supplier(s) of water in the United Kingdom, the Isle of Man or the Channel Islands.

The most **We** will pay in respect of the total of all losses occurring during the **Period of Insurance** is £100,000 or the total amount insured for Business interruption, whichever is less.

**We** will not compensate **You** in respect of **Damage** occurring at any **Premises** wholly or partly occupied by **You**.

**We** will not compensate **You** in respect of:

- (a) accidental failure which lasts less than 24 hours
- (b) the deliberate act of any supply authority
- (c) the exercise of any supply authority power to withdraw or restrict supply.
- (d) industrial action
- (e) drought.

**We** will not compensate **You** in respect of:

- (a) accidental failure which lasts less than 24 hours
- (b) the deliberate act of any supply authority
- (c) the exercise of any supply authority power to withdraw or restrict supply.
- (d) industrial action
- (e) drought.

**We** will not compensate **You** in respect of accidental failure.

- (a) caused by the deliberate act of any supply authority.
- (b) caused by the exercise of any supply authority's power to withdraw or restrict supply or services.
- (c) caused by industrial action.
- (d) caused by drought or other weather conditions unless **Damage** has been caused to the equipment.
- (e) as a result of any fault in any parts of the installation at **Your Premises**.
- (f) lasting less than 24 consecutive hours.

## 12. Public Utilities – (Terminal Ends)

**We** will compensate **You** in respect of loss directly resulting from interruption of or interference with the **Business** carried out by **You** at the **Premises** resulting from accidental failure of public supplies of electricity or gas or water at the terminal ends of the public supply undertakings' feed to the **Premises**.

The most **We** will pay in respect of the total of all losses occurring during the **Period of Insurance** is £100,000 or the total amount insured for Business interruption, whichever is less.

## 13. Public Utilities – Telecommunications (Suppliers Premises)

**We** will compensate **You** in respect of loss directly resulting from interruption of or interference with the **Business** carried out by **You** at the **Premises** resulting from accidental failure of the supply of telecommunication services at any land-based premises of **Your** suppliers(s) of telecommunications and internet services, in the United Kingdom, the Channel Islands or the Isle of Man.

The most **We** will pay in respect of any one occurrence is £100,000 or the total amount insured for Business interruption, whichever is less

## 14. Public Utilities – Telecommunications (Terminal Ends)

**We** will compensate **You** in respect of loss directly resulting from interruption of or interference with the **Business** carried out by **You** at the **Premises** resulting from accidental failure of the supply of telecommunication services at the incoming line terminals or receivers at the **Premises**.

The most **We** will pay in respect of any one occurrence is £100,000 or the total amount insured for Business interruption, whichever is less

## 15. Suppliers – Specified

**We** will compensate **You** in respect of loss directly resulting from interruption of or interference with the **Business** carried out by **You** at the **Premises** resulting from **Damage** to any of **Your** suppliers' premises detailed in the **Schedule** within the United Kingdom, the Isle of Man and the Channel Islands by any cause included under Section A – Material Damage (including Theft).

The most **We** will pay in respect of any one occurrence is £100,000 or the total amount insured for Business interruption, whichever is less

## 16. Suppliers – Unspecified

**We** will compensate **You** in respect of loss directly resulting from interruption of or interference with the **Business** carried out by **You** at the **Premises** resulting from **Damage** to any of **Your** suppliers' premises within the United Kingdom, the Isle of Man and the Channel Islands by any cause included under Section A – Material Damage (including Theft).

**We** will not compensate **You** in respect of accidental failure.

- (a) caused by the deliberate act of any supply authority.
- (b) caused by the exercise of any supply authority's power to withdraw or restrict supply or services.
- (c) caused by industrial action.
- (d) caused by drought or other weather conditions unless **Damage** has been caused to the equipment.
- (e) as a result of any fault in any parts of the installation at **Your Premises**
- (f) lasting less than 24 consecutive hours.

**We** will not compensate **You** in respect of **Damage** at any premises of suppliers of electricity, gas, water or telecommunications services.

**We** will not compensate **You** in respect of **Damage** at any premises of suppliers of electricity, gas, water or telecommunications services.

**We** will not compensate **You** in respect of **Damage** to:

- (a) road or rail vehicles
- (b) waterborne craft.

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The most **We** will pay in respect of any one occurrence is £100,000 or the total amount insured for Business interruption, whichever is less

#### 17. Transit

**We** will compensate **You** in respect of loss directly resulting from interruption of or interference with the **Business** carried out by **You** at the **Premises** resulting from **Damage to Your** property while in transit by:

- (a) road
- (b) rail
- (c) inland waterway

all in the United Kingdom, the Isle of Man and the Channel Islands.

The most **We** will pay in respect of the total of all losses occurring during the **Period of Insurance** is £250,000 or the total amount insured for business interruption, whichever is less.

#### 18. Bomb threat

**Your** inability to use the **business premises** due to restrictions imposed by the police or other public authority, but only where the restrictions have been imposed:

- a .following a bomb threat made by any person or group of persons; and
- b . for a period of more than two hours.

**We** will not make any payment under Bomb threat for any interruption to **your activities** in the event of an actual explosion of a bomb.

For the purposes of the coverage provided by Bomb threat, the definition of **terrorism** is amended to read:

An act by any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government, that:

- a. is committed for political, religious, ideological or similar purposes; and
- b. is intended to influence any government or to put the public, or any section of the public, in fear; and
- c.
  - i. Involves violence against one or more persons; or
  - ii. involves damage to property; or
  - iii. endangers life other than that of the person committing the action; or
  - iv. creates a risk to health or safety of the public or a section of the public; or
  - v.is designed to interfere with or to disrupt an electronic system.

The most **We** will pay in respect of any one occurrence is £100,000 or the total amount insured for Business interruption, whichever is less.

#### 19. Computer breakdown

The most **we** will pay for any loss arising from breakdown of **computers** during the **period of insurance** is £5,000 total amount insured across all property sections combined.

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**20. Pollution restricting use**

pollution or contamination of:

- a. the land; or
- b. the atmosphere; or
- c. any watercourse or body of water,

at any premises used for the purposes of **your activities**.

However, **we** will not make any payment:

- a. unless the pollution or contamination is caused by a sudden, identifiable, unintended and unexpected incident which occurs in its entirety at a specific time and place during the **period of insurance**.
- b. arising out of pollution or contamination originating outside of the United Kingdom of Great Britain and Northern Ireland, the Channel Islands or the Isle of Man;
- c. to remedy the condition of any property owned, leased or rented by **you**;
- d. to clean up, remove or dispose of any pollution or contamination.

The most **We** will pay in respect of any one occurrence is £100,000 or the total amount insured for Business interruption, whichever is less.

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## Section Conditions

### (also refer to the General Policy Conditions)

The following Conditions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### 1. Automatic Reinstatement

The sums insured stated in the **Schedule** will not be reduced by the amount of any claim unless **We** or **You** give written notice to the contrary.

However, **You** must pay the additional premium required to reinstate the Sum Insured.

#### 2. Current Cost Accounting

Any adjustment made for current cost accounting will be ignored.

#### 3. Departments

If **You** conduct the **Business** in departments and the independent trading results of each are individually ascertainable, the provisions of paragraphs (a) and (b) of the item on **Gross Profit** shall apply separately to each department affected by the **Damage**.

#### 4. First Trading Year

For the purpose of any claim arising from **Damage** occurring before the completion of the first year's trading of the **Business**, the amount payable will be based on the trading figures immediately before the **Damage** which causes interruption or interference with the **Business**, to which such adjustments will be made as 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 **Damage** or which would have affected the **Business** had the **Damage** not occurred so that the figures thus adjusted shall represent as closely as may be reasonably practicable the results which, but for the **Damage**, would have been obtained during the relative period after the **Damage**.

#### 5. Payments on Account

Claim payments on account may be made to **You** during the **Indemnity Period**, if required.

#### 6. Professional Accountants Charges

**We** will pay **Your** auditor's and professional accountant's reasonable charges for:

- (a) producing information **We** require for investigating any claim
- (b) confirming the information is in accordance with **Your Business** books.

The maximum **We** will pay for any claim, including auditor's and professional accountant's charges, is the Sum Insured shown in the **Schedule**.

#### 7. Property Cover

**We** will not compensate **You** under this Section unless:

- (a) There is in force at the time of **Damage**, an insurance policy covering **Your** interest in the property at the **Premises** for the **Damage** and
- (b) (i) payment has been made or liability admitted for such **Damage**  
or  
(ii) payment would have been made or liability would have been admitted for such **Damage** but for the exclusion of losses below a stated amount in such insurance policy.

#### 8. Renewal

In respect of any item on **Estimated Gross Profit** or **Estimated Gross Revenue**, **You** will supply prior to each renewal, the **Estimated Gross Profit** or **Estimated Gross Revenue** for the financial year most closely corresponding to the following **Period of Insurance**.

#### 9. Return Premium

In respect of any item on **Gross Profit**, **Gross Revenue** or **Gross Fees**, **We** will allow a return premium for the **Period of Insurance** where:

- (a) **You** provide **Us** with a professional accountant's declaration of **Gross Profit**, **Gross Revenue** or **Gross Fees** earned in **Your** financial year most closely corresponding to that **Period of Insurance** and
- (b) the declared figure (proportionately increased where the **Maximum Indemnity Period** exceeds twelve months) is less than the Sum Insured.

The adjustment will be based on the difference between the declared figure (proportionately increased where necessary) and the Sum Insured.

The maximum **We** will repay is 50% of the premium paid by **You** for the **Period of Insurance**.

**We** will not return premium for any reduction in **Gross Profit, Gross Revenue** or **Gross Fees** which is entirely due to a claim.

#### **10. Subrogation Rights Waiver**

**We** agree to waive any rights, remedies or relief to which **We** may have become entitled by subrogation against any parent or subsidiary company of **Yours** or any fellow subsidiary where **You** are also a subsidiary as defined by the Companies Act or the Companies (N.I.) Order, current at the time of **Damage**.

#### **11. Value Added Tax (VAT)**

All terms in this Section exclude VAT to the extent that **You** are accountable to the tax authorities for VAT.

## Section C – Specified All Risks

(only operative if stated in the *Schedule*)

### Section Definitions

(also refer to the Policy Definitions)

The following Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### **Territorial Limits**

- On Premises means within **Your Premises**
- U.K. means anywhere within the United Kingdom, the Isle of Man and the Channel Islands.
- EU means anywhere within any member country of the European Union or within Iceland, Liechtenstein, Norway or Switzerland
- Worldwide means anywhere in the world.

### The Cover

#### **What is covered**

**Damage** to the **Property Insured** shown in the **Schedule** from any accidental cause occurring during the **Period of Insurance** within the **Territorial Limits** as specified in the **Schedule**.

The most **We** will pay is the Sum Insured shown against each item in the **Schedule**.

#### **What is not covered**

Consequential loss or **Damage** of any kind or description.

**Damage** caused by:

- (a) Inherent or latent defect, gradual deterioration, wear and tear, depreciation, frost or change in the water table, its own faulty or defective design or materials
- (b) faulty or defective workmanship, operational error or omission by **You** or any of **Your Employees** but **We** will pay for subsequent **Damage** which itself results from a cause not otherwise excluded.

**Damage** caused by:

- (a) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin, insects or toxic mould
- (b) change in temperature, colour, flavour, texture, finish or atmospheric or climatic conditions
- (c) mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which such breakdown or derangement originates but **We** will pay for:
  - (a) such **Damage** not otherwise excluded which itself results from a **Specified Event** or from any other accidental loss, destruction or **Damage**
  - (b) subsequent **Damage** which itself results from a cause not otherwise excluded.

Loss from any **Unattended Vehicle**.

**Damage** caused by:

- (a) acts of fraud or dishonesty by any partner, director, or **Employee of Yours**
- (b) unexplained disappearance, unexplained or inventory shortage, misfiling, misplacing of information or clerical error.
- (c) any process of fitting, testing, servicing, repair, renovation or adjustment.

**Damage** caused by **Pollution or Contamination**:

but **We** will pay for destruction of or **Damage** to the **Property Insured** not otherwise excluded, caused by:

- (a) **Pollution or Contamination** which itself results from a **Specified Event**
- (b) any **Specified Event** which itself results from **Pollution or Contamination**

The **Excess** shown in the **Schedule**.

## **Section Conditions**

**(also refer to the General Policy Conditions)**

The following Conditions apply to this Section and shall keep the same meaning wherever they appear in the Section.

**1. Average**

The Sum Insured under each Item shown in the **Schedule** is separately subject to **Average**.

**2. Basis of Claims Settlement**

**We** will pay the full cost of repair or reinstatement of the **Property Insured** to a condition equal to but not better than its condition when new provided that the cost is incurred.

## Section D – Money

(only operative if stated in the *Schedule*)

### Section Definitions

(also refer to the Policy Definitions)

The following Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### **Business Hours**

The period during which the **Premises** are occupied for **Business** purposes and during which **You** or **Your Employees** entrusted with **Money** are on The **Premises** or at the sites of contract in connection with The **Business**.

### The Cover

#### **What is covered**

#### **What is not covered**

#### 1. Money

##### **Damage** to

- (a) **Money**
- (b) Safes or strongrooms which normally contain **Money** caused by theft or attempted theft.
- (c) stamp franking machines caused by theft or attempted theft.

Provided that:

- (a) whenever the **Buildings** are unattended any safe containing **Money** is securely locked and all keys to that safe are removed from the **Premises** or kept on **Your** person or one of **Your Employees**
- (b) **You** keep a complete record of **Money** in transit and on **Your Premises** and deposit that record in a secure place other than a safe or strongroom containing **Money**

- Loss from any unattended road vehicle.
- Loss caused by or due to clerical or accounting errors.
- Loss of **Money** during transit by unregistered post.
- Loss resulting from depreciation in value, dishonoured cheques or the use of counterfeit **Money**.
- Loss from
  - (a) gaming, amusement or vending machines in excess of £300
  - (b) any automated teller machine or cash dispensing machine unless specifically insured under this Section.
- Loss occurring outside the United Kingdom, the Isle of Man and the Channel Islands.
- Consequential loss or **Damage** of any kind or description.
- Loss of **Money** more specifically insured elsewhere.
- The **Excess** shown in the **Schedule**.

The most **We** will pay for **Money** is shown below and in the **Schedule**.

Cover description and locations	Limit of liability any one claim
<b>Money:</b>	
(a) in the <b>Buildings</b> during <b>Business Hours</b>	(a) The During <b>Business Hours</b> limit in the <b>Schedule</b>
(b) in a bank night safe	(b) The Bank Night Safe limit in the <b>Schedule</b>
(c) in transit to and from the <b>Premises</b> whilst in the custody of <b>You</b> or an authorised <b>Employee</b>	(c) The In Transit limit in the <b>Schedule</b>
(d) whilst at <b>Your</b> home or the home of any authorised <b>Employee</b>	(d) £500
(e) in the <b>Buildings</b> whilst left unattended or outside <b>Business</b>	(e) The <b>Money</b> outside <b>Business Hours</b> not in a safe limit in the <b>Schedule</b>

**What is covered**

**What is not covered**

<b>Hours</b> and not secured in a locked safe	(f) The Locked Safe outside <b>Business Hours</b> limit in the <b>Schedule</b>
(f) in the <b>Buildings</b> whilst left <del>unattended or outside</del> <b>Business Hours</b> and secured in a locked safe	(g) £300
(g) in gaming, amusement or vending machines	

**2. Personal Accident (Assault)**

**We** will pay the sum or sums shown in the Table of Benefits below if an **Insured Person** sustains **Physical Injury**.

Provided that:

- (a) only one benefit under Benefits A - C inclusive shall be payable in respect of any one injury
- (b) Benefit D shall cease immediately **You** are entitled to claim Benefits A, B or C
- (c) no Benefit shall be payable as a result of committing suicide or attempting to commit suicide, or intentional self-inflicted injury or sickness or disease not directly resulting from **Physical Injury**.

<b>Table of Benefits</b>		<b>Limit of liability any one claim</b>
If <b>Physical Injury</b> is the only and direct cause of:		
A	Death occurring within 24 months	The Personal Accident (assault cover) limit in the <b>Schedule</b>
B	<b>Loss of Limbs or Eyes</b> occurring within 12 months	The Personal Accident (assault cover) limit in the <b>Schedule</b>
C	<b>Permanent Total Disablement</b> occurring within 12 months	The Personal Accident (assault cover) limit in the <b>Schedule</b>
D	<b>Temporary Total Disablement</b> occurring within 12 months payable up to a maximum of 24 months from the date on which the <b>Insured Person</b> attends a qualified medical practitioner.	Normal weekly wage or salary up to £100 per week

## Section Conditions

### (also refer to the General Policy Conditions)

The following Conditions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### 1. Automatic Telling Machine (ATM) Condition

Where **You** are responsible for an ATM at the **Premises**, it is a **Condition Precedent** to **Our** liability in respect of loss of **Money** that:

- (a) the filling of any ATM and the removal of **Money** from any ATM is carried on outside **Business Hours**
- (b) outside **Business Hours**:
  - (i) all **Money** is removed from the ATM and placed in a safe
  - (ii) the door to the ATM and security container are left open
  - (iii) notices are displayed in prominent places stating that the ATM holds no **Money**.

#### 2. Basis of Claims Settlement

Claims under this Section shall be settled either on the basis of an amount equal to the value of the **Money**, or other **Property Insured** under this Section, at the time of the **Damage** or, at **Our** option, the reinstatement or replacement of such other property or any part of it.

#### 3. Medical Evidence

- (a) **We** may require:
  - (i) an **Insured Person** to undergo medical examination
  - (ii) a post mortem to be carried out at **Our** expense.
- (b) **You**, or **Your** legal representative will supply to **Us**, at **Your** expense, any:
  - (i) certificate
  - (ii) information
  - (iii) evidencein the format **We** require.

#### 4. Money in Transit

It is a **Condition Precedent** to **Our** liability that:

- (a) **Money** in transit is accompanied by the following number of persons, who must either be **You** and/or any director, partner or **Employee** of **Yours**:
  - (i) over £3,000 up to £5,000 by at least 2 persons
  - (ii) over £5,000 up to £7,500 by at least 3 persons
  - (iii) over £7,500 up to £10,000 by at least 4 persons
- (b) **Money** in transit over £10,000 to be carried by a professional security company.
- (c) private transport is used for amounts of **Money** in transit greater than £3,000 where the distance exceeds half a mile.

#### 5. Premium Adjustment

If the premium under this Section is based on estimates provided by **You**, **You** shall keep an accurate record containing all relevant information.

**You** shall at all times allow **Us** to inspect such record and shall supply such particulars and information as **We** may require within one month from the expiry of each **Period of Insurance** and the premium shall then be adjusted by **Us**, subject to any minimum premium chargeable for the risk being retained by **Us**.

#### 6. Records and Key Security

If in relation to any claim for loss of **Money** **You** have failed to fulfil any of the following Conditions, **You** will lose **Your** right to indemnity or payment for that claim.

**You** must:

- (a) keep a complete record of **Money** in a secure place other than in a safe or strongroom containing **Money**
- (b) ensure that outside **Business Hours**, all safes and/or strongrooms are kept locked and the keys are removed from the **Premises** unless the **Premises** are occupied by **You** or any director, partner or authorised **Employee** of **Yours**, in which case the keys must be kept in a secure place away from any safe or strongroom.
- (c) ensure that whenever the **Premises** are closed for **Business** or left unattended, all security devices to protect the **Premises** are properly fitted and put into full operation.

## Section D also provides the following Cover Enhancements

### 1. Clothing and Personal Effects

**Damage** to clothing and **Personal Effects** of **You** or **Your Employees** caused by robbery.

The most **We** will pay is £750 per person.

### 2. Containers

The indemnity provided under this Section includes **Damage** to:

- (a) cases, bags, belts or waistcoats used for carrying **Money**
- (b) cash registers provided they are left open, with **Money** removed, outside of **Business Hours** or whenever the **Buildings** are left unattended caused directly by theft or attempted theft of **Money**.

The most **We** will pay is £1,000 any one claim.

### 3. Fidelity

Theft of **Money** arising from any act of fraud or dishonesty by any of **Your Employees**.

Provided that the theft is discovered by **You** within 7 days of the act of fraud or dishonesty.

The most **We** will pay is £2,500 any one claim.

