

COMMERCIAL PROPERTY OWNERS

Policy Terms and Conditions

May 2018 Edition



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Your Policy

The Company in consideration of the payment of the premium shall provide insurance against loss destruction damage or liability occurring at any time during the Period of Insurance (or any subsequent period for which the Company accepts a renewal premium) in accordance with the Sections of the Policy shown as operative in the Schedule subject to the exclusions provisions and conditions of the Policy

The Policy and the Schedule should be read together as one contract. This is a contract of insurance between You and Us and You have a duty to make a fair presentation of the risk to Us in accordance with the law

You must comply with the conditions to have its full protection. If you do not comply then We may at Our option take one or more of the following actions

1. Cancel Your Policy
2. Declare Your Policy void (treating Your Policy as if it had never existed)
3. Change the terms of Your Policy
4. Refuse to deal with all or part of any claim or reduce the amount of any claim payments

Please refer to the Policy Conditions of this Policy

Important

COBRA Underwriting Agencies Ltd recommend You read this Policy together with Your Schedule to ensure that it meets with Your requirements. Should You have any queries please contact COBRA Underwriting Agencies Ltd or Your Insurance Advisor

Your attention is drawn to Cancellation on Page 47 and Making a Complaint on Page 50

The Law Applicable to this Policy

You and the Company can choose the law which applies to this Policy. We propose that the law of England and Wales apply. Unless We and You agree otherwise, the law of England and Wales will apply to this Policy

Use of Language

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

Financial Services Compensation Scheme (FSCS)

The Company is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme in the unlikely event they cannot meet their obligations to you. This depends on the type of insurance, size of the business and the circumstances of the claim. Further information about the compensation scheme arrangements is available from the FSCS (www.fscs.org.uk).

Definitions

Where the following words and phrases appear in the Policy or Schedule they will always have these meanings

1. General

Asbestos

Asbestos asbestos fibres or any derivatives of asbestos

Business

The ownership by the Insured of the Property Insured including

- a. maintenance repair occupation or use of the Property Insured vehicles and plant by the Insured
- b. the provision and management of canteen sports social educational or welfare organisations for the benefit of Employees and fire security first aid medical and ambulance services
- c. private work undertaken with the prior consent of the Insured by Employees for any director or senior official of the Insured
- d. participation in trade shows or exhibitions

Company, Our, Us, We

The insurers whose identity and proportionate liability is stated in the Endorsement entitled Identity of Insurers shown in the Schedule

Computer Systems

Computer Systems means any computer or other equipment or component or system or item which processes stores transmits or receives Data

Damage

The word DAMAGE in capital letters shall mean accidental loss or destruction of or damage to the Property Insured in respect of Section 1 and accidental loss or destruction of or damage to the property used by the Insured at the Premises for the purposes of the Business in respect of Section 2

Data

Data means any 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 files interfaces metadata platforms processing capability storage media transaction gateways user credentials websites or any information whatever

Defined Peril

The words Defined Peril shall mean fire lightning explosion aircraft or other aerial devices or articles dropped therefrom riot civil commotion strikers locked-out workers persons taking part in labour disturbances malicious persons theft earthquake storm flood escape of water from any tank apparatus or pipe or impact by any road vehicle or animal

Denial of Service Attack

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

Employee

(other than Section 7 – Legal Expenses)

- a. Any person under a contract of service or apprenticeship with the Insured
- b. Any person who is hired to or borrowed by the Insured
- c. Any person engaged in connection with a work experience or training scheme
- d. Any labour master or person supplied by him
- e. Any person engaged by labour-only sub-contractors
- f. Any self-employed person working on a labour-only basis under the control or supervision of the Insured
- e. any voluntary helper

while working for the Insured in connection with the Business

Empty

The word Empty shall mean wholly unoccupied mainly unoccupied or not in use

Excess

The first amount of each and every loss for which the Insured is responsible

Hacking

Hacking means unauthorised access to any Computer Systems whether the property of the Insured or not

Injury

(other than Section 7 – Legal Expenses)

Bodily injury death disease illness or nervous shock

Insured, You, Your

(other than Sub-Sections 13 and 14 of Section 7 – Legal Expenses)

The Person(s) or company named in the Schedule

Money

Cash bank and currency notes cheques postal orders money orders crossed bankers drafts bills of exchange giro cheques and drafts current postage stamps savings stamps and certificates credit cards Premium Bonds National Insurance stamps trading stamps gift tokens customer redemption vouchers credit card company sales vouchers credit card counterfoils travellers tickets phonecards

(excluding phonecards held in stock for resale) VAT purchase receipts contents of franking machines gaming machines tokens lottery scratch cards and insofar as they are not otherwise insured holiday-with-pay stamps and luncheon vouchers

Non-standard Construction

Constructed of materials other than those detailed in the definition Standard Construction

Offshore

From the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform

Period of Insurance

The period of time specified in the Schedule during which this Policy shall remain in force

Phishing

Phishing means any access or attempted access to Data made by means of misrepresentation or deception

Policy

The Policy Form and Schedule and any endorsements attached or issued

Proposal

The signed Proposal or Statement of Fact if applicable and any additional information supplied to the Company by or on behalf of the Insured

Standard Construction

Brick stone or concrete built and roofed with slates tiles metal concrete or sheets or slabs composed entirely of incombustible mineral ingredients and plastic roof lights

Territorial Limits

(other than Section 7 – Legal Expenses)

- a. anywhere within Great Britain Northern Ireland the Channel Islands or the Isle of Man other than Offshore
- b. elsewhere in the world other than Offshore in connection with temporary visits undertaken in the course of the Business by any person normally resident in the territories described in a. above

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

2. Applicable only to Section 6 – Machinery Breakdown

Breakdown

- a. Breaking distortion or burning out – the actual breaking distortion or burning out of any part of the Property Insured whilst in normal use arising from an electrical or mechanical defect in the Property Insured and causing sudden stoppage which necessitates repair or replacement before it can resume normal working
- b. Frost – fracturing of any item of the Property Insured by frost
- c. Explosion – the sudden and violent rending of Pressure Plant by force of internal fluid pressure (other than pressure of chemical action or ignition of the contents or of ignited flue gases) causing bodily displacement of any part of the Pressure Plant together with forcible ejection of the contents
- d. Collapse – the sudden and dangerous distortion (whether or not attended by rupture) of any part of the Pressure Plant caused by crushing stress by force of steam or other fluid pressure (other than pressure of chemical action or ignition of the contents or of ignited flue gases)

Pressure Plant

- a. boiler plant
- b. plant subject to internal steam pressure
- c. plant used to contain fluids under pressure or vacuum forming part of the Property Insured

3. Applicable only to Section 7 – Legal Expenses

Definitions Applicable to Sub-Section 12

Professional Fees

Reasonable fees and disbursements incurred with the approval of the Company by the accountant, firm of accountants or other appropriately qualified person appointed and approved by the Company to act for the Insured

Professional fees will include VAT where it cannot be recovered

Comprehensive Enquiry

An extensive examination which considers all aspects of the self-assessment tax return It will involve a comprehensive review by the Inspector of Taxes of all books and records underlying the entries made on the return

Aspect Enquiry

Where the Inspector of Taxes enquires into one or more aspects of the self-assessment tax return which may involve

clarification of particular entries, to detailed consideration of whether those entries have been treated correctly for tax purposes. It may involve a check on the records upon which the particular entries were based

In-Depth Investigations

An In-Depth Investigation into a limited company is a fundamental review of the accounts and the underlying records as signalled by the issue of the form IR72 or otherwise stated

VAT Dispute

A challenge by HM Customs & Excise of the accuracy or completeness of returns submitted

PAYE Dispute

A challenge by the Inland Revenue of the accuracy or completeness of returns submitted in accordance with Pay As You Earn regulations

NIC Dispute

A challenge by the Contributions Agency of the accuracy or completeness of returns submitted in accordance with Social Security regulations

Definitions Applicable to Sub-Section 13

Territorial Limits

The United Kingdom only

Insured, You, Your

The Directors of the company to whom this Policy has been issued and who has paid the appropriate Premium, their spouse, their children under the age of 21 and parents normally resident

Director

The Directors of the company at the time of the Insured Incident as defined at Section 741 (1) of the Companies Act 1985

Mediator

The independent expert appointed by Us to offer alternative dispute resolution

Definitions Applicable to Sub-Section 14

You, Your

The Person or company who has paid the appropriate premium and any other person authorised by you to drive or to be a passenger in or on the Insured Vehicle

Insured Vehicle

Any motor vehicle that you own or for which you are legally responsible including any caravan or trailer properly constructed to be towed by such vehicle and which is attached to it by normal means of towing and for which the appropriate premium has been paid including bicycles that You own or for which You are legally responsible and which

are permitted to use the public highway

Limit of Indemnity

£25,000 per Insured Incident including incidents related by time or cause after aggregation of the Legal Costs incurred by You and the Legal Costs of any other party or parties for which We are liable under the terms of Sub-Section 14