### (iv) **Non-Negotiable Money**

The indemnity provided under this Section includes **Non-Negotiable Money** all pertaining to the **Business** and belonging to **You** or which is **Your** responsibility.

The most **We** will pay is £250,000 for any one claim.

## Section E – Book Debts

(only operative if stated in the *Schedule*)

### Section Definitions

(also refer to the Policy Definitions)

The following Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### **Damage**

**Damage** to the **Property Insured** caused by one of the events under Section A – Material Damage (including Theft).

### The Cover

#### **What is covered**

**We** will compensate **You** in respect of loss sustained by **You** for **Book Debts** directly due to **Damage** at the **Premises** to **Your** books of account, other **Business** books or records.

The amount payable in respect of any one occurrence of **Damage** will not exceed:

- (a) the difference between:
  - (i) the **Book Debts**and
- (ii) the total amounts received or traced

(b) the additional expenditure incurred with **Our** consent in tracing and establishing customers debit balances after the **Damage**

if **We** require any information to verify a claim **Your** professional accountants at the time of the claim may produce and report details contained in **Business** books or records. Their report will be accepted as prima facie evidence of the details.

**We** will pay **Your** professional accountant's charges for

- (a) producing information **We** require for investigating any claim
- and
- (b) confirming the information in accordance with **Your Business** books.

The most **We** will pay, including professional accountants fees, is the Sum Insured stated in the *Schedule*.

#### **What is not covered**

Loss:

- (a) due to records being mislaid or misfiled
- (b) arising from deliberate falsification of records.

Failure to collect debts which have been traced and established.

**We** will not compensate **You** if:

- (a) the **Business** is:
  - (i) wound up or carried on by a liquidator or receiver
  - (ii) permanently discontinued
- (b) **Your** interest ceases otherwise than by **Your** death

unless **We** issue written agreement stating otherwise.

## Section Conditions

### (also refer to the General Policy Conditions)

The following Conditions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### 1. Average

The Sum Insured under each Item shown in the **Schedule** is separately subject to **Average**.

#### 2. Debit Recording

It is a **Condition Precedent** to **Our** liability under Section E - **Book Debts** - that at the end of each month **You** must record the total amount outstanding in **Your Customer Accounts**.

**You** must keep this information elsewhere than in the **Building** to that containing **Your** accounting and other **Business** records. This information may be maintained by **Your** accountant.

All **Business** records in which credit accounts are shown will be stored in metal filing cabinets, fire resistant cabinets, safes or strongrooms when not in use by **You**,

## Section F – Loss of Licence

(Only operative if specified in the *Schedule*)

### The Cover

#### What is covered

Reduction in the value of **Your** interest in  
(a) the **Premises** or  
(b) the **Business**  
following **Loss of Licence**.

The reduction in value of **Your** interest will be determined by an independent surveyor with at least ten years' experience of surveying in the area where the **Premises** are located. If **We** cannot agree with **Your** choice of surveyor, a choice will be made by the president for the time being of the Royal Institution of Chartered Surveyors.

The most **We** will pay is the sum insured shown in the **Schedule**.

**We** will also pay for costs and expenses, incurred with **Our** written consent where **You** appeal against the **Loss of Licence**.

#### What is not covered

**We** will not pay

(a) where **You** can obtain statutory compensation for **Loss of Licence**

(b) for the loss of any extension to the normal opening hours

(c) where **Loss of Licence** arises out of:

- (i) any town or country planning improvement or redevelopment
- (ii) compulsory purchase or surrender
- (iii) reduction or redistribution of **Licence**
- (iv) a change in the law
- (v) directly or indirectly, the misconduct, procurement, connivance, neglect or omission or failure

by **You** to take any step necessary for keeping the **Licence** in force

(vi) the alteration of the **Premises** without the consent of the

appropriate local or governmental body

(vii) the **Premises**

a. being closed for any period which is not required

by law

b. not being maintained in a sanitary condition or satisfactory state of repair.

(viii) a criminal act

(ix) the death of the **Licence** holder

(x) the **Licence** holder becoming dissolved, mentally incapable or insolvent

(xi) the supply or use of illegal or controlled drugs at the **Premises**

## Section Conditions

(also refer to the **General Policy Conditions**)

The following Conditions apply to this Section and shall keep the same meaning wherever they appear in the Section.

### 1. Application for new Licence

**You** will apply if practicable and if required by **Us** for the grant of a new **Licence** as may enable **You** to continue the **Business** in similar or alternative form.

### 2. Appeal Assistance

**You** will give all such assistance as **We** may require for the purpose of an appeal against forfeiture or refusal to renew the **Licence**.

### 3. Notification

It is a **Condition Precedent** to **Our** Liability that **You** will immediately notify **Us**:

(a) In writing on becoming aware of any circumstances which may result in a claim under this Section

(b) of any complaint prosecution or intended prosecution:

(i) in respect of the **Premises** or the conduct or control thereof

(ii) in relation to the honesty or moral standing of the **Licence**-holder, manager, tenant or occupier of the **Premises**

(c) of any transfer or proposed transfer of the **Licence**

(d) of any objection to renewal of the **Licence** or any other matter affecting the issue of the **Licence**

(e) of any change in tenancy or management of the **Premises**

**You** will also provide any assistance or information **We** request.

#### **4. Replacement**

In the event of:

- (a) the death, bankruptcy or incapacity of
- (b) the conviction of
- (c) the desertion of the **Premises** by

the **Licence**-holder, manager, tenant or occupier of the **Premises** in consequence of which the **Licence** or its renewal may be endangered **You** will at **Our** request take all practical steps to secure the replacement of such person by a person who will be acceptable to the Justices or other authority for the transfer to or renewal of the **Licence** to that person.

## Section G – Deterioration of Stock

(only operative if stated in the *Schedule*)

### Section Definitions

(also refer to the Policy Definitions)

The following Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### **Appliance**

Any frozen or chilled cabinet, deep freezer, cold room or cold store.

### The Cover

#### **What is covered**

**Damage** to all frozen or chilled food or stock contained in any **Appliance** on the **Premises** caused by:

- (a) Change in temperature resulting from:
1. mechanical or electrical breakdown of the **Appliance**
  2. accidental failure of the public electricity supply at the terminal points of the supply authority's feed to the **Premises**.
- (b) Accidental leakage of refrigerant or refrigerant fumes

The most **We** will pay is the sum insured shown in the **Schedule**.

#### **What is not covered**

#### **Damage caused by Your wilful act or neglect.**

**Damage** caused by the failure of the public supply of electricity due to the deliberate act of the supply authority.

The failure of any **Appliance** which is:

- (a) over 10 years old
- (b) over 5 years old and not the subject of an annual maintenance

**Damage** caused by wear and tear, deterioration or gradually developing flaws or defects in the **Appliance** or faulty packaging of **Property Insured**.

**Damage** caused by failure to set correctly any temperature controls.

**Damage** caused by failure moth, vermin or insects.

**Damage** to **Property Insured** which has passed the date set by the manufacturers for consumption.

**Damage** whilst the **Premises** are **Unoccupied**.

Consequential loss or damage of any kind or description.

The **Excess** shown in the **Schedule**.

## Section Conditions

### (also refer to the General Policy Conditions)

The following Conditions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### 1. Average

The Sum Insured under each Item shown in the **Schedule** is separately subject to **Average**.

#### 2. Automatic Reinstatement

**We** will automatically reinstate the Sum Insured upon notification of a claim to **Us** unless **We** give written notice to the contrary.

Provided that **You** pay the appropriate additional premium.

The most **We** will reinstate in any one **Period of Insurance** is the Sum Insured

#### 3. Basis of Claims Settlement

Claims under this Section will be settled either on the basis of an amount equal to the cost price of the food at the time of **Damage** or, at **Our** option, its replacement.

## Section H – Goods in Transit

(only operative if stated in the *Schedule*)

### Section Definitions

(also refer to the Policy Definitions)

The following Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### **Damage**

**Damage** to **Property Insured** caused by any external and accidental means.

#### **Territorial Limits**

Anywhere in the United Kingdom, the Isle of Man or the Channel Islands.

#### **Goods**

The **Property Insured** consisting of **Stock**, **Target Stock** and **Contents**.

## The Cover

The *Schedule* will show which basis is operative.

#### **What is covered**

##### **1. In transit by Your own vehicle(s)**

**Damage** to the **Goods** contained in a vehicle owned by **You** or in **Your** custody or control while in transit by **You** or **Your Employee** during the **Period of Insurance** within the **Territorial Limits**.

**Damage** arising from loading or unloading of any motor vehicle owned by **You** or in **Your** custody or control.

The most **We** will pay is the Vehicle Limit shown in the **Schedule**.

##### **2. Sendings by Road Hauliers or by post or rail**

**Damage** to the **Goods** while in transit within the **Territorial Limits** by:

- (a) road hauliers until delivered to the consignee's address and receipt acknowledged or, in the case of return transit, receipt at **Your Premises**
- (b) post, parcel post or rail.

**Damage** whilst temporarily garaged for up to 72 hours.

The most **We** will pay is:

- (a) in respect of sendings by road hauliers, the Consignment Limit shown in the **Schedule**.
- (b) in respect of sendings by post, parcel post or rail, the Package Limit shown in the **Schedule**.

#### **What is not covered**

**Damage** arising from:

- (a) inherent or latent defect, gradual deterioration, wear, tear, frost, faulty or defective design or materials
- (b) disappearance, shortage or unexplained or inventory shortage
- (c) the carriage of explosives, radioactive substance and substances with a similar hazard, and other dangerous goods.

**Damage** arising from:

- (a) corrosion, rust, wet or dry rot, shrinkage, evaporation, ordinary leakage, loss of weight, dampness, dryness, marring, scratching, vermin or insects
- (b) **Pollution and/or Contamination**
- (c) deterioration or variation in temperature unless such **Damage** is directly consequent upon fire, theft or attempted theft or overturning or collision of the carrying vehicle.

**Damage** caused by:

- (a) defective or inadequate packing, stowing, insulation or labelling
- (b) its own:
  - (i) mechanical
  - (ii) electrical
  - (iii) electronic
  - (iv) electro magneticderangement unless caused by external means
- (c) delay, loss of market, inadequate documentation or other **Consequential Loss** of any kind or description.

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### **What is not covered**

**Damage** arising from:

- (a) confiscation, requisition or destruction by order of any government or any public authority
- (b) riot, civil commotion, strikes, lockouts or labour disturbances.

**Damage** by theft or attempted theft:

- (a) by, or with the connivance of, **You** or any of **Your Employees**
- (b) from any **Unattended Vehicle** owned or operated by **You** or in **Your** care, custody or control:
  - (i) unless all doors and the boot are locked and the keys removed from the vehicle and the windows and other means of access adequately secured and audible alarms and immobilisers (where fitted) set for operation
  - (ii) between the hours of 21.00 or whenever the vehicle was last occupied (whichever is the earlier) to 06.00 or until the vehicle is first used (whichever is the later) unless:
    - a. garaged at the time in a fully enclosed property which is securely locked or under constant supervision
    - or
    - b. in a vehicle security park, which is permanently attended
    - or
    - c. under constant surveillance by the driver or by another **Responsible Person** authorised by **You**.

**Damage** to:

- a) Jewellery or watches
- b) precious metals, precious stones or articles composed of such materials
- c) wines, spirits, perfumes, tobacco products
- d) deeds, documents, manuscripts, business books, plans and designs
- e) computer equipment
- f) bullion, furs, works of art, Money
- g) e-cigarettes
- h) precious alloys

unless specifically mentioned as insured by this Section in the **Schedule**.

**Damage** to:

- (a) china, glass, earthenware, plasterwork or statuary marble
- (b) scientific instruments of any kind  
unless directly consequent upon fire, theft or attempted theft or overturning or collision of the carrying vehicle.

**What is not covered (cont.).**

**Damage to Goods:**

- (a) temporarily housed whilst in transit for the purpose of making up or processing
- (b) carried by **You** for hire or reward
- (c) comprising:
  - (i) living creatures
  - (ii) explosives
  - (iii) **Money** or bullion
  - (iv) deeds, documents, manuscripts or plans
- (d) in or on soft-topped, open topped, open-sided or curtain-sided vehicles or trailers owned or operated by **You** or in **Your** care, custody or control if caused by:
  - (i) storm or flood
  - (ii) theft or attempted theft unless the vehicle is stolen at the same time
  - (iii) malicious persons in respect of **Unattended Vehicles**.

The **Excess** shown in the **Schedule**.

## Section Conditions

### (also refer to the General Policy Conditions)

The following Conditions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### 1. Average

The sum insured under each Item shown in the **Schedule** is separately subject to **Average**.

#### 2. Automatic Reinstatement

**We** will automatically reinstate the sum insured upon notification of a claim to **Us** unless **We** give written notice to the contrary.

Provided that **You** pay the appropriate additional premium

The most **We** will reinstate in any one **Period of Insurance** is the sum insured.

#### 3. Basis of Claims Settlement

Claims under this Section shall be settled either on the basis of an amount equal to the value of the **Goods** at the time of its **Damage**

or, at **Our** option, the reinstatement or replacement of such property or any part of it.

#### 4. Condition of vehicle

(a) Vehicles must be maintained in a road worthy condition and in a good state of repair

(b) Security locks and other security devices will be maintained in efficient working conditions.

#### 5. Notification

If **Goods** carried by road hauliers, post, parcel post or rail are **Damaged**, **You** will take all practicable steps to notify the carrier concerned of the **Damage** within the time limits for notification of claims stipulated in the applicable conditions of carriage.

#### 6. Premium Adjustment

If the premium under this Section is based on estimates provided by **You**, **You** shall keep an accurate record containing all relevant information.

**You** shall at all times allow **Us** to inspect such record and shall supply such particulars and information as **We** may require within one month from the expiry of each **Period of Insurance** and the premium shall then be adjusted by **Us**, subject to any minimum premium chargeable for the risk being retained by **Us**.

#### 7. Retention of Damaged Goods

In the event of **Damage** to a package or consignment, **You** will retain the **Goods** and packaging in the same state as delivered for inspection by **Us**.

#### 8. Security Precautions

Whenever **Goods** are in an **Unattended Vehicle**:

(a) **Goods** will be kept in the boot of an **Unattended Vehicle**

(b) **Goods** contained in a vehicle with no boot will be covered over and hidden from view

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## Section H also provides the following Cover Enhancements

### 1. Goods removed from Vehicles

**We** will compensate **You** in respect of **Damage** to **Goods** whilst contained in secure private dwellings, hotels or other secure property

Provided that **Damage** caused by theft or any attempted theft is consequent upon forcible and violent entry or exit only to or from such private dwellings, hotels or other secure property.

### 2. Personal Effects

**We** will pay following accidental **Damage** to the **Personal Effects** of **You** or **Your Employee** caused by or following an accident to the conveying vehicle whilst going about **Your Business**.

The most **We** will pay is £500 any one event.

### 3. Reloading or Transfer and Debris Removal

**We** will pay the reasonable additional costs necessarily incurred and for which **You** are responsible:

- (a) to transfer the **Goods** to an alternative vehicle and complete transportation to the intended destination(s) or returning it to its place of despatch if the vehicle on which **Goods** are being carried is disabled as a result of fire, overturning or collision
- (b) to reload the **Goods** onto the vehicle if the load is shed following overturning or collision or there is dangerous movement of the load during the course of transit
- (c) in removal of debris and site clearance following **Damage** to **Goods** in transit.

The most **We** will pay is £2,500 any one claim.

### 4. Tarpaulins, Sheets, Ropes etc.

**We** will indemnify **You** for accidental **Damage** to tarpaulins, sheets, ropes, securing chains, packing materials and toggles owned by **You** or for which **You** are responsible whilst such property is in use on vehicles owned or operated by **You**.

The most **We** will pay is £500 any one event.

### 5. Tools and Travellers' Samples

**We** will indemnify **You** for accidental **Damage** to tools and samples belonging to **You** or **Your Employees** on the vehicle.

The most **We** will pay is £250 any one event.

# Section I – Fidelity

(only operative if stated in the *Schedule*)

## Section Definitions

(also refer to the Policy Definitions)

The following Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section.

### **Acting in Collusion**

All circumstances where two or more **Employees** are concerned or implicated together or materially assist each other in committing the acts of **Theft**.

### **Date of Acceptance**

(a) the commencement date of the first **Period of Insurance** under this Policy  
or

(b) the date on which the **Employee** enters into a contract of service or apprenticeship with **You** whichever is the latest.

### **Employee**

Any person:

(a) under a contract of service or apprenticeship with **You**

(b) undergoing training under any Government approved training scheme under **Your** control in connection with the **Business** whilst in **Your** service

(c) any of **Your** directors if such person –

(i) is also employed by **You** under a contract of service

(ii) controls no more than 5 per cent of **Your** issued share capital or that of any of **Your** subsidiary companies

(d) any person retired from full-time employment with **You** who is working for **You** as a consultant under **Your** control or direction.

Provided that such person is normally resident within the **Territorial Limits**.

### **Territorial Limits**

United Kingdom, 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:

(a) for themselves

or

(b) 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.

## The Cover

### **What is covered**

Loss of **Money** or goods belonging to **You** or for which **You** are legally responsible caused by any act of **Theft** committed during the **Period of Insurance** by any **Employee** whilst engaged in the position of employment, discovered and notified to **Us** not later than 24 months after:

a) the expiry of any **Period of Insurance** in which the act of **Theft** was committed

or

b) the termination of this insurance  
whichever occurs first.

The most **We** will pay

(a) In respect of any one claim:

### **What is not covered**

(i) if caused by one **Employee** shall not exceed the Limit per **Employee** specified in the **Schedule**

or

(ii) if caused by two or more **Employees Acting in Collusion** shall not exceed the Limit per **Employee** for each **Employee** involved.

Provided that if **We** shall be liable to compensate more than one party the aggregate amount of indemnity to all parties shall not exceed the Limit of Indemnity noted in the **Schedule**.

(b) In respect of any one Period of Insurance shall not exceed the Limit of Indemnity specified in the **Schedule**.

- (a) Loss of interest or **Consequential Loss** of any kind.
- (b) Loss where **You** continue to entrust the defaulting **Employee** with **Money** or goods after becoming aware of any material fact bearing on the honesty of the said **Employee**.
- (c) Loss if there is any change in the nature of the **Business** unless such change is agreed by **Us** in writing.
- (a) Any unexplained shortages.
- (b) The amount of the **Excess** as stated in the **Schedule**.

## Section Conditions

### (also refer to the General Policy Conditions)

The following Conditions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### 1. Basis of Claims Settlement

The amount payable shall be:

(a) an amount equal to:

the value of the **Money** or the cost of replacement or reinstatement of the goods at the time of the loss, or

(b) at **Our** option, the replacement or reinstatement of the goods.

#### 2. Cessation of Cover

Immediately following the discovery by **You** of any act of **Theft** by an **Employee** all liability for further acts of **Theft** by that **Employee** shall cease.

#### 3. Employee References

**You** shall obtain satisfactory references to confirm the honesty of each **Employee** who will be responsible for **Money**, material property, accounts, computer operations or computer programming. Such references shall be obtained directly from former employers for the three years immediately preceding engagement and before the **Employee** is entrusted without supervision.

Such references need not be obtained in respect of **Employees** who have satisfactorily and continuously served **You** for at least 3 years in another capacity before being entrusted with the duties referred to in the paragraph above.

In respect of **Employees** joining directly from school, colleges, universities, government sponsored youth training schemes or are returning to work after a gap of more than three years, one-character reference shall be obtained.

It is a **Condition Precedent** to liability under this Section that **You** fulfil all of **Your** obligations under this Condition and no claim under this Section shall be payable unless all of the terms of this Condition have been complied with.

#### 4. Employee's Money

All **Monies You** hold at the time of loss which belong or are due to an **Employee** who has committed a **Theft** will be deducted from any claim.

#### 5. Minimum Standards of Control

It is a **Condition Precedent** to liability under this Section that **You** shall observe and comply with the following Minimum Standards of Control otherwise no claim under this Section shall be payable.

##### (a) Auditors

**Your** accounts including all subsidiary companies shall be examined by external auditors every twelve months. All recommendations or alternatives acceptable to the auditors shall be implemented without delay.