Injury

Bodily injury to or death disease or illness of any person

Insured Incident

An event causing loss or damage to an Insured Vehicle or Injury to You whilst You are travelling in, on, mounting or dismounting an Insured Vehicle which occurs within the Territorial Limits and where the loss or damage is caused by a third party mechanically propelled vehicle as defined in part (vi) of the Road Traffic Act 1988

Territorial Limits

The United Kingdom of Great Britain and Northern Ireland, the Isle of Man, the Channel Islands, Austria, Belgium, Denmark, Finland, France, Federal Republic of Germany, Greece, Republic of Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden and Switzerland

Definitions Applicable to all Sub-Sections

Legal costs and expenses

The legal fees and costs and disbursements reasonably and properly incurred by the solicitor appointed by the Company under this policy, plus the legal costs awarded or otherwise payable by the Insured to the other party for a dispute accepted by the Company to be the subject of a claim under any operative Sub-Section of this Section

Time of Occurrence

- a. in civil cases the time at which the cause of action occurred or commenced, whichever is the earlier in time; and
- b. in criminal cases the time at which the Insured or any other person insured under this policy commenced or is alleged to have commenced to violate the criminal law in question

Insured Event

An event, act or omission giving rise to a claim for indemnity against the Company or entitling the Insured to a service from the Coverholder

Limit of Indemnity

The annual limit of indemnity specified in the Schedule or where the Period of Insurance is less than one year the pro rata proportion of such limit

Territorial Limits

United Kingdom unless otherwise stated

Section 1 – Buildings

1. The Cover

The Company will (subject to the terms definitions exclusions and conditions of the Policy) if any of the Property Insured be accidentally lost destroyed or damaged pay to the Insured the value of the property at the time of its loss or destruction or the amount of the damage or at the Company's option reinstate or replace such property or any part of it

Property Insured

- a. The buildings shown in the Schedule including outbuildings annexes gangways conveniences foundations or footings (unless otherwise excluded) yards car parks roads pavements landscaping planters ornamental features and statues walls gates and fences together with shop fronts signs blinds communal aerials satellite dishes closed circuit television alarm equipment and related fittings landlord's fixtures and fittings therein and thereon tenants improvements underground pipes drains fuel tanks and their ancillary equipment telephone gas water and electric instruments and meters piping ducting cables wires and associated control gear and accessories on the Premises and extending to the public mains but only to the extent of the Insureds responsibility
- b. Contents in reception and communal storage areas and other communal parts of the Premises including the contents of fuel tanks at the Premises and portable communal property in the open grounds of and used in connection with the Premises
- c. Fitted carpets and other furnishings including shelves showcases and mirrors located in the communal parts of the Premises but excluding fitted carpets other furnishings showcases and mirrors within properties or portions thereof which are let for domestic purposes Fixed glass in windows doors fanlights skylights partitions and fixed sanitary ware

Amount Excluded

This Section does not cover the amounts stated in the following paragraph in respect of each and every loss at each Premises as ascertained after the application of all other terms and conditions of the Policy including any Condition of Average

1. DAMAGE by fire lightning explosion aircraft riot civil commotion strikers locked out workers persons taking part in labour disturbances or earthquake – Nil
2. All other insured DAMAGE – £250

Limit of Liability

The maximum amount payable during any Period of Insurance under this Section including any payment made under the Extensions is the Sum Insured shown in the Schedule for the Buildings Section adjusted in accordance with the Inflation Protection Clause or the Day One Average Clause if applicable

2. Clauses

Change in Tenancy

The Insured must advise the Company of all changes in tenancy or occupation within the Property Insured in accordance with Condition 1 of this Policy

Construction of Buildings

Except as otherwise stated the buildings described in the Schedule are of Standard Construction

Contractors Interest

Where the Insured is required to effect insurance on the Property Insured in the joint names of themselves and the contractor under the terms of a contract condition then the interest of the contractor in the Property Insured as joint insured is noted provided the Insured shall advise the Company of details of any single contract valued in excess of £150,000 or 10% of the Sum Insured on the Property Insured whichever is the less and pay any additional premium the Company may require

Day One Average

- A. Subject to the following Special Conditions the basis upon which the amount payable in respect of the Property Insured under sums insured marked with a Declared Value on the Schedule is to be calculated shall be the reinstatement of the property lost destroyed or damaged

For this purpose **reinstatement** means

- a. the rebuilding or replacement of property lost or destroyed which provided the liability of the Company is not increased may be carried out
 - i. in any manner suitable to the requirements of the Insured
 - ii. upon another site
- b. the repair or restoration of property damaged in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new

If the Property Insured cannot be restored to its original form the Company will rebuild or restore it with materials of a similar quality In this instance the property will not be regarded as being in better condition than new provided that the Company's liability for any additional costs does not exceed 5% of the Declared Value

- B. The Insured having stated in writing the Declared Value (shown as the Declared Value in the Schedule) of the Property Insured the premium has been calculated accordingly

Declared Value means the Insured's assessment of the cost of reinstatement of the Property Insured arrived at in accordance with paragraph A a. at the level of costs applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with insofar as the insurance by the item provides due allowance for

- a. the additional cost of reinstatement to comply with Public Authority requirements
- b. professional fees
- c. debris removal costs
- d. fitted carpets and other furnishings

Special Conditions

1. At the inception of each Period of Insurance the Insured shall notify the Company of the Declared Value of the Property Insured by each of the said item(s) In the absence of such declaration the last amount declared by the Insured shall be taken as the Declared Value for the ensuing Period of Insurance
2. If at the time of DAMAGE the Declared Value of the property covered by such item be less than the cost of reinstatement (as defined in paragraph B above) at the inception of the Period of Insurance then the Company's liability for any DAMAGE shall not exceed that proportion thereof which the Declared Value bears to such cost of reinstatement
3. The liability of the Company for the repair or restoration of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed
4. No payment beyond the amount which would have been payable in the absence of this clause shall be made
 - a. unless reinstatement commences and proceeds without unreasonable delay
 - b. until the cost of reinstatement shall have been actually incurred
 - c. if the Property Insured at the time of its loss destruction or damage shall be insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of reinstatement
5. All the terms and conditions of this Policy shall apply in respect of any claim payable under the provisions of this clause except insofar as they are varied hereby
6. Where by reason of
 - a. any of the above Special Conditions no payment is

to be made beyond the amount which would have been payable under this Section if this clause had not been incorporated therein

or

- b. the Insured elect not to rebuild the Property Insured in a condition equal to but not better or more extensive than its condition when new then the provisions of this clause are cancelled and the rights and liabilities of the Company and the Insured in respect of the DAMAGE shall be subject to the terms and conditions of the Policy including the following Condition of Average –

The insurance by each item of this Section is declared to be subject to Average i.e. if the property covered shall at the breaking out of any DAMAGE insured hereby be collectively of greater value than 115% of the Declared Value stated in the Schedule then the Insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly

Empty Buildings

- a. Whenever the Property Insured by this Section is Empty the Empty Buildings Condition will apply
- b. The Company must be notified in writing immediately any Empty building or Empty portion of a building insured hereby becomes occupied or any occupied building becomes Empty and a suitable extra premium be paid if required

Empty Buildings Condition

It is a condition precedent to liability that whenever the Property Insured is Empty

- a. the Insured shall notify the Company immediately they become aware
 - i. that the building(s) are Empty
 - ii. of any loss destruction or damage to the Empty building(s) whether such loss destruction or damage is insured or not with all loss destruction or damage rectified immediately
- b. the buildings are inspected internally at least once during each week by or on behalf of the Insured
- c. all trade refuse and waste materials are removed from the interior of the Premises and no accumulation of refuse and waste be allowed in the adjoining yards or spaces owned by the Insured
- d. the Insured shall secure the building and put all protective and locking devices and any alarm protection into effective operation with letterboxes sealed to prevent the accumulation of mail Any entry doors must be secured with a minimum of BS3621 mortise deadlock and plate
- e. the gas water and electricity supplies are turned off at the mains (except electricity needed to maintain any fire or

intruder alarm system in operation) and any sprinkler system be drained and during the months of October to March (inclusive) the water system be drained

- f. the Insured shall implement any additional protections the Company may require within the time scale specified by the Company

Fire Extinguishing Appliances

Where the Company has agreed to allow a discount for the fire extinguishing equipment it is a condition precedent to liability that

- a. the said appliances will be maintained in efficient working order during the currency of this insurance
- b. the routine tests prescribed by the Company are carried out and any defects revealed by such tests are promptly remedied
- c. the Company's written consent is obtained to any proposed changes repairs or alterations to any sprinkler or alarm installation