##### (b) Cheque signing

All cheques or other bank instruments for more than £2,500 shall require two manually applied signatures to be added after the amount has been inserted. No cheque or instrument must be signed until one signatory has examined the supporting documentation. **Your** bankers shall be advised of the above requirements as to signatures.

##### (c) Payroll

In respect of **Employees** not paid by crossed cheque or credit transfer the cost of the payroll will be subject to an independent check before payment to ensure that the total amount drawn is correct.

At least quarterly and independently of persons responsible the payroll will be checked to minimise the possibility that fictitious names and enhanced payments have been included.

##### (d) Stocktaking

There will be a physical check of all **Stock** held against verified **Stock** records, independent of **Employees** who are responsible, at least every 12 months.

##### (e) Ordering Stock

Different **Employees**, acting independently, shall be responsible for the ordering of **Stock**, the recording of receipt of such and the authorising of payment for it.

##### (f) Computer Security

Security checks will be built into all computer functions with reconciliations made as necessary. Responsibilities for authorisation of transactions, processing of transactions and handling of output shall be exercised by different **Employees**.

#### 6. Premium Adjustment

If the premium under this Section is based on estimates provided by **You**, **You** shall keep an accurate record containing all relevant information.

**You** shall at all times allow **Us** to inspect such record and shall supply such particulars and information as **We** may require within one month from the expiry of each **Period of Insurance** and the premium shall then be adjusted by **Us**, subject to any minimum premium chargeable for the risk being retained by **Us**.

**7. Recoveries of further Monies**

Any recoveries made by **You** shall be applied in the following order

- a) to reimburse **You** in full for that part (if any) of the loss which exceeds the Limit of Indemnity applicable to that loss (but NOT the amount of any **Excess** applicable)
- b) to reimburse **Us** if payment has already been made or if not to reduce that part of the loss for which **We** are responsible under this insurance
- c) finally, to reduce that part of the loss for which **You** are responsible by virtue of any **Excess** or for which other underwriters may be responsible under any other policies of insurance of which this insurance is in excess.

**8. Termination of Service**

Upon the termination of service of any **Employee You** shall take all reasonable security precautions to prevent **Theft** by that **Employee**.

## Section I also provides the following Cover Enhancements

### 1. Auditors Fees Rewriting of System Records

Where there is a direct loss of **Money** or goods resulting in a valid claim under this Section **We** will also pay for:

- (a) auditors fees incurred with **Our** 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 re-writing 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 of **Our** liability including any amount payable under the provisions of this Extension shall in no case exceed the Limit of Indemnity specified in the **Schedule**.

### 2. Non-contribution - Legal Liability

If at the time of loss of **Money** or goods for which **You** are legally responsible or at the time a claim for such property arises **You** are (or would be but for the existence of this insurance) entitled to indemnity under any other insurance or to recover under any guarantee or indemnity fund **We** 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.

### 3. Pension Fund Trustees

(a) At **Your** request, **We** will compensate the trustees of any pension fund or other **Employee** benefit scheme set up to provide benefit to **Your Employees** in respect of any loss of **Money** or goods which the trust may incur as a result of any act of **Theft** as otherwise insured by this Section committed by any of **Your Employees**.

(b) For the purpose of this Extension all persons nominated as trustees shall be deemed **Employees**.

### 4. Temporary Agency Staff

The term **Employee** shall include any person furnished by a staff or employment agency who by arrangement with such agency is working for **You** on a temporary or part time basis in connection with the **Business** to perform the function and duties of an **Employee** under **Your** control or direction but not including persons employed:

- (a) as drivers
  - or
  - (b) in connection with
    - (i) warehouse duties
    - or
    - (ii) computer operations or computer programming
- unless specifically stated as insured herein.

Provided that:

- (a) **We** shall not be liable for any loss caused by any such person if such loss is also covered for the benefit of **You** by any insurance or guarantee held by the staff or employment agency furnishing the person concerned
- (b) the amount of wages and salaries declared shall include the total amount of fees paid to staff and employment agencies in respect of temporary agency staff described above
- (c) the **Employee** References Condition shall not apply to the temporary agency staff described above.

# Section J – Employers' Liability

(only operative if stated in the *Schedule*)

## Section Definitions

(also refer to the Policy Definitions)

The following Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section.

### **Compensation**

Damages, including interest.

### **Costs and Expenses**

- (a) fees for **Your** legal representation at
  - (i) any Coroner's Inquest of Fatal Accident Inquiry
  - (ii) proceedings in any court of Summary Jurisdiction arising out of any alleged breach of statutory duty
- (b) costs and expenses incurred with **Our** written consent
- (c) any claimant's legal costs for which **You** are legally liable in connection with any event which is or may be the subject of indemnity under this Section.

### **Limit of Indemnity**

The amount stated in the *Schedule*, including **Costs and Expenses**, up to which **We** will pay in respect of any or all claims arising out of one cause.

## The Cover

### **What is covered**

**Your** legal liability to pay:

- (a) **Compensation** to any **Employee**
- (b) **Costs and Expenses**

as a result of **Bodily Injury** caused in the course of the **Business** during the **Period of Insurance** and within the **Territorial Limits**.

The most **We** will pay is the **Limit of Indemnity**.

### **What is not covered**

Any liability:

- (a) as a result of work in or on, or travel to, from or within any offshore
  - (i) accommodation, exploration, drilling or production rig or platform
  - (ii) support vessel
- (b) for which compulsory insurance or security is required under either
  - (i) the Road Traffic Act 1988, or
  - (ii) the Road Traffic (Northern Ireland) Order 1981 or any amending or subsequent legislation.
- (c) for
  - (i) liquidated damages
  - (ii) penalty clauses
  - (iii) fines
  - (iv) aggravated, restitutionary, punitive or exemplary damages or any additional damages resulting from the multiplication of compensatory damages or other non-compensatory damage.

## Section Conditions

### (also refer to the General Policy Conditions)

The following Conditions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### 1. Premium Adjustment

If the premium under this Section is based on estimates provided by **You**, **You** shall keep accurate records containing all relevant information.

**You** shall at all times allow **Us** to inspect such records and shall supply such particulars and information as **We** may require within one month from the expiry of each **Period of Insurance** and the premium shall then be adjusted by **Us**, subject to any minimum premium chargeable for the risk being retained by **Us**.

#### 2. Our Right of Recovery

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law relating to the compulsory insurance of liability to **Employees** in the United Kingdom, the Isle of Man or the Channel Islands.

However, **You** will repay **Us** all sums **We** would not have been liable to pay but for the provisions of such law.

## Section J also provides the following Cover Enhancements

### 1. Additional Activities

The **Business** includes:

- (a) ownership, use and upkeep of the **Premises**, vehicles and plant
- (b) canteen, social, sports, educational and welfare organisations for the benefit of any **Employee**
- (c) first aid, fire, security and ambulance services
- (d) participation in exhibitions
- (e) private work by any **Employee**, with **Your** prior consent, for **You** or any director or **Employee**.

### 2. Contractual Liability

**We** will compensate **You** in respect of liability for **Bodily injury** imposed on **You** solely by reason of the terms of any agreement.

Provided that the conduct and control of any claim is vested in **Us**.

**We** will not provide indemnity in respect of any agreement for or including the performance of work outside the United Kingdom, the Isle of Man or the Channel Islands.

### 3. Corporate Manslaughter and Corporate Homicide Act 2007 – Legal Defence Costs

**We** will compensate **You** in respect of:

- (a) legal fees and expenses incurred with **Our** written consent for defending proceedings, including appeals
- (b) costs of prosecution awarded against **You**

which arise from criminal proceedings for any offence as defined in Section 1 of the Corporate Manslaughter and Corporate Homicide Act 2007.

**We** will not provide indemnity:

- (i) unless the proceedings relate to an actual or alleged offence committed during the **Period of Insurance** within the United Kingdom, the Isle of Man and the Channel Islands and in connection with the **Business**
- (ii) in respect of proceedings which
  - a. result from any deliberate act or omission by **You**
  - b. relate to any person other than an **Employee**
- (iii) in respect of any:
  - a. fines
  - b. remedial or publicity orders or any steps required to be taken by such orders
- (iv) where indemnity is provided by another insurance policy.

### 4. Costs of Court Attendance

**We** will compensate **You** if, at **Our** request, any director, partner or **Employee** is attending court as a witness in connection with a claim for which **You** are entitled to indemnity.

The most **We** will pay is

- (a) for each director or partner: £250 per day
- (b) for each **Employee**: £150 per day

### 5. Cross Liabilities

**We** will compensate each party:

- (a) named as the **Insured** in the **Schedule**
  - (b) entitled to indemnity under this Section
- as if a separate policy had been issued to each.

The total amount payable will not exceed the **Limit of Indemnity** regardless of the number of parties claiming to be indemnified.

### 6. Health and Safety Legislation – Legal Defence Costs

**We** will compensate **You** and, at **Your** request any director, partner or **Employee** in respect of:

- (a) legal fees and expenses in defending proceedings, including appeals
- (b) prosecution costs awarded against **You** or any director, partner or **Employee**

arising from any health and safety inquiry or criminal proceedings in respect of any health and safety legislation of the United Kingdom, the Isle of Man or the Channel Islands.

**We** will not compensate **You**:

- (a) unless the proceedings relate to an actual or alleged act, omission or incident committed during the **Period of Insurance** and in the course of the **Business** within the United Kingdom, the Isle of Man or the Channel Islands
- (b) in respect of
  - (i) fines or penalties of any kind
  - (ii) proceedings resulting from any deliberate act or omission of any party claiming to be indemnified

- (iii) proceedings relating to the health, safety or welfare of any person who is not an **Employee**
- (c) where indemnity is provided by another insurance policy.

## 7. Indemnity to Other Persons

**We** will compensate:

- (a) **Your** personal representatives in respect of legal liability **You** incur
- (b) at **Your** request:
  - (i) any director, partner or **Employee** of **Yours**
  - (ii) the officers, committee and members of **Your**
    - a. catering, social, sports, educational, medical, dental and welfare organisations
    - b. fire, security, first aid and ambulance services
  - (iii) any Principal for whom **You** are carrying out a contract but only to the extent required by the contract conditions
  - (iv) those who hire plant to the extent required by the hiring conditions  
or the personal representatives of these persons against legal liability in respect of which **You** would have been entitled to indemnity if the claim had been made against **You**.

Each indemnified party will be subject to the terms of this Section so far as they can apply.

## 8. Unsatisfied Court Judgements

If any **Employee** or their personal representatives obtains a judgement for damages for **Bodily Injury** against any company or individual operating from premises within the United Kingdom, the Isle of Man or the Channel Islands and that judgement remains unpaid for more than six months **We** will pay to the **Employee** or their personal representatives, at **Your** request, the amount of any unpaid damages and awarded costs.

Provided that:

- (a) the **Bodily Injury**:
  - (i) is caused during the **Period of Insurance**
  - (ii) arises out of and in the course of his employment in **Your Business**
- (b) there is no appeal outstanding
- (c) if any payment is made under this Extension the **Employee** or his or her personal representatives shall assign the judgement to **Us**.

# Section K – Public and Products Liability

(only operative if stated in the *Schedule*)

## Section Definitions

(also refer to the Policy Definitions)

The following Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section.

### **Compensation**

Damages, including interest.

### **Costs and Expenses**

- (a) fees for **Your** legal representation at
  - (i) any coroner's Inquest of Fatal Accident Inquiry
  - (ii) proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty
- (b) costs and expenses incurred with **Our** written consent
- (c) any claimant's legal costs for which **You** are legally liable in connection with any event which is or may be the subject of indemnity under this Section.

### **Damage**

Physical loss, destruction or damage.

### **Limit of Indemnity**

## The Cover

### **What is covered**

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**Your** legal liability to pay:

- (a) **Compensation**
- (b) **Costs and Expenses**

as a result of accidental:

- (i) **Personal Injury**
- (ii) **Damage to Property**
- (iii) obstruction, trespass, nuisance or interference with any right of way, air, light or water

occurring in the course of the **Business** during the **Period of Insurance** and within the **Territorial Limits**.

The most **We** will pay is the **Limit of Indemnity** and **Costs and Expenses**.

However, in respect of any claim brought in:

- (a) the United States of America or any territory within its jurisdiction
- (b) Canada

the maximum **We** will pay, inclusive of **Costs and Expenses**, is the **Limit of Indemnity**.

### **What is not covered**

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The amount, stated in the **Schedule**, up to which **We** will pay in respect of any or all claims arising out of one cause.

In respect of **Products Supplied** or **Pollution or Contamination**, the **Limit of Indemnity** will apply to the total of all claims occurring in any one **Period of Insurance**.

### **Personal Injury**

- (a) **Bodily Injury**
- (b) Wrongful:
  - (i) arrest, detention or imprisonment
  - (ii) eviction
  - (iii) accusation of shoplifting.

### **Property**

Material property.

**Your** legal liability as a result of:

(a) **Personal Injury** to an **Employee**.

(b) the ownership, possession or use by **You** or on **Your** behalf or by any person entitled to indemnity under this Section of any:

- (i) aircraft, aerial device or hovercraft
- (ii) watercraft exceeding 8 metres in length, railways, railway locomotives or carriages
- (iii) motor vehicle, trailer or plant:
  - a. in circumstances to which road traffic legislation applies other than:
    - i. where described in the Motor Contingent Liability Extension
    - ii. the loading or unloading of any such vehicle, trailer or plant
  - b. where a more specific insurance is in force

(iv) pressure vessel, lifting apparatus or other item of plant owned by **You** or the maintenance for which **You** are responsible which has not been inspected to the extent required and approved by statutory regulations

(v) firearms.

(c) **Damage to Property**:

(i) which **You** own or is loaned, leased, hired or rented to **You**

(ii) which is held in trust or in the custody or control of:

- a. **You**
- b. any **Employee**
- c. any other party who is carrying out work on **Your** behalf

(iii) being worked upon where the **Damage** is as a direct result of the work undertaken

other than in the circumstances described in the Hired, Leased or Rented Premises Extension or the Personal Belongings Extension

(d) **Damage** to or the cost incurred by anyone in repairing, removing, altering, replacing, reapplying, rectifying or reinstating **Products Supplied** (other than **Products Supplied** under a separate contract).

(e) recalling or making any refund in respect of **Products Supplied**.

(f) the cost incurred by anyone in repairing, removing, altering, replacing, reapplying, rectifying, or reinstating defective work carried out by **You** or on **Your** behalf.

(g) (i) liquidated damages  
(ii) penalty clauses  
(iii) fines  
(iv) aggravated, punitive or exemplary damages or any additional damages resulting from the multiplication of compensatory damages or other non-compensatory damages.

(h) liability imposed on **You** solely by reason of the terms or any contract conditions or agreement in connection with **Products Supplied**.

(i) (i) the carrying out of any work  
(ii) any **Products Supplied**  
which affects or could affect:

- a. the navigation, propulsion or safety of any aircraft or other aerial device
- b. the safety or operation of nuclear installations
- c. the safety or operation of airports or aerodromes
- d. runways, manoeuvring areas or aprons or those parts of airports or aerodromes to which aircraft have access

the braking, steering, suspension system or other critical systems of marine vessels, motor vehicles or rail vehicles

**What is not covered cont.**

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- (j) any **Product Supplied** which to **Your** knowledge is for use in or supply directly or indirectly to the United States of America or Canada.
- (k) advice, certification, consultancy, design, formula, inspection, instruction, specification or testing provided separately by **You** or on **Your** behalf for a fee or under a separate contract.
- (l) any treatment given or administered by **You** or any of **Your Employees**, or the failure to give advice or treatment or any lack of professional duty or skill.
- (m) errors in connection with the sale, supply, making up, prescribing or dispensing of any drug, medicine, medical, cosmetic or toilet preparation.
- (n) **Pollution or Contamination** other than caused by a sudden, identifiable, unintended and unexpected incident which occurs in its entirety at a specific time and place during the **Period of Insurance**.

All **Pollution or Contamination** which arises out of one Incident will be deemed to have occurred at the time such incident takes place.

- (o) (i) exposure to
- (ii) inhalation of
- (iii) fears of the consequences of exposure to or the inhalation of
- (iv) the costs incurred by anyone in repairing, removing, replacing, recalling, rectifying, reinstating or managing (including those of any persons under statutory duty to manage) any property arising out of the presence of **Asbestos** including any product containing **Asbestos**.

- (p) (i) work in or on, or travel to, from or within
- (ii) **Products Supplied**, which to **Your** knowledge is for use in or on any offshore:
  - a. accommodation, exploration, drilling or production rig or platform
  - b. support vessel.

(q) In respect of **Damage to Property** the **Excess** shown in the **Schedule**.

(r) any liability arising directly or indirectly from, or in connection with, or consisting of any loss, destruction or damage, **Failure** or **Loss of Data** resulting directly or indirectly from or in connection with

- (i) **Virus or Similar Mechanism**
- (ii) **Denial of Service Attack**
- (iii) unauthorised access to or use of **Computer and Electronic Equipment**.

However, **We** will not exclude any liability in respect of any ensuing accidental **Bodily Injury** or accidental **Damage to Property** which is not otherwise excluded

## Section Conditions

### (also refer to the General Policy Conditions)

The following Conditions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### 1. Premium Adjustment

If the premium under this Section is based on estimates provided by **You**, **You** shall keep accurate records containing all relevant information. **You** shall at all times allow **Us** to inspect such records and shall supply such particulars and information as **We** may require within one month from the expiry of each **Period of Insurance** and the premium shall then be adjusted by **Us**, subject to any minimum premium chargeable for the risk being retained by **Us**.

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## Section K also provides the following Cover Enhancements

#### 1. Additional Activities

The **Business** includes:

- (a) ownership, use and upkeep of the **Premises**, vehicles and plant
- (b) canteen, social, sports, educational and welfare organisations for the benefit of any **Employee**
- (c) first aid, fire, security and ambulance services
- (d) participation in exhibitions
- (e) private work by any **Employee**, with **Your** prior consent, for **You** or any director or **Employee**.

#### 2. Contractual Liability

**We** will compensate **You** in respect of liability for **Bodily injury** or **Damage to Property** imposed on **You** solely by reason of the terms of any agreement.

Provided that the conduct and control of any claim is vested in **Us**.

**We** will not provide indemnity in respect of any agreement for or including the performance of work outside the United Kingdom, the Isle of Man or the Channel Islands.

#### 3. Consumer Protection Act 1987 – Legal Defence Costs

**We** will compensate **You** for all **Costs and Expenses** in respect of the defence of a prosecution or in connection with an appeal against criminal prosecution and conviction in respect of a breach of Part II of the Consumer Protection Act 1987 that has occurred during the **Period of Insurance** in connection with the **Business**.

Provided that **We** will not be liable for:

- (a) the payment of fines or penalties
- (b) a breach that was as a result of an intentional or deliberate act
- (c) liability arising outside the United Kingdom, the Isle of Man and the Channel Islands.

#### 4. Corporate Manslaughter and Corporate Homicide Act 2007 – Legal Expense Costs

**We** will compensate **You** in respect of:

- (a) legal fees and expenses incurred with **Our** written consent for defending proceedings, including appeals
- (b) costs of prosecution awarded against **You**

which arise from criminal proceedings for any offence as defined in Section 1 of the Corporate Manslaughter and Corporate Homicide Act 2007.

**We** will not provide indemnity:

- (i) unless the proceedings relate to an actual or alleged offence committed during the **Period of Insurance** within the United Kingdom, the Isle of Man and the Channel Islands and in connection with the **Business**
- (ii) in respect of proceedings which:
  - a. result from any deliberate act or omission by **You**
  - b. relate to any **Employee**
- (iii) in respect of any:
  - a. fines
  - b. remedial or publicity orders or any steps required to be taken by such orders
- (iv) where indemnity is provided by another insurance policy.

#### 5. Costs of Court Attendance

**We** will compensate **You** if, at **Our** request, any director, partner or **Employee** is attending court as a witness in connection with a claim for which **You** are entitled to indemnity.

The most **We** will pay is:

- (a) for each director or partner: £250 per day
- (b) for each **Employee**: £150 per day

## 6. Cross Liabilities

**We** will compensate each party:

- (a) named as the Insured in the **Schedule**
- (b) entitled to indemnity under this Section as if a separate policy had been issued to each.

The total amount payable will not exceed the **Limit of Indemnity** regardless of the number of parties claiming to be indemnified.