Inflation Protection

The Company will adjust the Sum Insured each month in line with suitable indices of costs Additional premium will not be charged on such adjustments during the Period of Insurance The renewal premium for this Section will be based on the adjusted Sum Insured In the event of insured loss or damage the monthly index linking adjustments will continue during the period between the date of loss or damage and the completion of repair or replacement Provided that the Insured takes all reasonable steps to have the repair or replacement carried out without delay

Mortgagees and Other Interests

The interest of the Leaseholder(s) Mortgagee(s) and Tenant(s) or other party in the individual portions of the Property Insured to which their interest applies is noted such interest to be advised to the Company in the event of a claim

Non Invalidation

The interest of the Insured or Mortgagee(s) in this insurance shall not be prejudiced by any act neglect omission or alteration either unknown to the Insured or beyond the Insured's control which increases the risk of DAMAGE

Provided that the Insured or Mortgagees shall immediately on becoming aware thereof give notice in writing to the Company and on demand pay such reasonable additional premium as the Company may require

Payments on Account

In the event of DAMAGE the Company will make monthly payments on account to the Insured if required

Reinstatement of Sum Insured

In the event of loss the Sum Insured by this Section will be automatically reinstated from the date of the loss unless written notice is given to the contrary either by the Company or by the Insured and the Insured undertake to pay such necessary premiums as may be required for such reinstatement from that date

Reinstatement to Match

Where the Property Insured has suffered DAMAGE the Insured may replace repair or restore the property with equivalent property which employs current technology Replacement repair or restoration with such property for the purposes of the Section shall not be regarded as being better or more extensive than when new This Section further extends to include the replacement or modification of undamaged property insofar as it is necessary to adapt it to operate in conjunction with that property which has been replaced repaired or restored

Provided that the Company's liability is not increased beyond the amount that would otherwise have been payable for the replacement repair or restoration of the property destroyed or damaged in its original form

The liability of the Company for the repair or restoration of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed

Repairs and Alterations

Joiners and other tradesmen may be employed to effect repairs or minor structural alterations in all or any of the buildings insured without prejudice to the insurance hereby

Sale of Property Insured

If at the time of DAMAGE to any building insured under this Section the Insured shall have contracted to sell the interest of the Insured in such building and the purchase shall not have been but shall be thereafter completed the purchaser on completion of the purchase if and so far as the property is not otherwise insured by or on behalf of the purchaser against such DAMAGE shall be entitled to the benefits of this Section of the Policy so far as it relates to such DAMAGE without prejudice to the rights and liabilities of the Insured or the Company under this Section up to the date of completion

Seventy Two Hours Clause

DAMAGE caused by storm tempest or flood occurring within 72 consecutive hours is deemed one claim The Insured have the right to select the moment from which the 72 hour period shall be deemed to have commenced within the terms of this Section provided that such DAMAGE occurred prior to expiry of the Period of Insurance

Subrogation Waiver

In the event of a claim arising under this Section the Company agrees to waive any rights remedies or relief to which they might have become entitled by subrogation against

- a. any Company standing in relation of Parent to Subsidiary (Subsidiary to Parent) to the Insured as defined in the Companies Act or the Companies (N.I.) Order as appropriate current at the time of DAMAGE
- b. any Company which is a subsidiary of a Parent Company of which the Insured are themselves a Subsidiary in each case within the meaning of the Companies Act or the Companies (N.I.) Order as appropriate current at the time of DAMAGE
- c. any tenant provided that
 - i. the DAMAGE did not result from a criminal fraudulent or malicious act of the tenant
 - ii. the tenant contributes to the cost of insuring the Property Insured against the event which caused the DAMAGE

3. Extensions

The Insurance by this Section extends to include

Additional Management Fees

Additional management agents fees necessarily and reasonably incurred in respect of the management and supervision of repair or rebuilding work following DAMAGE covered under this insurance where fees are in respect of additional work which would not have been necessary had the DAMAGE not occurred

Provided that the maximum amount payable under this Extension in any one Period of Insurance shall not exceed £25,000

Additional Utilities Costs

Additional oil water gas electricity or other metered supply charges incurred by the Insured as a result of DAMAGE except those in respect of any loss which has not been discovered and remedial action taken within 30 days of the occurrence of the DAMAGE subject to a limit of £25,000

Additional Sprinkler Costs

The costs incurred in upgrading an automatic sprinkler installation to current [PC rules solely as required by the Company as a result of DAMAGE to the Property Insured provided that at the time of the DAMAGE the installation conformed