## 7. Data Protection

**We** will compensate **You** in respect of:

- (a) legal fees and defence costs
- (b) legal liability for **Compensation** to an individual:
  - (i) the subject of personal data **You** hold and
  - (ii) who suffers material or non-material damage caused by:
    - a. inaccuracy of data
    - b. loss of the data
    - c. unauthorised destruction or disclosure of the data

arising from proceedings brought against **You** under Section 13 of the Data Protection Act 1998 or under Article 82 of the General Data Protection Regulation (Regulation (EU) 2016/679) or under any legislation implementing the General Data Protection Regulation or under any replacement legislation in respect of any of the foregoing.

The maximum **We** will pay for all claims happening during any one **Period of Insurance** is £1,000,000.

**We** will not provide indemnity in respect of:

- (a) (i) **Personal Injury** other than as provided by this Extension
- (ii) **Damage to Property**
- (iii) fraud, dishonesty, insolvency, financial default, conspiracy, conversion, deceit, intimidation, inducement of breach of contract, injurious falsehood or breach of confidence
- (iv) libel, slander or defamation.
- (b) consequential loss.
- (c) liability:
  - (i) as a result of **You** having authorised the destruction or disclosure of the data
  - (ii) which could reasonably have been expected to arise as a result of any other deliberate act or omission by **You** or any **Employee**.
- (d) any fine or statutory payment.
- (e) liability which arises solely by reason of the terms of any agreement.
- (f) liability in respect of liquidated damages or under any penalty clause.
- (g) legal costs or expenses or financial losses in respect of any order
  - (i) for rectification or erasure of data
  - (ii) requiring that data to be supplemented by any other statements.
- (h) proceedings relating to **Compensation** for any **Employee** if the Employers' Liability Section of this policy is not in force.

## 8. Defective Premises

**We** will compensate **You** in respect of liability arising for accidental **Bodily Injury** or **Damage to Property** arising under

- (a) the Defective Premises Act 1972
- (b) the Defective Premises (Northern Ireland) Order 1975

in connection with any **Premises** which **You** previously owned or occupied for the purposes of the **Business**.

**We** will not compensate **You** in respect of the cost of rectifying any defect or alleged defect in such **Premises**.

## 9. Food Safety Act – Legal Defence Costs

**We** will compensate **You** for all **Costs and Expenses** in respect of the defence of a prosecution or in connection with an appeal against criminal prosecution and conviction in respect of a breach of Part II of the Food Safety Act 1990 that has occurred during the **Period of Insurance** in connection with the **Business**.

Provided that **We** will not be liable for:

- (a) the payment of fines or penalties
- (b) a breach that was as a result of an intentional or deliberate act
- (c) liability arising outside the United Kingdom, the Isle of Man or the Channel Islands.

#### 10. Health and Safety Legislation – Legal Defence Costs

**We** will compensate **You** and, at **Your** request any of **Your** directors, partners or **Employees** in respect of:

- (a) legal fees and expenses in defending proceedings, including appeals
- (b) prosecution costs awarded against **You** or any director, partner or **Employee** arising from any health and safety inquiry or criminal proceedings in respect of any health and safety legislation of the United Kingdom, the Isle of Man or the Channel Islands.

**We** will not compensate **You**:

- (i) unless the proceedings relate to an actual or alleged act, omission or incident committed during the **Period of Insurance** and in the course of the **Business** within the United Kingdom, the Isle of Man or the Channel Islands.
- (ii) in respect of:
  - a. fines or penalties of any kind
  - b. proceedings resulting from any deliberate act or omission of any party claiming to be indemnified
  - c. proceedings relating to the health, safety or welfare of any **Employee**.
- (iii) where indemnity is provided by another insurance policy.

#### 11. Hired, Leased or Rented Premises

**We** will compensate **You** in respect of **Your** legal liability as a result of accidental **Damage** to **Premises** (including fixtures and fittings) within the United Kingdom, the Isle of Man and the Channel Islands, not owned by **You** but which **You** hire, rent or occupy in connection with the **Business**.

**We** will not compensate **You** in respect of

- (a) liability imposed on **You** solely by reason of the terms of the hiring or renting agreement
- (b) legal liability as a result of **Damage** against which the hiring or renting agreement specifies that insurance is taken out by **You** or on **Your** behalf.

#### 12. Indemnity to Other Persons

**We** will compensate:

- (a) **Your** personal representatives in respect of legal liability **You** incur
- (b) at **Your** request:
  - (i) any director, partner or **Employee** of **Yours**
  - (ii) the officers, committee and members of **Your**
    - a. catering social, sports, educational, medical, dental and welfare organisations
    - b. fire, security, first aid and ambulance services
  - (iii) any Principal for whom **You** are carrying out a contract but only to the extent required by the contract conditions
  - (iv) those who hire plant to the extent required by the hiring conditions.

or the personal representatives of these persons against legal liability in respect of which **You** would have been entitled to indemnity if the claim had been made against **You**.

Each indemnified party will be subject to the terms of this Section so far as they can apply.

#### 13. Motor Contingent Liability

**We** will compensate **You** in respect of **Your** legal liability as a result of accidental:

- (a) **Bodily Injury**
- (b) **Damage to Property**

arising out of the use:

- (a) in the United Kingdom, the Isle of Man and the Channel Islands and
- (b) in connection with the **Business** of any motor vehicle or trailer attached thereto not belonging, loaned, leased, hired or rented to or provided by **You**.

**We** will not compensate **You**

- (a) in respect of **Damage** to the vehicle or trailer or goods carried in or on the vehicle or trailer
- (b) while the vehicle is being driven by:
  - (i) **You**
  - (ii) a person who to **Your** knowledge or that of **Your** representatives does not hold a licence to drive the vehicle unless such person has held and is not disqualified from holding or obtaining such a licence
- (c) if indemnity is provided by another insurance policy.

#### 14. Overseas Personal Liability

**We** will compensate:

- (a) **You**
- (b) And at **Your** request any director, partner or **Employee**

while temporarily outside the United Kingdom, the Isle of Man and the Channel Islands in connection with the **Business** in respect of legal liability as a result of accidental:

- (i) **Bodily Injury**
- (ii) **Damage to Property**

incurred in a personal capacity.

**We** will also compensate any accompanying spouse or children.

Where the **Policyholder** is an individual the indemnity will also apply within the United Kingdom, the Isle of Man and the Channel Islands whilst away from **Your Business Premises** in connection with the **Business**.

**We** will not provide indemnity:

- (a) where liability arises from
  - (i) any agreement unless liability would have existed otherwise
  - (ii) ownership or occupation of land or **Buildings**
  - (iii) the carrying on of any trade or profession
  - (iv) ownership, possession or use of wild animals, firearms (other than sporting guns), mechanically propelled vehicles, aircraft or watercraft
- (b) where indemnity is provided by another insurance policy.

## Section L – Terrorism

(This Section is operative if shown in the Policy Schedule as insured)

### Section Definitions

(also refer to the Policy Definitions)

The following definitions apply to this Section and shall keep the same meaning wherever they appear in this Section.

#### **Act of 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 His Majesty's government in the United Kingdom or any other government de jure or de facto.

#### **Computer System**

Means a computer or other equipment or component or system or item which processes stores transmits or receives **Data**.

#### **Covered Loss**

Means all losses arising under any of the Heads of Cover as a result of damage to or the destruction of Property in the Territory, the proximate cause of which is an **Act of Terrorism**.

#### **Damage**

Means loss destruction or damage

#### **Data**

Means data of any sort whatever, including without limitation tangible or intangible data, and any programs or software, bandwidth, cryptographic keys, databases, documents, domain names or network addresses or anything similar, file interfaces, metadata, platforms, processing capability, storage media, transaction gateways, user credentials, websites, or any information whatever

#### **Denial of Service Attack**

Means any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability or performance of networks, network services, network connectivity or **Computer 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, the generation of excess or non-genuine traffic between and amongst networks and the procurement of such actions or instructions by other **Computer Systems**.

#### **Event**

Means all individual losses arising in respect of a continuous period of seventy two (72) hours of which the proximate cause is the same **Act of Terrorism** and you may choose the date and time when any such period of 72 hours shall commence provided that no two periods overlap and no period commences earlier than the date and time of the happening of the first recorded individual loss to you as a result of the **Act of Terrorism** in question; and an Event shall be taken to arise when which such 72 hour period commences, notwithstanding that it may extend beyond the time limit of the expiry of the contract of insurance concerned.

#### **Excess**

The amount(s) specified in this Section and the **Schedule** which **We** will deduct from each and every claim at each separate location. The amount(s) to be deducted after the application of any **Average** condition.

#### **Hacking**

Means unauthorised access to any **Computer System**, whether **Your** property or not.

#### **Heads of Cover**

Means any of the following types of cover:

- a) Buildings and Completed Structures
- b) Other property (including contents, engineering, contractors and computers)
- c) Business Interruption
- d) Book Debts

Provided always that each Head of Cover shall be deemed to be a separate Head of Cover whether the item insured is insured under separate policies, under separate terms of a policy or under separate sections of combined or package policies.

### **Nuclear Installation**

Means 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 or adapted for:

- a) the production or use of atomic energy;
- b) 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
- c) 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**

Means 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.

### **Phishing**

Means any access or attempted access to **Data** made by means of misrepresentation or deception.

### **Private Individual**

Means any person other than

- a beneficiary trustee or body of trustees where insurance is arranged in accordance with the terms of a trust
- a person who owns or is otherwise insured in respect of Residential Property for their business as a sole trader
- a person who owns or is otherwise insured in respect of Residential Property of which in excess of 20% is commercially occupied

Provided that if the property is a private dwelling house or a self-contained unit insured as part of a block of flats and is occupied as a private residence by a beneficiary or a trustee of the trust in question or sole trader or by a beneficiary or an executor of the will in question or the property is located in premises owned by any such person the property insured shall be deemed to be insured in the name of a Private Individual.

The definition of Private Individual shall include two or more persons where insurance is arranged in their several names and/or the name of the Insured includes the name of a bank or building society or other financial institution for the purpose of noting their interest in the property insured.

### **Property**

For the purposes of this Section only, all property whatsoever, but excluding:

- (1) any land or building which is occupied as a private residence or any part thereof which is so occupied, unless
  - (a) insured under the same contract of direct insurance as the remainder of the building which is not a private residence or
  - (b) not insured in the name of an individual
- (2) any **Nuclear Installation** or **Nuclear Reactor** and all fixtures and fittings situated thereon and attached thereto and all pipes wires cables drains or other conduits or service media of any description which are affixed or connected to or in any way serve such **Nuclear Installation** or **Nuclear Reactor**.

### **Residential Property**

Means private dwelling houses and flats (including household contents and personal effects as insured).

### **Territory**

Means England, Wales, and Scotland but not the territorial sea adjacent thereto as defined by the Territorial Sea Act 1987 nor the Channel Islands, the Isle of Man or Northern Ireland.

### **Treasury**

The Lords Commissioners of HM Treasury from time to time or any successor relevant authority.

### **Virus or Similar Mechanism**

Virus or Similar Mechanism means program code, programming instruction or any set of instructions constructed with the purpose and ability, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor computer programs, **Computer Systems, Data** 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 and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

## Cover

In consideration of the payment of the Terrorism Premium for the relevant Period of Insurance the insurance by this Policy is extended (subject to the Exclusions below) to include

- a) all losses under any of the Heads of Cover as a result of damage or destruction of the Property in the Territory, the proximate cause of which is an Act of Terrorism.

As insured by this Policy in the Territories stated below

Provided that Our liability shall not exceed in any one Period of Insurance

- in all the total sum insured
- for any item its sum insured or any other stated limit of liability in the Schedule or elsewhere in the Policy

whichever is the less

Subject always to the Limits applying to Terrorism insurance shown against the Territories stated below after application of all insurance provisions including any excess

Territory	Limit of Liability
England, Wales, and Scotland	As specified in policy
Elsewhere in the world	Not insured

## Exclusions

The insurance by this Section is not subject to any of the Exclusions of this Policy, except the following:

This terrorism Insurance does not cover

- a) any loss whatsoever directly or indirectly caused by or contributed to by or arising from 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;
- b) any loss whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from;
- 1) damage to or the destruction of any **Computer System** or
  - 2) any alteration, modification, distortion, erasure or corruption of **Data**
- in each case whether your property 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**.

Proviso to Exclusion b)

save that Covered Loss otherwise falling within this Exclusion b) will not be treated as excluded by Exclusion b) solely to the extent that such Covered Loss:

- (i) results directly (or, solely as regards (ii) (c) below, indirectly) from fire, explosion, flood, escape of water from any tank, apparatus or pipe (including any sprinkler system), impact of aircraft or any aerial devices or articles dropped from them, impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle, destruction of, damage to or movement of buildings or structures, plant or machinery other than any Computer System; and
- (ii) comprises;
  - (a) the cost of reinstatement, replacement or repair in respect of damage to or destruction of Property insured by you; or
  - (b) the amount of business interruption loss suffered directly by you by way of loss of or reduction in profits, revenue or turnover or increased cost of working as a direct result of either damage to or destruction of Property insured by you or as a direct result of denial, prevention or hindrance of access to or use of the Property insured by you by reason of an Act of Terrorism causing damage to other Property within one mile of the Property insured by you to which access is affected; or
  - (c) the amount of loss caused by the cancellation, abandonment, postponement, interruption, curtailment or relocation of an event as a result of damage to or destruction of Property and any additional costs or charges reasonably and necessarily paid by the you to avoid or diminish such loss; and
- (iii) is not proximately caused by an **Act of Terrorism** in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by, acting on behalf of or part of any de jure or de facto government of any nation, country or state.
- (iv) The meaning of "Property" for the purposes of this Proviso shall (additionally to those exclusions in the definition of "Property" below and anywhere else) exclude:
  - (a) any money (including "Money" as defined in any insurance policy), currency, electronic cryptographic or virtual currency including Bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any other financial instrument of any sort whatever; and
  - (b) any **Data**.
- (v) Notwithstanding the exclusion of **Data** from **Property**, to the extent that damage to or destruction of **Property** within the meaning of sub-paragraph (ii) above indirectly results from any alteration, modification, distortion, erasure or corruption of **Data**, because the occurrence of one or more of the matters referred to in sub-paragraph (i) above results directly or indirectly from any alteration, modification, distortion erasure or

corruption of **Data**, that shall not prevent cost or business interruption loss directly resulting from damage to or destruction of such Property and otherwise falling within sub-paragraphs (i) and (ii) above from being recoverable under this Terrorism Insurance. In no other circumstances than the previous sentence, however, will any loss or losses directly or indirectly caused by, contributed to by or arising from or occasioned by or resulting from any alteration, modification, distortion, erasure or corruption of **Data** be recoverable under this Terrorism Insurance.

(vi) For the avoidance of doubt, the burden of proof shall be on you to prove or establish all the matters referred to in sub-paragraphs (i) to (ii) above.

- c) Damage or consequential loss arising from such Damage to any **Nuclear Installation** or **Nuclear Reactor** and all fixtures and fittings situated thereon and attached thereto and all pipes wires cables drains or other conduits or service media of any description which are affixed or connected to or in any way serve such **Nuclear Installation** or **Nuclear Reactor**, but this Exclusion shall not exclude loss arising from **Damage** to other types of property arising from an Act of Terrorism occurring at the site of a **Nuclear Installation** or **Nuclear Reactor**.
- d) any Residential Property insured in the name of a Private Individual

#### **Special Conditions Applicable to Terrorism Insurance**

- 1. We will not indemnify you unless and until
  - a) **HM Treasury** has certified that an event or events have been an **Act of Terrorism**; or
  - b) a Tribunal constituted under the terms of Schedule 3 to a Retrocession Agreement between Pool Reinsurance Company Ltd and **HM Treasury** has determined that an event or events have been an **Act of Terrorism**
- 2. Any conditions or terms which provide for adjustments of premium based on declarations on expiry of the period of insurance shall not apply to Terrorism insurance
- 3. Any long-term agreement or undertaking applying to this Policy shall not apply to Terrorism insurance.

#### **Section Conditions (also refer to the General Policy Conditions)**

The following Conditions apply to this Section and shall keep the same meaning wherever they appear in this Section.

- (1) We may cancel the cover provided by this Section by sending You 30 days written notice to Your last known address. We will refund a proportionate part of any premium paid for the unexpired period provided that there has been no
  - (a) claim(s) made under this Section for which We have made a payment or which are still under consideration
  - (b) incident(s) which You are aware of and are likely to give rise to a claim which has already been or is yet to be reported to us during the current Period of Insurance. If in relation to any claim You have failed to fulfil any of the following conditions, We will not pay that claim.

You must

- (2) declare to Us all property and/or premises owned by You, or for which You are responsible, and, if applicable, all Business Interruption and Book Debt exposures, including all property and/or premises, Business Interruption and Book Debts of subsidiary companies
- (3) purchase Terrorism cover from a Pool Reinsurance Company Limited member company in respect of all
  - (a) such property and/or premises and
  - (b) such Business Interruption and Book Debts unless We agree otherwise in writing

## Section M – Commercial Legal Protection

This insurance is managed and provided by Arc Legal Assistance Limited. The insurance elements of this section are underwritten by the **Insurer**, on whose behalf **We** act.

If a claim is accepted under this insurance, **We** will appoint **Our** panel solicitors, or their agents, to handle **Your** case. **You** are not covered for any other **Adviser's** fees unless court **Proceedings** are issued, or a **Conflict of Interest** arises. Where it is necessary to start court **Proceedings** or a **Conflict of Interest** arises and **You** want to use a legal representative of **Your** own choice, **Legal Costs and Expenses** payable by **Us** are limited to no more than (a) **Our Standard Legal Costs and Expenses**; or (b) the amount recoverable under the Civil Procedure Fixed Recoverable Costs Regime, whichever is the lower amount.

### legal expenses helpline

The **Legal Expenses Helpline** service may be used to discuss any problem occurring under this policy within the United Kingdom, the Channel Islands and the Isle of Man. Simply telephone **0344 770 1040** quoting "**Bspoke Commercial LEI**" and ask to speak to a legal **Adviser**. This service is here to help **You**. Do not hesitate to make full use of it. In particular if something **You** are proposing to do may result in a claim, **You** must use the helpline first.

### how to make a claim – employment cover

**You** will give **Us** immediate notice in writing of any **Proceedings** or suit made or brought against **You** or believed by **You** to be considered and any summons or other process served or threatened to be served and any event which may give rise to **Proceedings** against **You**.

There will be no cover under this policy unless **You** have either:

1. Followed the formal **ACAS** procedure; or
2. **You** have sought and followed the advice of the **Legal Expenses Helpline** as to the procedure to be adopted and have received specific authorisation from the **Legal Expenses Helpline**:
  - a) prior to carrying out any disciplinary procedure or action or suspension of an **Employee**;
  - b) prior to **Dismissal** of an **Employee**
  - c) prior to notifying an **Employee** of their intended retirement date or retiring an **Employee**;
  - d) prior to instituting a redundancy programme and prior to making an **Employee** redundant;
  - e) upon notification formally or informally of a grievance from an **Employee** or ex-**Employee**;
  - f) upon notification formally or informally of a complaint relating to discrimination victimisation or harassment because of age, disability, gender reassignment, marriage/civil partnership, pregnancy/maternity, race, religion or belief, sex or sexual orientation;
  - g) prior to any adverse variation or proposed adverse variation of the terms and conditions of employment (including altering the hours or time or place worked or demotion or deduction from or reduction in an **Employee's** remuneration);
  - h) immediately an **Employee** walks out with or without written notice;
  - i) upon receipt of an appeal from an **Employee** or ex-**Employee** against a decision taken as a result of a disciplinary or grievance procedure or retirement procedure or a decision to dismiss
  - j) arising out of or in connection with any business transfer or purported business transfer falling within the scope of the Transfer of Undertakings (Protection of Employment) Regulations 2006 or the Acquired Rights Directive.

If **You** do not tell **Us** within 180 days and within the **Period of Insurance** about this event, any claim resulting from that event will not be covered.

Failure to seek and follow the advice of the helpline in any of the above situations will mean that any claim arising as a result of the action will not be covered.

1. If **You** receive a form ET1 (claim form) from an employment tribunal and wish to obtain indemnity under this cover **You** should notify the **Legal Expenses Helpline**. This must be done immediately because of the statutory 28 days' time limit for returning a response form (ET3) or responding on-line. The response form should be left blank for completion by **Your Adviser**. Upon request, **You** must complete a claim form by visiting <https://claims.arclegal.co.uk> and forward it to **Us** immediately. Alternatively, **We** will send **You** a claim form.
2. If a former **Employee** requests a written statement of reasons for **Dismissal**, **You** must contact the **Legal Expenses Helpline**, not later than 7 days from the request and prior to the statement being given.
3. If **You** intend to make a significant alteration to an **Employee's** terms of employment **You** must telephone the **Legal Expenses Helpline** first and follow their advice.

### how to make a claim – tax

There will be no cover under this policy unless **You** have obtained specific authorisation from the **Legal Expenses Helpline** and then sought and followed the advice as to the procedure to be adopted on receiving:

1. a written decision, notification of dissatisfaction or assessment issued by HM Revenue & Customs following an examination of **Your** books, records or accounts;
2. a notification in writing by the relevant authority of an HM Revenue & Customs enquiry, investigation or dispute;
3. an enquiry following a control visit by HM Revenue & Customs into the operation of PAYE and NIC resulting in a letter of dissatisfaction with **Your** affairs;
4. an enquiry conducted into the status of **You** under the Social Security Contributions (Intermediaries) Regulations 2000 and/or the Welfare Reform and Pensions Act 1999 and/or the Finance Act 2000;
5. an enquiry by HM Revenue & Customs into **Your** self-assessment return following the issue of a notice under Section 9A or Section 12AC of the Taxes Management Act 1970 or Schedule 18, paragraph 24 of the Finance Act 1998 together with a request to examine **Your** books and records; or
6. an enquiry by HM Revenue & Customs which is limited to one or more specific aspects of the customer's self-assessment Return following the issue of a notice under Section 9A or Section 12AC of the Taxes Management Act 1970 or Schedule 18, paragraph 24 of the Finance Act 1998 which does not include a request to examine all **Your** books and records.

If **You** do not tell **Us** about this event within 180 days and within the **Period of Insurance**, any claim resulting from that event will not be covered. **Legal Costs and Expenses** incurred prior to **Our** accepting **Your** claim will not be covered under this insurance. **You** can complete and submit **Your** claim form online by visiting <https://claims.arcllegal.co.uk>. Alternatively, **We** will send **You** a claim form which must be completed, giving a complete and truthful report of the facts of the claim, indicating any potential witnesses and any documentary evidence and return it to **Us** at the earliest opportunity.

#### **how to make a claim**

Potential claims must be notified to **Us** by telephoning the **Legal Expenses Helpline** and before instructing an **Adviser**. **You** must make **Your** claim as soon as **You** are, or should reasonably have been, aware of any event which has resulted in, or could result in an **Insured Event**. (If **You** do not tell **Us** about this event within 180 days, and within the **Period of Insurance**, any claim resulting from that event will not be covered). **You** must follow the advice of the **Legal Expenses Helpline**. **Legal Costs and Expenses** incurred prior to **Our** accepting **Your** claim will not be covered under this insurance. **You** can complete and submit **Your** claim form online by visiting <https://claims.arcllegal.co.uk>. Alternatively, **We** will send **You** a claim form which must be completed, giving a complete and truthful report of the facts of the claim, indicating any potential witnesses and any documentary evidence and return it to **Us** at the earliest opportunity.

#### **important conditions**

If **Your** claim is covered under this insurance and no exclusions apply then it is vital that **You** comply with the conditions of this insurance in order for **Your** claim to proceed. The conditions applicable to this insurance are contained under the 'Conditions' section below and should be read carefully. Some of the main conditions to this insurance are that:

#### **Claims Made**

This is a "Claims Made" insurance contract which means it only covers claims notified to **Us** during the **Period of Insurance** and within 180 days, of any circumstance which may give rise to any claim. Failure to do so would lead **Us** to decline a claim for indemnity under this insurance.

#### **Prospects of Success**

There must be a 51% or greater chance of winning the case and achieving a positive outcome. A positive outcome includes, but is not limited to, recovering the amount of money at stake, enforcing a judgment or achieving an outcome which best serves **Your** interests. The assessment of **Your** claim and the prospects of its success will be carried out by an independent **Adviser**. If the **Adviser** determines that there is not a 51% or greater chance of success, then **We** may decline or discontinue support for **Your** case.

#### **Proportional Costs**

An estimate of the **Legal Costs and Expenses** to deal with **Your** claim must not be more than the amount of money in dispute. The estimate of the **Legal Costs and Expenses** will be provided with the assessment of **Your** case and will be carried out by the independent **Adviser**. If the estimate exceeds the amount in dispute then **We** may decline or discontinue support for **Your** case.

#### **Employment Matters**

There will be no cover under this policy unless **You** have either sought and followed:

- a) the formal **ACAS** procedure; or
- b) the advice of the **Legal Expenses Helpline** as to the procedure to be adopted and have received specific authorisation from the **Legal Expenses Helpline** in relation to employment matters.

See the 'How to Make a Claim – Employment' section for further details.

### **Your Duty of Disclosure**

Under the Insurance Act 2015 **You** have a duty to make fair presentation of the risk to the **Insurer** before this policy starts, at each renewal and when **You** make any amendment(s) to cover.

This means **You** must:

- a) disclose all material facts of which **You** know or ought to know.
- b) make the disclosure in a reasonably clear and accessible way.
- c) make sure that every material representation of fact is substantially correct and made in good faith.

### **What is a Material Fact?**

A material fact is Information that would influence the **Insurer's** decision as to whether to insure **You** and, if so, on what terms.

For the purposes of the duty of fair presentation, **You** are expected to know the following;

- a) If **You** are an individual (such as a sole trader or individual partner):
  - what is known to **You** and anybody who is responsible for arranging this insurance, or
 if **You** are not an individual (such as a limited company or partnership):
  - what is known to anybody who is part of **Your** organisation's senior management (this means those people who play significant roles in the making of decisions about how **Your** activities are to be managed or organised or anybody who is responsible for arranging this insurance.
- b) what should reasonably be revealed by a reasonable search of the information available to **You**. The information may be held within **Your** organisation (including, but not limited to, subsidiaries, affiliates, the broker or any other person who will be covered under this insurance.
- c) If the insurance is intended to insure subsidiaries, affiliates, or other parties, **You** are expected to have included them in **Your** enquiries and inform **Us** if **You** have not done so. The reasonable search may be conducted by making enquiries or by any other means.

### **Breach of duty**

If **You** breach **Your** duty to make fair presentation of the risk to the **Insurer**, then:

- where the breach was deliberate or reckless, the **Insurer** may void this policy, refuse all claims and keep all premiums paid.
- where the breach was neither deliberate nor reckless and, but for the breach, the **Insurer** would not have agreed to provide cover under the policy on any terms, they may void this policy and refuse all claims, but they will return any premiums paid.
- where the breach was neither deliberate nor reckless and, but for the breach, they would have agreed to provide cover under this policy but on different terms (other than premium terms), they may require that this policy includes such different terms with effect from its commencement, and/or
- where the breach was neither deliberate nor reckless and, but for the breach, the **Insurer** would have agreed to provide cover under this policy but would have charged higher premiums, the **Insurer's** liability for any loss amount payable shall be limited to the proportion that the premium charged bears to the higher premium that would have been charged.

For example: if, due to a breach of fair presentation, **You** were charged a premium of £x but should have been charged £y, then for any claim submitted and agreed at a settlement value of £z, **You** will only be paid £a.

### **excluded trades**

There is no cover under this policy if **You** are engaged in the following business activities:

- Aircraft / aerospace
- Gaming gambling and night clubs
- Fairgrounds and amusement arcades
- Waste / refuse disposal
- Solicitors
- Professional sporting clubs
- Builders and allied trades
- Care/nursing homes
- Educational establishments
- Recruitment agencies and umbrella companies
- Financial Services
- Gentlemen's clubs and other venues providing entertainment in the form of lap dancing, table dancing, pole dancing and/or where striptease and/or erotic dance is regularly performed

### **advice and authorisation procedures**

There will be no cover under this insurance contract unless **You** follow the advice and authorisation procedures set out in the 'How to Make a Claim' section.

### **cover**

This insurance provides indemnity in respect of **Legal Costs and Expenses** up to the **Maximum Amount Payable** where:

- a) The **Insured Event** is notified to **Us** during the **Period of Insurance** and within 180 days of occurrence
- b) The **Insured Event** and any **Proceedings** take place within the **Territorial Limits**

This section is broken down into two sections: Definitions and Sections of Cover. The Definitions section sets out the meaning of important terms which will be used throughout this insurance. Wherever **You** see a term highlighted in this policy, it refers to a definition contained in that section. The Sections of Cover sets out in detail what **You** are and what **You** are not insured against. Read this carefully together with the exclusions and conditions of this insurance before **You** make a claim.

## **Definitions.**

### **ACAS**

The Advisory, Conciliation and Arbitration Service which provides free and impartial information and advice to employers and **Employees** on all aspects of workplace relations and employment law.

### **Adviser**

**Our** panel solicitors, or their agents, an accountant or other appropriately qualified person, firm or company appointed by the **Insurers** to act for **You**, or, and subject to the **Insurers** agreement, where **Proceedings** have been issued, another legal **Adviser** nominated by **You**.

### **Aggregate Amount Payable**

The maximum **We** will pay for all claims arising under this insurance in one **Period of Insurance**. The **Aggregate Amount Payable** is £100,000.

### **Attendance Expenses**

Means the actual loss of earnings of any **Employee**, or other officer of **Yours** for the period they are absent from work to attend at any court or tribunal hearing either:

- a) As a witness on **Your** behalf and at the request of the **Adviser** in respect of a matter involving a valid claim under this insurance;
- b) As a party to the **Proceedings** and at the request of the **Adviser** in respect of a matter involving a valid claim under this insurance;
- c) While attending Jury Service

For each half or full day of such attendance and shall be calculated on the basis that the period of absence from work shall be calculated to the nearest half day, taking an eight hour day to be a whole day for this purpose and the maximum period for which a claim can be made in respect of any one day

**The maximum payable in respect of one eight-hour period shall be £100 per person**

#### **Awards of Compensation**

Basic and compensatory **Awards of Compensation** which **You** must pay as a result of judgment in a dispute under legislation following a claim under sub-section (b) of the 'Employment Disputes and Compensation Awards' section of cover or under sub-section (b) of the 'Disability Discrimination Disputes and Compensation Awards' section of cover; or (c) of the 'Data Protection and Information Commissioner Registration' section of cover; or

An out-of-court settlement of a claim under sub-section (b) of the 'Employment Disputes and Compensation Awards' section of cover or under sub-section (b) of the 'Disability Discrimination Disputes and Compensation Awards' section of cover; or (c) of the 'Data Protection and Information Commissioner Registration' section of cover; or to which **We** have given **Our** prior written consent.

#### **Business Premises**

The **Business Premises** declared to and accepted by **Us**.

#### **Conditional Fee Agreement**

An agreement between **You** and the **Adviser** or between **Us** and the **Adviser** which sets out the terms under which the **Adviser** will charge **You** or **Us** for their own fees.

#### **Conflict of Interest**

Situations where **We** administer and/or arrange legal expenses insurance on behalf of any other party in the dispute which is the subject of a claim under this insurance.

#### **Contract of Employment**

A contract of service, whether express or implied, and (if it is express) whether oral or in writing.

#### **Data Controller**

The party which determines the purpose for, and the manner in, which personal data are, or are to be, processed.

#### **Data Protection Legislation**

The relevant **Data Protection Legislation** in force within the **Territorial Limits** where this cover applies at the time of the **Insured Event**.

#### **Dismissal**

The termination of an **Employee's Contract of Employment** by:

- a) **You**, giving notice to the **Employee**;
- b) **You** because of an **Employee's** gross misconduct;
- c) The expiry of a limited-term without renewal;
- d) An **Employee** by reason of **Your** conduct.

Any **Dismissals** must be handled in accordance with the advice provided by the **Legal Expenses Helpline** or the formal **ACAS** procedure.

#### **Director**

**Your Director(s)** including executive officers.

#### **Employee/ Your Employees**

Any person who has entered into or works under (or, where the employment has ceased, worked under) a **Contract of Employment** with **You** in connection with the business insured under this policy

#### **Excess**

The sum payable by **You** as a contribution towards the costs incurred arising from any claim made under this insurance as stated below:

**Tax Disputes (Aspect Enquiries only): £200**

**Disability Discrimination Disputes and Compensation Awards: £250**

**All other sections: Nil**

## **HMRC**

H.M. Revenue and Customs in the United Kingdom.

## **Insured Event**

The incident or the start of a transaction or series of incidents which may lead to a claim or claims being made under the terms of this insurance.

## Employment

In employment disputes the **Insured Event** will be the receipt of an ET1 Employment Tribunal Claim Form.

## Tax

In accountancy matters the **Insured Event** arises on the date that **You** or **Your Adviser** are contacted either verbally or in writing, by the relevant department of **HMRC** advising **You** of either dissatisfaction with **Your** returns, or amounts paid, or notice of intention to investigate.

## Criminal Proceedings

In criminal cases the **Insured Event** will be the date that **You** commenced or are alleged to have commenced to violate the criminal law in question.

## Jury Service

In a claim arising from jury service the **Insured Event** arises at the end of the period of jury service, at which point **You** can submit a claim.

For the purposes of the **Maximum Amount Payable**, only one **Insured Event** will be regarded as having arisen from all causes or by actions, incidents or events which are related by cause or time.

## **Insurers**

AmTrust Specialty Limited

## **Legal Costs and Expenses**

Reasonable unrecovered fees and disbursements properly and necessarily incurred by the **Adviser** with **Our** prior written authority and any costs incurred by a third party, on the standard basis of any **Proceedings**, for which **You** may be made liable by order of a court or by agreement.

## **Legal Expenses Helpline**

The service provided by **Our** panel solicitors on **Our** behalf which enables **You** to obtain advice on any matter which may give rise to a claim under this insurance.

## **Maximum Amount Payable**

The **Maximum Amount Payable** by **Us** in respect of an **Insured Event**, subject to the **Aggregate Amount Payable** is as shown on **Your** policy schedule under Section M – Commercial Legal Protection – Limit of Indemnity.

## **Period of Insurance**

This insurance provides cover for the same period covered by the insurance product or benefit to which it attaches. For the avoidance of doubt, if the underlying insurance policy is cancelled, suspended or withdrawn, this legal expenses insurance will also be cancelled, suspended or withdrawn

## **Proceedings**

Civil, criminal, tribunal or arbitration proceedings or appeals arising from them brought in the **Territorial Limits**.

## **Standard Legal Costs and Expenses**

The level of **Legal Costs and Expenses** that would normally be incurred by **Us** in using an **Adviser** of **Our** choice, including **Our Conditional Fee Agreement**.

## **Statutory Licence**

A licence issued under statute or statutory instrument or by government or local authority to **You** where the licence is necessary to engage in **Your** business or trade.

### **Territorial Limits**

#### **For Bodily Injury:**

The United Kingdom, the European Union, the Isle of Man, the Channel Islands, Albania, Andorra, Bosnia Herzegovina, Gibraltar, Iceland, Liechtenstein, Macedonia, Montenegro, Norway, San Marino, Serbia, Switzerland and Turkey (West of the Bosphorus).

#### **For Disability Discrimination Disputes and Compensation Awards:**

The United Kingdom

#### **For all other sections:**

The United Kingdom, The Channel Islands or The Isle of Man.

### **We/Us/ Our/ Ourselves**

Arc Legal Assistance Limited acting on behalf of **Insurers**.

### **You/ Your**

#### **Jury Service:**

The person(s) declared to and accepted by **Us** or the **Employees** or **Directors** of a company, or companies declared to and accepted by **Us**.

#### **All other Sections:**

The person(s), company or companies declared to and accepted by **Us**.

## **Sections of Cover.**

### **Employment Disputes and Compensation Awards**

#### **What is insured:**

##### **Legal Costs and Expenses** incurred by **You**

- a) In defence of **Proceedings** brought in an employment tribunal, arising from a dispute with an **Employee** or ex-**Employee** relating to:
  - i) The **Contract of Employment** with **You**;
  - ii) Actual or alleged breaches of their statutory rights under employment legislation
- b) **Awards of Compensation** made against **You** arising from claims under section a) above

#### **What is not insured:**

##### **Claims:**

- a) Which are incurred by deliberately avoiding liability for a redundancy payment or for monies or benefits due under a **Contract of Employment**;
- b) Relating to the protection of **Employees'** rights when the organisation or service they work for transfers to a new employer and impact on **You** as the outgoing or incoming employer;
- c) Relating to equal terms;
- d) For redundancy payments or an award or settlement in relation to **Employees** dismissed because of redundancy where **You** have failed to comply with the legal requirements relating to redundancy;
- e) Arising from the **Dismissal** of any **Employee** or change to an **Employees** terms of employment unless the **Dismissal** or change to an **Employees** terms of employment is handled in accordance with either the advice provided and procedures laid down by the **Legal Expenses Helpline** as described in the conditions to this insurance or the formal **ACAS** procedure;
- f) Arising where the **Insured Event** was less than 90 days after the start of the first **Period of Insurance**, or less than 180 days after the start of the first **Period of Insurance**, if the **Employee** was at that time subject to disciplinary **Proceedings** or any verbal or written warning;
- g) For any **Awards of Compensation** made against **You** relating to trade union activities including membership or non-membership; or relating to pregnancy, maternity or paternity rights;
- h) For any **Awards of Compensation** made because of **Your** failure to provide written reasons for **Dismissal**;
- i) For any compensatory award specified in a reinstatement or re-engagement order or made because of **Your** failure to provide written reasons for a **Dismissal**;
- j) For any award to the extent that it relates to contractual rights accruing to the **Employee** or ex-**Employee** prior to the actual or alleged breach of the actual or alleged **Contract of Employment**;
- k) Relating to pension rights;
- l) Arising from **Your** failure to follow the process set out in the 'How to Make a Claim' section in this policy.

## **Bodily Injury**

### **What is insured:**

**Legal Costs and Expenses** and **Attendance Expenses** incurred by **Your Employee(s)** in the pursuit of **Proceedings** for damages, specific performance or injunction arising from or out of their death or bodily injury.

This cover extends to include members of an **Employee's** family who suffer bodily injury following an event that also causes bodily injury to **Your Employee**.

If the **Proceedings** are going to be decided by a court in England or Wales and the damages **You** are claiming are above the small claims track limit, the **Adviser** must enter into a **Conditional Fee Agreement** which waives their own fees if **You** fail to recover the damages that **You** are claiming in the **Proceedings** in full or in part. If the damages **You** are claiming are below the small claims track limit **Advisers' Costs** will not be covered but **You** can access the **Legal Expenses Helpline** for advice on how to take **Your** case further.

### **What is not insured:**

#### **Claims**

- a) Made against **You** by an **Employee**;
- b) For an accident/incident giving rise to bodily injury or death which occurred prior to the start of the first **Period of Insurance**;
- c) For any sickness or disease or any naturally occurring condition or degenerative process;
- d) For a condition which manifested itself prior to the start of the first **Period of Insurance**;
- e) For the defence of any claim for bodily injury;
- f) For medical negligence;
- g) Any claim under the small claims track.

## **Covenants in Restraint of Trade**

### **What is insured:**

**Legal Costs and Expenses** to pursue **Proceedings** against an **Employee** where such person is in breach or is about to be in breach of a restrictive covenant of employment which restricts:

- a) The **Employee** or **Ex-Employee** from competing with **You**; or
- b) Enticing other **Employees** to leave **Your** employment; or
- c) Approaching or enticing **Your** customers either during or after the termination of the **Contract of Employment** by either party.

## **Criminal Pre-Proceedings**

### **What is insured:**

**Legal Costs and Expenses** to defend **Your** legal rights prior to the issue of **Proceedings** when dealing with the Police, Health and Safety Executive and/or Local Authority Health and Safety Enforcement Officer where it is alleged that **You** have, or may have committed a criminal offence

### **What is not insured:**

#### **Claims**

- a) For infringement of road traffic laws or regulations in connection with the ownership, driving, or use of a motor vehicle;
- b) For incidents dealt by the Health and Safety Executive under the Fee for Intervention (FFI) cost recovery schemes under the Health and Safety (Fees) Regulations 2012.