- to the 28th or 29th Edition Rules or
- to the LPC Rules current at the time of installation but did not conform to subsequent amendments to those rules

Alternative Residential Accommodation

If as a result of DAMAGE the residential portions of the Property Insured are unfit to live in or access is denied the Company will pay insofar as they are not otherwise insured

- a. the costs of reasonable alternative accommodation and temporary storage of residents furniture
- b. the cost of reasonable accommodation in kennels or catteries for residents dogs and cats

Provided the liability of the Company under this Extension shall not exceed 20% of the Sum Insured on the Property Insured which has been damaged

Architects Surveyors Legal and Consulting Engineers Fees

An amount in respect of architects surveyors legal and consulting engineers fees necessarily incurred in the reinstatement or repair of the Property Insured consequent upon its DAMAGE but not for preparing any claim it being understood that the amount payable for such destruction or damage and fees shall not exceed in the aggregate the Sum Insured

Automatic Cover (Newly Acquired Properties)

Automatic cover for Premises newly acquired by the Insured in the United Kingdom to the extent that the Insured's interest is not protected by any other more specific insurance provided that

- a. as soon as reasonably practicable the Insured shall notify the Company in writing of each Premises acquired and arrange specific cover with the Company
- b. this cover shall operate for a maximum period of 30 days from the date the Insured acquired their interest in the Premises
- c. the Company's maximum liability any one claim for Buildings and Rent shall not exceed £2,000,000 in respect of any Premises
- d. in respect of any Premises purchased for renovation refurbishment or redevelopment the Day One Average Clause shall not apply
- e. the insurance under this extension shall be subject to all the terms provisions clauses conditions and exclusions of the Policy
- f. if cover is provided under this Extension then cover is not provided under the Capital Additions Extension at the same time in respect of the same property

Cables and Underground Pipes

The cost of repairing accidental damage for which the Insured is responsible to cables and underground pipes and drains (and their inspection covers) on the Property Insured or connecting them to the public mains subject to the terms and conditions of the Policy

Capital Additions

Subject to its terms and conditions

- a. any newly acquired and/or newly erected buildings or buildings in course of erection (excluding any property for which a building contractor is responsible) insofar as the same are not otherwise insured and
- b. alterations additions and improvements to buildings but not in respect of any appreciation in value

anywhere in the United Kingdom provided that

- i. at any one situation this cover shall not exceed 20% of the Sum Insured by this Section but in no case exceeding £2,000,000
- ii. the Insured undertake to give particulars of such extension of cover as soon as practicable and to effect specific insurance thereon retrospective to the date of the commencement of the Company's liability
- iii. the provisions of this extension shall be fully maintained notwithstanding any specific insurance effected under ii. above
- iv. if cover is provided under this Extension then cover is not provided under the Automatic Cover (Newly Acquired Properties) Extension at the same time in respect of the same property

Contract Works

Contract Works to the extent to which the Insured has contracted to arrange cover subject to a limit of £25,000 any one claim at any Premises excluding the first £250 of each and every loss

This insurance shall only apply in so far as the Contract Works are not otherwise insured

European Community and Public Authorities

Such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the Stipulations of

- a. European Community Legislation or
- b. Building or other Regulations under or framed in pursuance of any Act of Parliament or Bye-Laws of any Public Authority (hereafter referred to as 'the Stipulations') in respect of
 - the lost destroyed or damaged property thereby insured
 - undamaged portions thereof

Excluding

- a. the cost incurred in complying with the Stipulations
 - i. in respect of damage occurring prior to the granting of this extension
 - ii. in respect of damage not insured by this Section
 - iii. under which notice has been served upon the Insured prior to the happening of the DAMAGE
 - iv. for which there is an existing requirement which has

to be implemented within a given period

- v. in respect of property entirely undamaged by any peril hereby insured against
- b. the additional cost that would have been required to make good the property lost destroyed or damaged to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen
- c. the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with the Stipulations

Special Conditions

1. The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the DAMAGE or within such further time as the Company may allow (during the said twelve months) and may be carried out upon another site (if the Stipulations so necessitate) subject to the liability of the Company under this extension not being thereby increased
2. If the liability of the Company under (any item of) this Section apart from this extension shall be reduced by the application of any of the terms and conditions of the Policy then the liability of the Company under this extension (in respect of any such item) shall be reduced in like proportion
3. The total amount recoverable under any item of this Section shall not exceed its Sum Insured
4. All the terms and conditions of the policy except insofar as they are varied hereby shall apply as if they had been incorporated herein

Extinguishment and Alarm Resetting Expenses

The reasonable costs incurred by the Insured in refilling fire extinguishing appliances or suppression systems replacing used sprinkler heads and resetting fire or intruder alarms as a result of DAMAGE to the Property Insured

Further Investigation Expenses

Where a Building has suffered DAMAGE and in the opinion of a competent construction professional there is a reasonable possibility of other DAMAGE to portions of the same Building which is not immediately apparent the Company will pay the reasonable costs incurred by the Insured with the Company's prior consent in establishing whether or not such DAMAGE has occurred

The Company will also pay the reasonable costs incurred by the Insured in establishing whether or not other Buildings in the vicinity have suffered DAMAGE in the same incident but only if such Buildings are subsequently found to have suffered such DAMAGE for which the Company is liable

Glass Breakage

- a. temporary boarding up following breakage
- b. the cost of removal or replacement of fixtures and fittings in course of the replacement of the glass
- c. lettering or other ornamental work and alarm foil on glass

Landscaped Gardens

The reasonable cost of restoring any damage to landscaped gardens including trees by the Emergency Services in attending the Premises as a result of DAMAGE insured by this Section

Personal Possessions

Directors partners customers visitors and Employees personal effects of every description (other than motor vehicles) insofar as they are not otherwise insured for an amount not exceeding £500 in respect of any one person

Removal of Debris

Costs and expenses necessarily incurred by the Insured with the consent of the Company in

- a. removing debris
- b. dismantling and/or demolishing
- c. shoring up or propping of the portions of the Property Insured
- d. clearing drains sewers gutters and services at the Property Insured

as a result of DAMAGE hereby insured against

The Company will not pay for any costs or expenses

- i. incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
- ii. arising from pollution or contamination of property not insured by this Section

The liability of the Company under this Extension and this Section in respect of any item shall in no case exceed the Sum Insured thereby

Removal of Debris – Tenants Contents

The irrecoverable costs and expenses (insofar as they are not otherwise insured) necessarily incurred by the Insured with the consent of the Company in removing from the Property Insured the debris of contents (not being the property of the Insured) as a result of DAMAGE hereby insured against

The Company will not pay for any costs or expenses

- a. incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site

- b. arising from pollution or contamination of property not insured by this Section

The liability of the Company under this Extension shall not exceed £2,500 in respect of any one claim

Removal of Nests

The reasonable cost of removing wasps or bees nests from the Premises

Provided that the maximum amount payable in respect of any one claim does not exceed £500

Temporary Removal

Temporary removal of

- a. property insured by this Section for cleaning renovation or repair or similar purposes
 - b. deeds documents and plans
- to any Premises including whilst in transit within the United Kingdom

Provided the liability of the Company under each of a. and b. shall not exceed £25,000

Theft of Keys

The reasonable costs necessarily incurred in replacing external door locks at the Property Insured following the loss of keys by

- a. the loss of keys by theft from the Property Insured or Registered Office or from the home of
- b. theft following hold-up whilst such keys are in the personal custody of

the Insured or any principal director partner or Employee authorised to hold such keys or reasonable evidence that the keys have been duplicated by an unauthorised person

Provided that the maximum amount payable under this Extension in any one Period of Insurance shall not exceed £2,500 in respect of any one Premises

Trace and Access

The reasonable costs necessarily incurred by the Insured in locating the source and subsequent making good of DAMAGE resulting from

- a. the escape of water or fuel oil from any tank apparatus or pipe
- b. accidental damage to cables underground pipes and drains serving the Property Insured

Tree Felling or Lopping

The reasonable cost of felling or lopping trees at the Premises which are an immediate threat to the safety of life or property as a result of DAMAGE

Provided that the maximum amount payable in respect of any one claim does not exceed £1,000 up to a maximum of £10,000 in any one Period of Insurance

Unauthorised Use of Utilities

The cost of water gas electricity or other metered supply charges for which the Insured are legally responsible arising from its unauthorised use by persons taking possession keeping possession or occupying the Property Insured without the Insureds authority

Provided that the Insured shall take all practical steps to terminate such unauthorised use as soon as it is discovered

Undamaged Portions of Buildings

The cost of replacing or modifying undamaged portions of the Buildings in so far as it is necessary to effect alterations in keeping with the repairs restoration or replacement of the damaged portion of the Buildings provided that the maximum amount payable in respect of undamaged portions of the Buildings (other than foundations) shall not exceed 15% of the total cost of rebuilding had the Buildings damaged been totally destroyed