## **False Imprisonment**

### **What is insured:**

**Legal Costs and Expenses** incurred by **You** to defend **Proceedings** brought against **You** arising from allegations of false imprisonment.

### **What is not insured:**

Claims by or against or on behalf of an **Employee** or ex-**Employee** or any other person working or contracting for **You**.

## **Employee Civil Legal Defence**

**What is insured:**

**Legal Costs and Expenses** to defend **Your Employees** legal rights if an **Insured Event** arising from their work as an **Employee** leads to **Proceedings** being issued against them:

- a) Under legislation for unlawful discrimination;
- b) As trustee of a pension fund set up for the benefit of **Your Employees**

**Data Protection and Information Commissioner Registration**

**What is insured:**

**Legal Costs and Expenses** incurred by **You** as a **Data Controller**:

- a) As well as **Attendance Expenses**, in **Proceedings** arising from appeals against any enforcement or other notices served on **You** under **Data Protection Legislation**;
- b) If **Proceedings** are issued against **You** for compensation under **Data Protection Legislation**;
- c) For any **Award of Compensation** made against **You** under **Data Protection Legislation**;
- d) Incurred in an appeal against the refusal of the Information Commissioner to register **Your** application for registration.

**What is not insured:**

**Claims**

- a) Arising from a failure to register as a **Data Controller**;
- b) For **Proceedings** against **You** alleging contempt of the Data Protection Tribunal
- c) Arising from a failure to respond to any notice served on **You** under **Data Protection Legislation**;
- d) Arising from a failure to comply with any legislative requirement concerning the processing of sensitive data.

**Contract**

**What is insured:**

**Legal Costs and Expenses** arising from any dispute between **You** and a customer or supplier about a contract for the supply of goods or services where the total amount in dispute, or the amount due to be paid at the time of the dispute, is at least £250, but no more than £10,000.

The contract must have been either entered into:

- a) after the start of the first **Period of Insurance**; or
- b) before the start of the first **Period of Insurance** subject to **You** providing signed copies which confirm that the contract has been reviewed (and updated) at least once within the last 5 years and confirm that **You** are not aware of any circumstances which may lead to a claim.

**What is not insured:**

**Claims**

- a) For any **Insured Events** which occurs within 90 days of the start of the first **Period of Insurance**;
- b) For the recovery of a debt from a customer where the customer does not dispute that the money is owed to **You**;
- c) For any dispute **You** may have as a landlord or a tenant in connection with a lease or licence or tenancy agreement;
- d) For the defence of any matter which should be covered under a professional indemnity insurance;
- e) Arising from the sale, lease, service, repair or test of a motor vehicle;
- f) Arising from a dispute over a financial services product, including payments which may be due under an insurance policy;
- g) Arising from a dispute with an **Employee** or former **Employee** arising from a **Contract of Employment**;
- h) Arising from any licence or franchise agreements;
- i) Arising from adjudication or arbitration proceedings;
- j) Arising from a dispute over the purchase, sale, lease, provision, service or repair of computer hardware, software, systems or services.

**Property Damage**

**What is insured:**

**Legal Costs and Expenses** incurred in pursuit of **Proceedings** against a third party, other than an **Employee** or former **Employee**, following an act or omission relating to material property owned by **You** which results in, physical damage to that property.

**What is not insured:**

**Claims**

- a) Arising from a contract made between **You** and a third party;
- b) Arising from a lease or tenancy agreement applying to **Your Business Premises** and disputes relating to the occupation of land or property owned by **You**, by a party or parties whose licence to occupy such property has been determined or revoked or which was never granted by or on **Your** behalf;
- c) Involving:
  - i) Goods in transit
  - ii) Goods hired or lent to third parties
  - iii) Goods at premises other than those occupied by **You**, unless they are at the premises for the purpose of installation or use in work carried out by **You**
- d) Involving a motor vehicle belonging to **You** or in **Your** possession, except whilst on **Your Business Premises**.

**Property Infringement**

**What is insured:**

**Legal Costs and Expenses** incurred by **You** in **Proceedings** for nuisance or trespass against the person or organisation infringing **Your** legal rights in relation to the **Business Premises**.

**What is not insured:**

Disputes relating to a tenancy agreement or any other lease or licence to occupy property or land

**Tenancy Disputes**

**What is insured:**

**Legal Costs and Expenses** and **Attendance Expenses** incurred by **You** in the pursuit or defence of **Proceedings** between **You** and **Your** landlord under the terms of the lease or tenancy agreement applying to **Your Business Premises**.

**What is not insured:**

**Claims**

- a) Arising from or relating to the amount, payment or non-payment of rent
- b) Arising from or relating to the renewal of the lease or tenancy agreement

**Statutory Licence Protection**

**What is insured:**

**Legal Costs and Expenses** and **Attendance Expenses** incurred by **You** in an appeal to the relevant statutory body, or in **Proceedings** where the relevant authority suspends, revokes, alters the terms of or refuses to renew **Your Statutory Licences**.

**What is not insured:**

**Claims**

- a) Arising from an original application or standard renewal of a licence;
- b) Arising from a criminal prosecution.

**Tax Disputes**

**What is insured:**

**Legal Costs and Expenses** incurred by **You** and arising directly from:

- a) **HMRC Enquiries and Disputes**
  - i) A full or aspect enquiry by **HMRC** into **Your** corporation tax return following the issue of formal notification by **HMRC**;

- ii) Any challenge in writing by **HMRC** of the accuracy or completeness of returns submitted in accordance with the PAYE regulations following a compliance check or routine inspection undertaken by **HMRC** into the operation of PAYE;
  - iii) An enquiry conducted into the employment status of **Your Employees** under the PAYE and/or NIC Regulations or Part 2, Chapter 8 of Income Tax (Earnings and Pensions) Act 2003 (IR35).
- b) **VAT Disputes**
- i) A dispute following a compliance check or routine inspection undertaken by **HMRC** of **Your** VAT record-keeping;
  - ii) An enquiry held under Section 60 or 61 of the VAT Act 1994 or any matters handled by the National Investigations Service of **HMRC** providing that at the culmination of such investigation it is proved that **You** were not found guilty of dishonesty, fraud or fraudulent intent.

**What is not insured:**

- a) Involving criminal proceedings or alleged fraudulent evasion of tax, and any case dealt with by Special Civil Investigations Office, Boards Investigation Unit of any other special office of **HMRC**;
- b) Arising from or relating to attendance at a compliance and/or control review or routine inspection undertaken by **HMRC** (PAYE/NIC and/or VAT);
- c) Where deliberate miss-statements have been made in respect of accounts, returns or any other submissions made to the relevant authorities;
- d) Where **You** have failed to give **Your** business status to the relevant authorities within a statutory period;
- e) Which originate from any enquiry, investigation or dispute which existed before the first **Period of Insurance**;
- f) Involving tax or National Insurance contributions avoidance schemes;
- g) Which occurs during the first 90 days of the first **Period of Insurance**;
- h) Where **You** have failed to maintain or submit accurate, truthful and up to date records, or where returns have not been submitted within statutory time limits or requirements;
- i) Arising from a dispute as to whether an **Employee's** remuneration should fall under either PAYE or sub-contract rules;
- j) In respect of any dispute arising under the National Minimum Wage Act 1998 or the Tax Credits Act 2002;
- k) In any claim where the policyholder has adopted a tax avoidance scheme; or
- l) In respect of the preparation or rectification of self-assessment tax returns, accounts, P11Ds, P35s, VAT returns or any other statutory returns or for any professional fees incurred for the routine presentation of **Your** affairs, including the reconciliation of annual accounts with VAT returns

**Legal Costs and Expenses**

- a) Incurred in dealing with technical or routine matters not connected with or arising out of an expression of dissatisfaction with **Your** affairs;
- b) Incurred in dealing with aspect enquiries;
- c) Incurred in dealing with any deficiencies in books, records, accounts or returns including the costs of repairing a return;
- d) Arising after **You** receive a notice telling **You** that the enquiry has been completed; or
- e) Arising from or relating to a Tax Tribunal.

**Conditions applicable to Tax Disputes**

- a) **You** must have maintained and must continue to maintain accurate, truthful and up to date records and make returns in accordance with statute and account conventions acceptable to **HMRC** and other agencies and have made all returns and payments except those which are disputed and provided information to these bodies where applicable;
- b) **You** must contact the **Legal Expenses Helpline** as soon as possible after the **Insured Event** and comply with the advice given; and
- c) **You** or **Your Adviser** should notify **Us** by contacting the **Legal Expenses Helpline** as soon as possible if **You** receive any invitation by **HMRC** to make an offer in settlement

In respect of **HMRC** enquiries **Your Adviser** must provide a copy of the **HMRC** notice of enquiry and a copy of the return giving rise to the enquiry.

**Jury Service**

**What is insured:**

**Your Attendance Expenses** for Jury Service.

## **Disability Discrimination Disputes and Compensation Awards**

### **What is insured:**

- a) **Legal Costs and Expenses** incurred by **You** in defence of civil **Proceedings**, brought by a member of the public under The Disability Provisions within the Equality Act 2010 relating access to **Your Business Premises**
- b) **Awards of Compensation** made against **You** arising from claims under section a above

### **What is not insured:**

Claims brought against **You** under The Disability Provisions within the Equality Act 2010 which do not relate to physical defects to the **Business Premises**

## **GENERAL EXCLUSIONS.**

In addition to those exclusions detailed under the 'Important Conditions' section of this policy, the following exclusions apply to all sections of cover.

### **1. There is no cover for the following events:**

- a) War, invasion, terrorism, piracy, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, military or usurped power
- b) Confiscation, destruction, requisition, nationalisation or seizure by order of the Government or public authority
- c) Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- d) The radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component
- e) **Proceedings** alleging seepage, pollution or contamination or the breach of any statute, regulation or ordinance prohibiting or controlling emissions or effluent of any kind or arising from any enforcement action or **Proceedings** brought under or pursuant to any such statutes, regulations or ordinances
- f) Any cyberattack or any attack which, while not designated as such, derives from the misuse, illegal operation, or hacking of a computer system, device, or hardware.

### **2. There is no cover where:**

- a) **You** do not have the relevant section of cover in place
- b) **You** should have known when buying or renewing this insurance that the circumstances leading to a claim under this insurance already existed
- c) Something **You** do or fail to do prejudices **Your** position or the position of the **Insurer** in connection with the **Proceedings**
- d) An estimate of **Advisers' Costs** of acting for **You** is more than the amount in dispute
- e) **Advisers' Costs** or any other costs and expenses incurred which have not been agreed in advance or are above those for which **We** have given **Our** prior written approval
- f) **You** fail to instruct or give proper instructions to **Us** or to the **Adviser**
- g) **You** are responsible for anything which in **Our** reasonable opinion prejudices **Our** position in respect of the **Proceedings** or the success in the prosecution, defence or settlement of the **Proceedings**
- h) **You** fail to provide evidence or information reasonably required by **Us** to establish whether support can be provided under this cover
- i) In respect of the amount in excess of **Our Standard Legal Costs and Expenses**, **You** have elected to use an **Adviser** of **Your** own choice
- j) The **Insured Event** occurs outside of the **Territorial Limits**

### **3. There is no cover for:**

- a) Claims over loss or damage where that loss or damage is insured under any other insurance
- b) Claims made by or against **Your** insurance adviser, the **Insurer**, the **Adviser** or **Us**
- c) Any claim **You** make which is false or fraudulent or exaggerated
- d) Defending legal actions arising from anything **You** did deliberately or recklessly
- e) Group Litigation - Any claim where **You** may be one of a number of people involved in a legal action resulting from one or more events arising at the same time or from the same cause and/or **Your** claim may be affected by or affect the outcome of similar legal actions brought by other third parties.
- f) **Legal Costs and Expenses:**

- i) Incurred in avoidable correspondence
- ii) Which are recoverable from a court, tribunal or elsewhere
- g) Damages, interest, fines or other penalties which **You** are ordered to pay unless provided for in this cover.
- h) The costs of an appeal unless **We** have given **Our** prior written consent to such costs being incurred.
- i) The fees of an expert witness without **Our** approval being obtained for the appointment of the expert witness and to the amount of his fees.
- j) Prior to the issue of court **Proceedings**, the legal costs and disbursements of a firm of solicitors instructed by **You** other than those of **Our** panel solicitors or their agents.

**4. There is no cover for any claim directly or indirectly arising from:**

- a) A dispute between **You** and someone **You** live with or have lived with
- b) An application for a judicial review
- c) Defending or pursuing new areas of law or test cases

**5. There is no cover for claims:**

- a) Where **You** fail to comply with the conditions of this insurance
- b) Arising from any deliberate criminal act or omission by **You**
- c) Involving prosecutions which allege dishonesty or intentional violence
- d) Notified to **Us** outside of the **Period of Insurance**
- e) Notified to **Us** more than 180 days, after the **Insured Event**
- f) For an application for a judicial review
- g) Made by or against **You** against or by **Us**
- h) Directly or indirectly caused by, contributed to or arising from:
  - i) Subsidence or mining or quarrying activities
  - ii) Patents, copyrights, trademarks, merchandise marks, service marks, registered designs, intellectual or artistic property
  - iii) Secrecy or confidentiality agreements (other than claims under Employment cover) and passing off
  - iv) Computer software except operating systems and packaged software that have not been tailored by the supplier to the customer's own requirements
  - v) Actual, planned or proposed works by or under the order of any government or public or local authority
  - vi) Planning law including town and country planning legislation
  - vii) The construction of or structural alteration to buildings or parts of buildings
  - viii) Libel or slander or malicious falsehood
- i) Where **You** act without **Our** consent or contrary to or in a manner different from **Our** advice or that of **Your Adviser**
- j) Made under this cover which do not arise from or relate to **Your** normal business as shown in the schedule
- k) Relating to prosecutions arising out of deliberate discrimination amounting to an act of unlawful discrimination
- l) Which are false or fraudulent
- m) To defend or pursue new areas of law or test cases

**6. Sanction Limitation and Exclusion Clause**

The **Insurer** shall not be deemed to provide cover and shall not be liable to pay any claim or provide any benefit under this insurance if the provision of such cover, payment of such claim or provision of such benefit would expose it to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

**7. Cyber Attack Exclusion**

The **Insurer** will not pay for any loss, damage, liability or expense directly or indirectly caused by or contributed to, or arising from, the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme malicious code, Computer Virus or process or any other electronic system. This exclusion applies unless cover for Costs is specifically allowed for in the Sections of Cover above.

**8. Contracts (Rights of Third Parties) Act 1999**

A person who is not a party to this contract is known as a third party. Third parties do not have any right to enforce any term of this contract unless they have a right or remedy other than by virtue of the Contracts (Rights of Third Parties) Act 1999. **We** will not be bound by any agreement to which **We** are not a party.

**9. Value Added Tax**

If **You** are registered for VAT, the **Insurer** will not be liable to indemnify **You** for the VAT element of any legal expenses invoices.

## CONDITIONS.

This section should be read together with the 'Important Conditions' section.

### 1. Claims

- a) **You** must notify claims as soon as possible and, in any event, within 180 days of the **Insured Event**. There will be no cover under this if, as a result of a delay in reporting the claim, **Our** position has been prejudiced.
- b) **We** may investigate the claim and take over and conduct the legal proceedings in **Your** name. Subject to **Your** consent which shall not be unreasonably withheld **We** may reach a settlement of the legal proceedings. **You** must supply at **Your** own expense all of the information which **We** reasonably require to decide whether a claim may be accepted. Where it is necessary to start court **Proceedings** or a **Conflict of Interest** arises, and **You** wish to nominate a legal representative to act for **You**, **You** may do so. Where **You** have elected to use a legal representative of **Your** own choice **You** will be responsible for any **Advisers' Costs** in excess of **Our Standard Legal Costs and Expenses**. The **Adviser** must represent **You** in accordance with **Our** standard conditions of appointment available on request.
- c) The **Adviser** will:
  - i) Provide a detailed view of **Your** prospects of success including the prospects of enforcing any judgment obtained.
  - ii) Keep **Us** fully advised of all developments and provide such information as **We** may require.
  - iii) Keep **Us** advised of **Advisers' Costs** incurred.
  - iv) Advise **Us** of any offers to settle and payments in to court. If against **Our** advice such offers or payments are accepted or rejected cover under this insurance shall be withdrawn unless **We** agree in **Our** absolute discretion to allow the case to proceed.
  - v) Submit bills for assessment or certification by the appropriate body if requested by **Us**.
  - vi) Attempt recovery of costs from third parties.
- d) In the event of a dispute arising as to **Advisers' Costs** **We** may require **You** to change **Adviser**.
- e) The **Insurer** shall only be liable for **Advisers' Costs** for work expressly authorised by **Us** in writing and undertaken while there are prospects of success.
- f) **You** shall supply all information requested by the **Adviser** and **Us**.
- g) **You** are responsible for all legal costs and expenses including adverse costs if **You** withdraw from the legal proceedings without **Our** prior consent. Any legal costs and expenses already paid under this insurance will be reimbursed by **You**.
- h) **You** must instruct the **Adviser** to provide **Us** with all information that **We** ask for and report to **Us** as **We** direct at their own cost.
- i) Where **You** are awarded any kind of monies, those are to be paid to **Us** first.

### 2. Prospects of Success

At any time **We** may, but only when supported by independent legal advice, form the view that **You** do not have a 51% or greater chance of winning the case and achieving a positive outcome. If so, **We** may decline support or any further support. Examples of a positive outcome are:

- a) Being able to recover the amount of money at stake
- b) Being able to enforce a judgement
- c) Being able to achieve an outcome which best serves **Your** interests

### 3. Proportionality

**We** will only pay **Advisers' Costs** that are proportionate to the amount of damages that **You** are claiming in the **Legal Action**. **Advisers' Costs** in excess of the amount of damages that **You** are able to claim from **Your** opponent will not be covered.

### 4. Disputes

If a complaint cannot be dealt with by the Financial Ombudsman Service (see 'How to Make a Claim'), any dispute between **You** and **Us** may, where we both agree, be referred to an arbitrator who will be either a solicitor or a barrister. If the parties cannot agree on their choice of arbitrator the Law Society may be asked to make a nomination. The

arbitration will be binding and carried out under the Arbitration Act. The costs of the arbitration will be at the discretion of the arbitrator.

## 5. Fraud

In the event of fraud **We**:

- a) Will not be liable to pay the fraudulent claim
- b) May recover any sums paid to **You** in respect of the fraudulent claim
- c) May cancel this policy with effect from the fraudulent act and keep all premiums paid to **Us**.
- d) Will no longer be liable to **You** in any regard after the fraudulent act.

## 6. Other Insurances

If any claim covered under this policy is also covered by another legal expenses policy or primary insurance policy, or would have been covered if this policy did not exist, **We** will only pay in excess of any other cover.

## 7. Cancellation

**Your** right to cancel:

**You** may cancel this insurance at any time by writing to **Your** insurance adviser providing 14 days written notice. If **You** exercise this right within 14 days of taking out this insurance, **You** will receive a refund of premium provided **You** have not already made a claim against the insurance. If **You** cancel at any time after the first 14 days, **You** will be entitled to a refund of premium proportionate to the unexpired term of this insurance provided that **You** have not made, and do not intend to make, a claim

The **Insurer's** right to cancel

The **Insurer** may cancel the insurance by giving 14 days' notice in writing to **You** at the address shown on the schedule, or alternative address provided by **You**. **You** will be entitled to a refund of premium proportionate to the unexpired term of this insurance provided that **You** have not made, and do not intend to make, a claim

The **Insurer** will only invoke this right in exceptional circumstances as a result of **You** behaving inappropriately, for example:

- a) Where **We** have a reasonable suspicion of fraud
- b) **You** use threatening or abusive behaviour or language or intimidation or bullying of **Our** staff or suppliers
- c) Where it is found that **You**, deliberately or recklessly, disclosed false information or failed to disclose important information.

## 8. English Law and Language

This contract is governed by English Law and the language for contractual terms and communication will be English.

### Privacy and Data Protection Notice

(For the purpose of this Privacy and Data Protection Notice only, '**We**' means Arc Legal Assistance and the **Insurer**)

#### Data Protection

**We** will keep **Your** personal information safe and private. There are laws that protect **Your** privacy and **We** follow them carefully. Under the laws, **We** are the company responsible for handling **Your** information (Data Controller). Here is a simple explanation of how **We** use **Your** personal information. For more information visit AmTrust's website at <https://amtrustinternational.com/dpn> or Arc's website at [www.arclegal.co.uk](http://www.arclegal.co.uk)

#### What We do with Your personal information

**We** might need to use the information **We** have about **You** for different reasons.

For example, **We** might need it:

- to run through **Our** computerised system to decide if **We** can offer **You** this insurance.
- to help **You** if **You** have any queries or want to make a claim.
- to provide **You** with information, products or services if **You** ask **Us** to.
- for research or statistics.

**We** will need it:

- to provide this insurance.
- to contact **You** to ask if **You** want to renew it.
- to protect both **You** and **Us** against fraud and money laundering.

- to comply with the law and any regulations that apply.

There are some types of personal information that are extremely private/sensitive and important such as information about **Your** health or any criminal convictions **You** might have. **We** might need this kind of information to decide if **We** can offer **You** this insurance or to help **You** with a claim. **We** will only use this information for these specific reasons and in line with regulatory conditions.

**We** might need to share **Your** information with other companies or people who provide a service to **Us**, or to **You** on **Our** behalf. They include companies that are part of **Our** group, people **We** work with, insurance brokers, **Our** agents, reinsurers, credit agencies, medical professionals, insurance reference bureaus, fraud detection agencies, regulatory authorities and anyone else **We** might need to share it with by law. **We** will only share **Your** information with them if **We** need to and if it is allowed by law.

Sometimes **We** might need to send **Your** information to another country outside of the UK and the EEA (European Economic Area) so that it can be processed, (stored etc). **We** currently send it to the USA and Israel. **We** make sure that **Your** information is always kept safely and treated in line with the law and this notice.

**You** can tell **Us** if **You** do not want **Us** to use **Your** information for marketing. **You** can also ask **Us** to provide **You** with the information **We** have about **You** and, if there are any mistakes or updates, **You** can ask **Us** to correct them. **You** can also ask **Us** to delete **Your** information (although there are some things **We** cannot delete). **You** can also ask **Us** to give **Your** information to someone else involved in **Your** insurance. If **You** think **We** did something wrong with **Your** information, **You** can complain to the local data protection authority.

**We** will not keep **Your** information longer than **We** need to. **We** will usually keep it for 10 years after **Your** insurance ends unless **We** have to keep it longer for other business or regulatory reasons

If **You** have any questions about how **We** use **Your** information, **You** can contact **Our** Data Protection Officer.

#### **customer service – how to make a complaint**

**Our** aim is to get it right, first time, every time. If **We** make a mistake, **We** will try to put it right straightaway.

If **You** are unhappy with the service that has been provided, **You** should contact **Us** at the address below. **We** will always confirm to **You**, within five working days, that **We** have received **Your** complaint. Within four weeks **You** will receive either a final response or an explanation of why the complaint has not been resolved plus an indication of when **You** will receive a final response. Within eight weeks **You** will receive a final response or, if this is not possible, a reason for the delay plus an indication of when **You** will receive a final response. After eight weeks, if **You** are unhappy with the delay, **You** may refer **Your** complaint to the Financial Ombudsman Service. **You** can also refer to the Financial Ombudsman Service if **You** cannot settle **Your** complaint with **Us** or before **We** have investigated the complaint if both parties agree.

#### **Our contact details are:**

Arc Legal Assistance Ltd  
PO Box 8921  
Colchester  
CO4 5YD  
Tel: 01206 615000  
Email: [customerservice@arclegal.co.uk](mailto:customerservice@arclegal.co.uk)

#### **The Financial Ombudsman Service contact details are:**

Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR  
Telephone: 0800 023 4567 (calls to this number are free on mobile phones and landline) or 0300 123 9123 (Calls to this number cost no more than calls to 01 and 02 numbers.)  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

#### **Compensation**

The **Insurer** is covered by the Financial Services Compensation Scheme (FSCS). If the **Insurer** fails to carry out its responsibilities under this policy, **You** may be entitled to compensation from the Financial Services Compensation Scheme. Information about the scheme is available at [www.fscs.org.uk](http://www.fscs.org.uk) or by phone on 0800 678 1100 or 020 7741 4100.

**The Insurer and the Administrator**

AmTrust Specialty Limited is the **Insurer** of this policy. It is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Its financial services reference number is 202189. Registered in England & Wales under company number 01229676.

Its registered office is at:

Exchequer Court  
33 St Mary Axe  
London  
EC3A 8AA  
United Kingdom

Arc Legal Assistance Limited arranges and is the administrator of this policy. It is authorised and regulated by the Financial Conduct Authority. Its financial services reference number is 305958. Registered in England & Wales under company number 04672894.

Its registered office is at:

The Gatehouse  
Lodge Park  
Lodge Lane  
Colchester  
Essex  
CO4 5NE

To check these details on the Financial Services Register, visit the website [www.fca.org.uk/register](http://www.fca.org.uk/register) or call the Financial Conduct Authority on 0800 111 6768.

## Section N – Key Person

### The Cover

This cover will provide a benefit to **You** should the Owner, Senior Partner, Chief Executive Officer and/or Managing Director and/or major shareholder (first **Insured Person**) suffer **Sickness** or **Injury** resulting in them being unable to perform their normal duties. The policy coverage will reimburse **You** for costs incurred associated with recruiting a temporary replacement for this **Insured Person**. The limits of Coverage will be detailed on the **Schedule**.

### Part 1 – Section Definitions

The following Definitions apply to this Section and shall keep the same meaning wherever they appear in the Section.

#### Accident

A sudden, unexpected, unusual, specific event which occurs at an identifiable time and place during the **Policy Period**.

**Accident** shall also include:

- (a) exposure resulting from a mishap to a conveyance in which the **Insured Person** is travelling
- (b) disappearance during the **Policy Period**. If the **Insured Person** is not found within twelve months of disappearing, and sufficient evidence is produced satisfactory to the **Us** that leads inevitably to the conclusion that the **Insured Person** has sustained **Injury** and that such **Injury** has caused the **Insured Person's** death, then **We** shall forthwith pay any death benefit, where applicable, under this Policy, provided that the **Policyholder** to whom such sum is paid shall sign an undertaking to refund such sum to **Us** if the **Insured Person** is subsequently found to be living.

#### Accidental Death

The death of an **Insured Person** caused by an **Accident**, such death must occur within twelve months following the date of the **Accident**.

#### Additional Limits of Coverage

**You** may purchase additional limits of coverage for the **Insured Person** as long as the **Insured Person**, at the time the additional limits are purchased:

- (a) is not over the age of 65
- (b) works at least 25 hours per week
- (c) does not engage in manual labour as a normal duty of daily responsibility.

#### Business Overhead Expenses

**Your** share of the usual and customary business expenses incurred by **You** on a regular basis which are necessary to **Your** established business operation and which are incurred after the **Insured Person** has satisfied the **Waiting Period**. Any **Business Overhead Expenses** which are payable at intervals greater than monthly shall be deemed to apply proportionately over the period that they cover. **Business Overhead Expenses** shall be limited to:

- (a) Rent
- (b) Utilities
- (c) Telephone rental
- (d) Employee Wages

- (e) Leased equipment
- (f) Rental equipment.

#### Covered Expenses

Those business expenses defined further in Part 2 which are actually incurred and paid by **You** and are eligible for reimbursement up to the limits set forth in Part 2.

#### Date of Issue

The first **Inception Date** from when this cover was bought.

#### Disability or Disabled

Refers to continuing periods of **Total Disability**.

#### Doctor

Any currently registered / licensed Medical General Practitioner or Consultant who is currently licensed or registered in the United Kingdom by the BMA or other appropriate medical body and who is practising in the United Kingdom; such **Doctor** cannot be a member of the immediate family of any **Insured Person**

#### Doctor's Care

The regular and personal care of a **Doctor** which, under prevailing medical standards, is appropriate for the condition causing the **Disability**. Such care must be:

- (a) consistent with the nature of the disabling condition
- (b) intended to return the **Insured Person** to gainful employment. **We** may waive this second requirement, based solely on our judgment, depending on the severity of the **Insured Person's** disabling condition and prospects of recovery.

**We** may require a written plan of care from the **Insured Person's Doctor**.

#### Inception Date

The date that the **Policy** becomes effective. It is the beginning of the **Policy Period** (or **Period of Insurance** as shown on the **Schedule**.)

#### Injury

Accidental bodily injury sustained during the **Policy Period**.

#### Insured Person

The **Insured Person** is covered for the **Maximum Policy Benefit** unless **You** purchase **Additional Limits of Coverage** in compliance with terms of this Policy. The **Insured Person** is the highest-ranking executive official of the **Policyholder**. In the absence of an **Insured Person** Designation Form that has been accepted by **Us**, the **Insured Person** is defined as follows:

- (a) If the **Policyholder** is a corporation, the **Insured Person** shall be the individual occupying the following office:
  - (i) Chief Executive Officer
  - (ii) if the office of Chief Executive Officer does not exist, the Managing Director

(iii) if the offices of Chief Executive Officer or Managing Director do not exist, then the person who is the largest holder of individually owned shares of the corporation and holds ongoing active (wage-earning) employment with the corporation.

In all such cases, the corporation will be required to show by pre-existing corporate records, such as corporate resolutions, board of directors minutes, or other appropriate authentic documentation, that such person held such office or had attained such a level of shareholdings (and active employment) prior to the advent of the **Disability** which provides the basis for the claim. If there is no such person who holds any of the positions described above, then the **Policyholder** may designate by name an **Employee** of like standing in the corporation provided the same is submitted in writing and approved by **Us** prior to the advent of a **Disability** claim. Where no such designation by name is made and there are two or more persons at the highest executive level, then the policy limits and benefits hereunder shall be reduced pro rata among such individuals.

- (b) If the **Policyholder** is a partnership, the **Insured Person** shall be the individual occupying the following office:
- (a) General Partner;
  - (b) If no such office exists, or if the General Partner is not an individual person, then the Chief Executive of the partnership;
  - (c) If the office of Chief Executive of the partnership does not exist, then the Managing Partner of the partnership;
  - (d) If the above described offices do not exist, then the individual person who owns the largest share of the partnership and holds ongoing active (wage-earning) employment with the partnership.

In all such cases, **You** will be required to show, by pre-existing records, such as resolutions, partnership meeting minutes, or other appropriate authentic documentation that such person held such office or had attained such a level of partnership interest (and active employment) prior to the advent of the **Disability** which provides the basis for the claim. If there is no such person who holds any of the positions described above, then **You** may designate by name an **Insured Person** of like standing in the partnership provided same is submitted in writing and approved by **Us** prior to the advent of a **Disability** claim. Where no such designation by name is made and there are two or more persons at the highest executive level, then the Policy limits and benefits hereunder shall be reduced pro rata among such individuals.

- (c) If the **Policyholder** is an individual or sole proprietor, the **Insured Person** is that individual or sole proprietor.

**We** may agree to cover up to three additional **Employees** of the **Policyholder** as additional **Insured Persons** in respect of any **Policyholder** at **Our** sole discretion. Such cover will be subject to prior submission by **You** and agreement by **Us** of an **Insured Person** Designation Form in respect of each additional **Insured Person**. **You** may add coverage at limits not exceeding those limits pertaining to **You** for the **Insured Persons**, as long as each additional **Insured Person**, named in the **Schedule** as an **Additional Insured Person**:

- (a) is not over the age of 65 at the effective date; and
- (b) works at least 25 hours per week; and
- (c) does not engage in manual labour as a normal duty of daily responsibility.

#### **Maximum Benefit Period**

The longest aggregate period of time for which **We** will pay benefits for all periods of **Disability**, including all concurrent and recurrent **Disabilities**. The **Maximum Benefit Period** is 12 months.

#### **Maximum Policy Benefit**

The most **We** will pay per person for **Accidental Death** and all periods of **Disability** combined, including all concurrent and recurrent **Disabilities** and for covered expenses in total. It is shown on the **Schedule**.

#### **Mental Disorder and/or Substance Abuse Disorder**

Any disorder classified in the Diagnostic and Statistical Manual of Mental Disorders (ICD - 10 or any replacement to such manual nominated by the Royal College of Psychiatrists), whether psychotic, emotional, behavioural or related to drug abuse, and dependency.

#### **Monthly Benefit**

1/12th, per month, of the **Maximum Policy Benefit**.

#### **Permanent Total Disability**

That the **Insured Person** has suffered continuous **Total Disability** for the duration of the twelve-month **Permanent Total Disablement Waiting Period** and will be wholly prevented for the remainder of his or her life from performing the normal duties pertaining to his or her occupation.

#### **Permanent Total Disablement Waiting Period**

The period of twelve months beyond the initial **Waiting Period** of 60 days and during which the **Insured Person** must be continuously **Totally Disabled** before any claim for **Permanent Total Disability** will be considered.

#### **Policy Period**

The period of time for which this policy is issued. The **Policy Period** is shown on the **Schedule** as the **Period of Insurance**.

#### **Regular Occupation**

The occupation or occupations in which the **Insured Person** is regularly engaged at the time he or she becomes **Disabled**.

#### **Sickness**

The physical sickness or disease which first manifests itself during the **Policy Period**. It does not include **Total Disability** due to normal pregnancy, childbirth, miscarriage or abortion, or due to complications of pregnancy, childbirth, miscarriage or abortion. It does not include a **Mental Disorder and/or Substance Abuse Disorder**.

#### **Total Disability or Totally Disabled**

Because of **Accident, Injury** or **Sickness**, the **Insured Person**:

- (a) is not able to perform the normal duties of his or her **Regular Occupation**
- (b) is receiving appropriate medical care, under the care of a **Doctor**. **We** will waive this requirement if **We** receive written proof acceptable to **Us** that the **Total Disability** is reasonably expected to continue without interruption until the **Insured Person** dies.

In no event will the loss of a professional or occupational license, in itself, constitute disability.

### **Waiting Period**

The length of time the **Insured Person** must be **Totally Disabled** before the benefits of the **Policy** will be paid. The **Waiting Period** is 60 days.

### **You / Your / Insured / Policyholder**

The business entity, shown on the **Schedule** as the **Insured**. If there is a dispute of legal control of the **Policyholder**, the **Policyholder** will be determined by **Us** using applicable commercial law.

## **Part 2 – Benefit Provisions**

### **Total Disability Benefit**

If the **Insured Person** becomes **Totally Disabled** as a result of **Injury** or **Sickness**, **We** will reimburse **You** for the **Covered Expenses** defined below. After calculating the benefits the **Monthly Benefit** will be paid for each month the **Insured Person** remains **Totally Disabled**, but not beyond the **Maximum Benefit Period** detailed above. The most **We** will reimburse **You** for all periods of **Total Disability** is the **Maximum Policy Benefit** shown on the **Schedule**.

**We** will reimburse **You** by paying the benefits of the policy when the **Waiting Period** has expired. Except as otherwise provided in this Part 2, **We** will reimburse **Covered Expenses** incurred during the **Waiting Period**. Benefits will continue while the **Insured Person** remains **Totally Disabled** and if proof of continued **Disability** is given to **Us**.

### **Covered Expenses**

**We** will reimburse **You** for the actual costs for the **Covered Expenses** listed below incurred to find, hire and pay a person to replace the **Insured Person** and to perform the duties of the **Insured Person** at the percentages shown below. **You** may decide to replace the **Insured Person** with a person who is one of **Your** staff members. If so, **Covered Expenses** will apply to the costs of replacing that staff member.

**We** will not reimburse **You** for any expense of any person contracted or hired to replace the **Insured Person** if such person is related to the **Insured Person** by blood, marriage or adoption. To be reimbursed:

- (a) the **Covered Expenses** must be generally accepted as a tax-deductible business expense; and
- (b) **You** must submit proof that the **Covered Expenses** were both incurred and paid by **You**.

**Covered Expenses** reimbursed by the policy are limited to the following:

- (a) 100% of fees paid pursuant to a written agreement with an executive recruiter or a search firm retained to locate a person to replace the **Insured Person**, provided the agreement between **You** and the executive recruiter or search firm:
  - (i) is on a contingent basis;
  - (ii) conforms to employment industry standards; and
  - (iii) is subject to prior written approval by **Us**.The selection of the executive recruiter or search firm will be at **Your** sole discretion.
- (b) 100% of reasonable legal fees to negotiate and finalise an employment contract with the person hired to replace the

**Insured Person**. Such fees are subject to prior written approval by **Us**.

- (c) After the **Waiting Period**, the percentage of the gross salary that has been paid to the person contracted or hired to replace the **Insured Person** as follows:
  - (a) 90% for the period during which the **Insured Person** is **Totally Disabled** and
  - (b) 85% for the period, if any, after the **Insured Person** ceases to be **Totally Disabled**Subject to the **Maximum Benefit Period** and **Maximum Policy Benefit**.

In the event that **You** elect to contract or hire a person to replace the **Insured Person** then **You** shall be entitled to reimbursement in respect of the contract or hire of a person for a period or periods equal to a minimum aggregate period of six months under subparagraphs 3(a) and 3(b) above combined.

Salary for the purpose of this paragraph does not include bonus, overtime or other special compensation. It does include all income and employee and employer National Insurance Contributions, and applicable employee benefit costs as agreed to by **You** and **Us**. In no event will the amount **We** reimburse each month be more than the **Monthly Benefit**. Any benefit payable hereunder for a period of less than a full month will be determined on a pro rata basis and will be payable at the daily rate of 1/30th of the **Monthly Benefit**.

- (d) 100% of actual advertising charges incurred by **You** to find a replacement person. **We** will not reimburse **You** if an executive recruiter or a search firm makes a separate charge for these expenses.
- (e) 100% of travel, food and lodging costs incurred by persons who interview to replace the **Insured Person**. In no event will the amount **We** reimburse for travel, food and lodging be more than £5,000 in the aggregate.
- (f) 100% of moving expenses of the person hired to replace the **Insured Person**, if the move is deemed necessary by **Us** and such expenses can be included on the replacement individual's income tax return. In no event will the amount **We** reimburse be more than £5,000.
- (g) **You** are permitted to use a portion of the **Monthly Benefit** to obtain reimbursement for **Business Overhead Expenses** incurred after the expiration of the **Waiting Period** and prior to a replacement commencing his or her duties. The amount recoverable for **Business Overhead Expenses** per month shall not exceed 15% of the **Monthly Benefit** amount or £4,500, whichever is the lesser, and shall be payable for a maximum period of 12 months in all.

All benefits payable under provision 7 above shall be paid monthly and will reduce the amount of the **Maximum Policy Benefit** that remains available to pay any other form of benefit under this Policy.

### **Permanent Total Disability Benefit**

If an **Insured Person** suffers **Permanent Total Disability** as a result of **Injury** or **Sickness**, **We** will pay a lump sum benefit as set forth herein. To be eligible, the **Insured Person** must satisfy the **Permanent Total Disablement Waiting Period**. The **Permanent Total Disability Benefit** shall be equal to fifty percent (50%) of the unused portion (if any) of the **Maximum Policy Benefit** that remains under this policy at the time of the

expiration of the **Permanent Total Disablement Waiting Period**.

#### Accidental Death

The most **We** will pay **You** in the event of **Accidental Death** of the **Insured Person** is £5,000.

#### End of Benefits

No benefits will be provided by the policy after the **Maximum Policy Benefit** has been reached, or for all periods of **Total Disability**, after the **Maximum Benefit Period** has been reached other than the **Permanent Total Disability Benefit** if applicable.

If the **Insured Person** dies or no longer meets the definition of **Total Disability**, benefits will end, except as described in subparagraph 3(b).

Benefits will also end on the earliest of:

- (a) the date the **Insured Person** is no longer employed by **You**
- (b) the date there is a change in more than 50% of the ownership of **You**
- (c) the date **You** cease active operation
- (d) the date the person hired to replace the **Insured Person** has ceased his or her employment with **You** in such capacity prior to the **Insured Person's** recovery from **Total Disability**.

#### End of Coverage

Coverage under this Section will end on the earliest of:

- (a) the last day of the period for which premium has been paid
- (b) the date the **Insured Person** is no longer employed by the **Policyholder**
- (c) the date there is a change in more than 50% of the ownership of the **Policyholder**
- (d) the date **You** cease active operation (except for **Permanent Total Disablement** benefit)
- (e) the end of the **Policy Period**, provided the policy is not renewed.

### Part 3 – Exclusions and Limitations

#### Exclusions

**We** will not pay benefits for any **Total Disability** which, directly or indirectly, is:

- (a) caused by an act or accident of war, whether declared or undeclared
- (b) caused by normal pregnancy, childbirth, miscarriage or abortion, or due to complications of pregnancy, childbirth, miscarriage or abortion
- (c) for any period for which the **Insured Person** is imprisoned
- (d) caused by an **Injury** which occurs while the **Insured Person** is committing a crime or attempting to commit a crime, or while the **Insured Person** is taking part in an illegal activity
- (e) caused by a **Mental Disorder and/or a Substance Abuse Disorder**
- (f) caused by the **Insured Person's** active participation in a riot, demonstration or any other act which offends the public order
- (g) caused by an intentionally self-inflicted Injury or attempted suicide

- (h) for a condition which **We** have excluded by name or specific description on the **Schedule** or by rider
- (i) caused by a Pre-Existing condition (see below).

#### Pre-Existing Condition Limitation

**We** will not pay benefits for **Total Disability** which is caused by a Pre-Existing Condition. A Pre-Existing Condition means a physical **Injury** or **Sickness** or other condition which caused the **Insured Person**, within 36 months prior to the **Inception Date**:

- (a) to seek diagnosis, advice, or to consult a **Doctor**
- (b) to receive **Doctor's** care, medical care, treatment, services or supplies from a **Doctor** or other licensed or registered health care provider
- (c) to take legally prescribed drugs or medicine.

A Pre-Existing Condition also means **Injury** or **Sickness**, or a physical condition for which, prior to the **Inception Date**, symptoms existed that would cause an ordinarily prudent person to seek medical attention.

#### Air Travel Limitation

**We** will not pay benefits if the **Insured Person** becomes **Totally Disabled** while operating, learning to operate or serving as a pilot or crew member of any aircraft. **We** will not pay benefits if the **Insured Person** is riding in an aircraft used for crop-dusting, seeding, skywriting, racing, exploration, or any purpose other than transportation.

### Part 4 – Recurrent and Concurrent Disability

#### Recurrent Disability

If, after the end of **Total Disability**, the **Insured Person** becomes **Totally Disabled** again, the later period of **Total Disability** will be deemed a continuation of the prior period of **Total Disability** unless:

- (a) the **Insured Person** has returned to work full time at his or her occupation and performed all the primary duties of that occupation; and either
- (b) the later period of **Total Disability** begins more than 6 months after the end of the prior period of **Total Disability**; or
- (c) the new **Total Disability** is due to a different and unrelated cause,

in which case the later period of **Total Disability** will be considered a new period of **Total Disability** for determining a **Waiting Period**.

In no event will **We** reimburse **You** for more than the **Maximum Policy Benefit** or for longer than the **Maximum Benefit Period** for all periods of **Total Disability**.

#### Concurrent Disability

If a **Total Disability** is caused by more than one **Injury** or **Sickness**, or from both, **We** will reimburse **You** for only one **Total Disability**. **We** will not pay:

- (a) more than one benefit for any period of **Total Disability**; or
- (b) longer than the **Maximum Benefit Period** for any period of **Total Disability**; or
- (c) more than the **Maximum Policy Benefit** for any period of **Total Disability**.

### Part 5 – Claims

### Time of Disability

To be eligible for payment under this policy, all **Total Disabilities** must start while the policy is in force.

### Written Notice of Claim

Written notice of claim must be given to **Us** by the **Policyholder** within 30 days after the date **Total Disability** starts or disappearance is discovered. If this cannot reasonably be done, then notice of claim must be given as soon as is reasonably possible. The written notice of claim will be sufficient if it identifies **You**, the **Insured Person** and the **Injury** or **Sickness** and is sent to the **Us**.

### Claim Forms

After **We** receive the written notice of a claim, **We** will send **You** **Our** proof of **Total Disability** forms within 15 days. If **We** do not, **You** will meet the written proof of **Disability** requirements if **You** send **Us**, within the time set forth below, a written statement of the nature and extent of the **Total Disability**.

### Written Proof of Total Disability

Written proof of **Total Disability** must be sent to **Us** within 30 days after the end of the **Waiting Period**. If that is not reasonably possible, the claim will not be affected provided proof is furnished as soon as reasonably possible. **You** must provide **Us** with written proof within six months of the date it was required.

**We** can also periodically require proof from the **Policyholder** that the **Total Disability** is continuing. This proof must be given to **Us** as often as **We** may reasonably request. Failure to cooperate in the claims process or provide such proof, including submission to a physical examination, may result in loss of benefits.

### Physical Examinations

At **Our** expense, **We** can have a **Doctor** of **Our** choice examine the **Insured Person** as often as **We** may reasonably require while the **Total Disability** claim is pending or continuing. A representative of **Us** may also conduct a personal interview with the **Insured Person** as often as **We** deem it reasonably necessary.

### Choice of Doctor

The **Insured Person** is free to choose any **Doctor**.

### Time of Claims Payment

After **We** receive satisfactory written proof of **Total Disability**, and after the applicable **Waiting Period**, **We** will reimburse **You** for any **Covered Expenses**, with the exception of those expenses in Part 2, Benefits Provisions, item number 3 which will be paid at the end of each month.

### Payment of Claims

All benefits will be paid to **You**.

## Part 6 - General Provisions

### Assignment

**We** will not be bound by an assignment of the policy.

### Loss Payee

At **Our** discretion **We** may pay the benefits of this policy to a third party as **You** may direct.

### Entire Contract

This policy is the entire contract between **You** and **Us**.

### Incontestability

**We** will not be able to reduce or deny any claim for **Total Disability** which starts after two years from the **Date of Issue** because the **Sickness** or physical condition existed before the **Inception Date**. There is one exception. **We** will reduce or deny the claim if the **Sickness** or physical condition is specifically excluded from coverage when the loss occurs.

### Legal Action

No person may bring legal action against **Us** earlier than 60 days from the date written proof of **Total Disability** is given to **Us**. No person may bring legal action more than 3 years from the date written proof of **Total Disability** is required by the policy.

### Additional Conditions

- (a) This cover shall be void in the event of misrepresentation in any material circumstance
- (b) All benefits under this Section shall be forfeit in the event of a claim being submitted which is exaggerated or fraudulent
- (c) Regardless of any contributory cause(s), this insurance does not cover any claim(s) in any way caused or contributed to by an act of **Terrorism** involving the use or release or the threat thereof of any nuclear weapon or device or chemical or biological agent.
- (d) This Section does not cover any loss directly or indirectly caused by or contributed to by or arising from:
  - (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - (ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

# Section O – Equipment Breakdown

## Details about the Regulator and Insurer

HSB Engineering Insurance Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. FCA register number 202738.

The Registered Office of HSB Engineering Insurance Limited is Chancery Place, 50 Brown Street, M2 2JT  
Registered in England and Wales, number 02396114.

## How We use Your information

**We** are the controller of any personal information (for example, names, addresses, telephone numbers, job titles or dates of birth) **You** provide to us, or which is processed in connection with **Your** policy. **We** collect and process information about **You** that we consider to be necessary in order to make decisions about the cover **We** provide to **You**, any claims **You** make, or to detect and prevent fraud. **We** also may record incoming and outgoing telephone calls with **You** for training, monitoring and quality control purposes.

**We** may share **Your** information with, and obtain information about **You** from, companies within the Munich Re Group, other insurers, brokers, loss adjusters, credit reference agencies, fraud prevention agencies or other third parties who provide services on **Our** behalf.

For further details on how **Your** information is used and your rights in relation to **Your** information, please see **Our** Privacy statement at <https://www.munichre.com/HSBEL>.

The above firms' FCA details can be checked on the Financial Services Register by visiting the FCA website: [www.fca.org.uk](http://www.fca.org.uk) or by contacting the FCA on 0800 111 6768.

## Insuring Agreement

Subject to all of the provisions stated herein and in the policy of which this endorsement / Section is intended to be part **We** agrees to provide insurance for direct physical loss or damage and any specified consequential loss from an **accident to covered equipment** owned by **You** or for which **You** are responsible subject to a maximum liability of £5,000,000 for any one **accident**. Within this amount **Our** liability shall not exceed

- a) £500,000 for any one **accident to computer equipment** whilst at the premises specified in the Schedule
- b) £5,000 for any one **accident to portable computer equipment** anywhere in the world

This cover will apply only where the Material Damage and Business Interruption sections of the policy are shown as effective under the Policy Schedule for the current Period of Insurance

## Definitions

Each time any of the following words or phrases appear in this section in **bold italic** type (or in capital letters in the Policy Schedule) they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

### **Accident(s)**

means

- a) electrical or mechanical **breakdown** including rupture or bursting caused by centrifugal force
- b) artificially generated electrical current including electric arcing that damages electrical devices appliances or wires
- c) **explosion or collapse of covered equipment** operating under steam or other fluid pressure
- d) loss or damage to hot water boilers other water heating equipment oil or water storage tanks or other **covered equipment** operating under steam or other fluid pressure caused by or resulting from any condition or event (not otherwise excluded) occurring inside such equipment
- e) loss or damage caused by operator error that results in the overloading of **covered equipment**

All **accidents** that are the result of the same event will be considered one **accident**

### **Biomass and Biogas Installations**

means

any equipment and machinery used in connection with running a biomass or biogas heating or power-generation plant, including anaerobic digesters, storage tanks, augers, screeners, scrubbers, boilers, gas engines, generators, heat exchangers, pumps and motors

### **Breakdown**

means

- a) the actual breaking failure distortion or burning out of any part of the **covered equipment** whilst in ordinary use arising from defects in the **covered equipment** causing its sudden stoppage and necessitating repair or replacement before it can resume work
- b) fracturing of any part of the **covered equipment** by frost when such fracture renders the **covered equipment** inoperative
- c) the actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary
- d) **electronic derangement**

### **Collapse**

means

the sudden and dangerous distortion (whether or not attended by rupture) of any part of the **covered equipment** caused by crushing stress by force of steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents)

### **Computer equipment**

means

- a) electronic, computer or other data processing and/or storage equipment
- b) projectors, printers, scanners and other peripheral devices used in conjunction with a)
- c) software and programs licensed to **You** and installed on a)
- d) **portable computer equipment**

### **Covered equipment**

means

Equipment at the premises owned by **You** or for which **You** are responsible:

- a) which is built to operate under vacuum or pressure (other than the weight of its contents); or
- b) that generates transmits stores or converts energy; or
- c) comprising **computer equipment**

Excluding

- a) any supporting structure foundation masonry brickwork or cabinet
- b) any insulating or refractory material
- c) any vehicle aircraft floating vessels or any equipment mounted thereon (other than vehicle recovery crane or equipment which is included but not the actual vehicle)
- d) self-propelled plant and equipment (other than fork lift trucks and pallet trucks used by **You** at **Your** premises) dragline excavation or construction equipment
- e) equipment manufactured by **You** for sale
- f) safety or protective devices due to their functioning
- g) tools dies cutting edges crushing surfaces trailing cables non-metallic linings driving belts or bands or any part requiring periodic renewal
- h) any electronic equipment (other than **computer equipment**) used for research diagnostic treatment experimental or other medical or scientific purposes with a new replacement value in excess of £30,000
- i) any **manufacturing production or process equipment** including linked **computer equipment**
- j) any electricity generating equipment other than emergency back-up power equipment or wind turbines less than 10kw or photovoltaic equipment less than 50kw
- k) any kitchen and food preparation equipment laundry and cleaning equipment audio-visual equipment and **computer equipment** whilst in a private dwelling or private dwelling quarters (unless such equipment is **Your** property or for which **You** are responsible)
- l) any **Biomass or Biogas Installation**

m) any **Hydroelectric Installation**

**Cyber event**

means

- (a) a failure of electronic equipment to correctly recognise, process or store any data
- (b) a hostile, malicious, illegal or transgressive act committed through electronic systems or, including but not limited to:
  - i. a virus (a program, code, programming instruction or any set of instructions intended to damage, interfere with or have a negative effect on computer programs, data or operations);
  - ii. hacking (unauthorised access to any computer or other electronic equipment);
  - iii. a denial of service attack (any actions or instructions intended to damage, interfere with or affect the availability or performance of networks, network services, network connectivity or telecommunication systems).

**Electronic derangement**

means

malfunction of the computer equipment or electronic circuitry controlling or operating the covered equipment that is not accompanied by visible damage and requires replacement of one or more insured components of the covered equipment in order to restore it to its normal operation

**Electronic derangement** does not include

- (a) the rebooting, reloading or updating of software or firmware
- (b) the incompatibility of covered equipment with any software or equipment installed, introduced or networked within the previous 30 days
- (c) the covered equipment being of insufficient size, specification or capacity
- (d) malfunction resulting from causes excluded under Exclusion 2.

**Explosion**

means

The sudden and violent rending of **covered equipment** by force of internal steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents) causing bodily displacement of any part of the **covered equipment** together with forcible ejection of the contents

**Hazardous substance**

means

Any substance other than ammonia that has been declared to be hazardous to health by a governmental agency

**Hydroelectric Installations**

means

any equipment, machinery, dam and weir used in connection with running a hydroelectric-power station, including turbines, sluice gates, screens, screeners, pumps, motors, generators, gearboxes, engines, alternators and associated equipment. Hydroelectric Installations also include any substation and distribution transformer, switchgear, meter, cabling, telecommunication and monitoring device, building and converter housing (including fixtures and fittings), and security equipment.

**Manufacturing production or process equipment**

means

Any machine or apparatus (other than boilers lifts fork lift trucks dock levellers and lifting tables) which has a primary purpose of processing or producing a product or service intended for eventual sale by **You** and any equipment which exclusively serves such machinery or apparatus

**Media**

means

All forms of electronic magnetic and optical tapes and discs for use in any **computer equipment**

**Portable Computer Equipment**

means

- a) laptops palmtops and notebooks
- b) personal digital assistants (PDAs)
- c) projectors, printers, scanners and other peripheral devices which are designed to be carried and used in conjunction with other **portable computer equipment**
- d) removable satellite navigation systems
- e) digital cameras
- f) smartphones

**Verified**

means

Checked for accuracy and integrity to ensure a precise match with the source data and capable of restoration

**We/Us/Our**

HSB Engineering Insurance Limited

## Extensions of Cover and sub limits

The following Extensions of cover apply to loss or damage caused by or resulting from an **accident to covered equipment**

### 1. Hazardous Substances

**We** shall be liable for the additional cost to repair or replace **covered equipment** because of contamination by a **hazardous substance** including any additional expenses incurred to clean up or dispose of such property

**Our** liability shall not exceed £10,000 any one **accident** in respect of such additional costs

### 2. Reinstatement of Data and Computer Increased Costs of Working

a) Unless otherwise excluded, **We** shall be liable for costs incurred in reinstating data lost or damaged in consequence of an **accident to covered equipment**

**Our** liability shall not exceed £50,000 any one **accident**

Provided that

- a) liability is limited solely to the cost of reinstating data onto **media**
- b) **We** shall not be liable for loss of or damage to software

b) In addition, **We** will pay reasonable costs necessarily incurred in minimising or preventing the resulting interruption or interference to the computer operations of the **You**

Our liability shall not exceed £50,000 any one **accident** in respect of such additional costs

### 3. Business Interruption

Provided that the Business Interruption section of this Policy is operative **We** shall be liable for financial loss caused by or resulting from an **accident to covered equipment**

**Our** liability in the aggregate during any one Period of Insurance shall not exceed £100,000 under this extension

**We** shall not be liable under this extension for any loss resulting from Extension 8 – Damage to Own Surrounding Property

### 4. Public Authorities/Law or Ordinance

If an **accident to covered equipment** damages a building that is covered under this Policy and the loss is increased by enforcement of any public authority ordinance or law in force at the time of the **accident** that regulates the construction or repair of buildings or establishes zoning or land use requirements **We** shall be liable for the following additional costs to comply with such ordinance or law:

- a) **Your** actual expenditures for the cost to demolish and clear the site of undamaged parts
- b) **Your** actual expenditures for increased costs to repair rebuild or construct the building. If the building is repaired or rebuilt it must be intended for similar use or occupancy as the current building unless otherwise required by zoning or land use ordinance or law

**We** shall not be liable for:

- a) any fine
- b) any liability to a third party
- c) any increase in loss due to a hazardous substance (other than as specifically insured under Extension of Cover 1)
- d) increased construction costs until the building is actually repaired or replaced

This extension is within and does not increase the limit of liability shown in the Schedule

### 5. Expediting Expenses

With respect to damaged **covered equipment** **We** shall be liable for the reasonable extra cost to make temporary repairs and expedite permanent repairs or permanent replacement

**Our** liability shall not exceed £20,000 any one **accident** under this extension

## 6. Hire of Substitute Item

If **covered equipment** is damaged as a result of an **accident** **We** shall be liable for the cost of hire charges actually incurred by **You** during the Period of Insurance for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item lost or damaged

**Our** liability shall not exceed £10,000 any one **accident** under this extension

## 7. Storage Tanks and Loss of Contents

The insurance under this Section extends to include damage caused by an **accident** to oil storage tanks or water tanks including connected pipework belonging to **You** or for which **You** are responsible at the premises

In addition this extension covers loss of the contents of oil storage tanks caused by

- a) escape of contents – leakage discharge or overflow from the oil storage tanks caused by or resulting from an **accident**
- b) contamination – contamination of the contents of oil storage tanks caused by or resulting from an **accident** including cleaning costs incurred as a result of such loss

**Our** liability shall not exceed £10,000 any one **accident** under this extension.

## 8. Damage to Own Surrounding Property

**We** will pay for damage to property at the premises belonging to **You** or in **Your** custody and control and for which they are responsible directly resulting from the **explosion** or **collapse** of any **covered equipment** operating under steam pressure

**Our** liability shall not exceed £1,000,000 any one **accident** under this extension

## 9. Additional Access Costs

Provided that the Business Interruption section of this Policy is operative **We** shall be liable under this extension for any necessary additional costs incurred in order to gain access to repair or replace the **covered equipment** following an **accident**

**Our** liability shall not exceed £20,000 any one **accident** under this extension

## 10. Debris Removal

**We** shall be liable under this extension for costs incurred in the removal of debris and protection of **covered equipment** following an **accident**

**Our** liability shall not exceed £25,000 any one **accident**

## 11. Repair Costs Investigation

With **Our** prior written agreement **We** will pay costs relating to repair investigations and tests by consulting engineers for damage to **covered equipment** following an **accident** for an amount not exceeding £25,000 any one **accident**

**We** shall not be liable under this extension for fees incurred in preparing a claim under this Section

## Basis of Claims Settlement

As described in the Property Damage and Business Interruption sections of this policy

## Additional Conditions

### 1. Precautions

**You** shall exercise due diligence in:

- a) complying with any statute or order
- b) ensuring that insured items are properly maintained and used in accordance with manufacturers recommendations and in taking reasonable precautions to prevent loss or damage

### 2. Back-Up Records

**You** shall maintain a minimum of 2 generations of **verified** back-up computer records taken at intervals no less frequently than 48 hours and take all reasonable precautions to store and maintain records in accordance with the maker's recommendations

## Exclusions

The following exclusions are in addition to those in the Policy to which this Section is attached.

1. **We** will not be liable for loss or damage caused by or resulting from a hydrostatic pneumatic or gas pressure test of any boiler or pressure vessel or an insulation breakdown test of any type of electrical equipment
2. **We** will not be liable for loss or damage of any kind caused by a **cyber event**
3. **We** will not be liable for loss or damage to data or **media** of any kind caused by:
  - a) programming error or programming limitation
  - b) loss of data (other than as specifically provided for under Extension of Cover 2A Reinstatement of Data)
  - c) loss of access
  - d) loss of use
  - e) loss of functionality
4. **We** will not be liable for loss or damage caused by:
  - a) depletion deterioration corrosion erosion wear and tear or other gradually developing conditions
  - b) any condition which can be corrected by resetting calibrating realigning tightening adjusting or cleaning or by the performance of maintenanceBut if loss or damage from an **accident** results **We** will be liable for that resulting loss or damage
5. **We** will not be liable for loss or damage recoverable under any maintenance agreement or any warranty or guarantee

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