Value Added Tax

Value Added Tax (VAT) paid by the Insured which is not subsequently recoverable

Provided that

1. a. the Insureds liability for such tax arises solely as a result of the reinstatement or repair of the building following DAMAGE
- b. the Company have paid or have agreed to pay for such DAMAGE
- c. if any payment made by the Company in respect of the reinstatement or repair of such DAMAGE shall be less than the actual cost of the reinstatement or repair of the DAMAGE any payment under this clause resulting from that DAMAGE shall be reduced in like proportion
2. the Insureds liability for such tax does not arise from the replacement building having a greater floor area than or being better or more extensive than the destroyed or damaged building
3. where an option to reinstate on another site is exercised the Company's liability under this Extension shall not exceed the amount of tax that would have been payable had the building been rebuilt on its original site
4. the Company's liability under this Extension shall not include amounts payable by the Insured as penalties or interest for non payment or late payment of tax
5. the Insured has taken all reasonable precautions to insure adequately for VAT liability at inception of the Policy and at each subsequent renewal date

NB Provisions to the contrary elsewhere in this Policy are overridden as follows in respect of those items to which this Extension applies

- i. for the purpose of any condition of Average reinstatement costs will be exclusive of VAT
- ii. the liability of the Company may exceed the Sum Insured by an item or in the whole the total Sum Insured where such excess is solely in respect of VAT

Section 2 – Rental Income

1. The Cover

In the event of the Property Insured under Section 1 (hereinafter called the Premises) being accidentally lost destroyed or damaged and the Business carried on by the Insured at the Premises stated in the Schedule be in consequence thereof interrupted or interfered with the Company will (subject to the terms definitions exclusions and conditions of the Policy) pay the Insured the amount of loss arising as a result in accordance with the following provisions

Indemnity

The insurance is limited to loss due to a. loss of Rent Receivable and b. increase in cost of working and the amount payable as indemnity thereunder shall be

- a. the amount by which the Rent Receivable during the Indemnity Period shall in consequence of the DAMAGE fall short of the Standard Rent Receivable
- b. the additional expenditure necessarily and reasonably incurred including the cost of re-letting the Premises (including legal fees) for the sole purpose of avoiding or diminishing the loss of Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the DAMAGE but not exceeding the amount of the reduction in Rent Receivable thereby avoided

plus

5% sum insured on Rent Receivable for the Premises (but not more than £25,000)

less any sum saved during the Indemnity Period in respect of such charges or expenses of the Business as may cease or be reduced in the consequence of the DAMAGE

provided that

- i. payment shall have been made or liability admitted under Section 1 of this Policy
- ii. if the Sum Insured by this Section be less than 300% of the Annual Rent Receivable the amount payable shall be proportionately reduced

2. Definitions

Indemnity Period

The period beginning with the occurrence of the DAMAGE and ending not later than the number of months thereafter stated in the Schedule during which the results of the Business shall be affected in consequence of the DAMAGE

Rent Receivable

The money paid or payable to the Insured for tenancies and other charges and for services rendered in the course of the Business at the Premises

Annual Rent Receivable

The Rent Receivable during the twelve months immediately before the date of the DAMAGE

Standard Rent Receivable

The Rent Receivable during the period in the twelve months immediately before the date of the DAMAGE which corresponds with the Indemnity Period

Under the Definitions Annual Rent Receivable and Standard Rent Receivable adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or special 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 nearly as may be reasonably practicable the results which but for the DAMAGE would have been obtained during the relative period after the DAMAGE

Limit of Liability

The maximum payable during any Period of Insurance under this Section is the Sum Insured shown in the Schedule adjusted in accordance with the Inflation Protection Clause if applicable plus any payment made under the Rent Review Extension

3. Clauses

Advance Rent Receivable

Where Rent Receivable is insured in respect of new property developments the Insured must show that but for the DAMAGE Rent Receivable would have been earned and will be required to support a claim for Loss of Rent Receivable by submitting reasonable evidence of the amount of such Rent Receivable and the date from which they would have been earned

The Company will have regard

- a. to actual negotiations with prospective tenants both before and after the DAMAGE
- b. for demand for similar accommodation in the locality
- c. the general level of rents applying

If required the advice of a professional valuer acceptable to both the Insured and the Company will be sought and such fees will be included in the indemnity under this Clause

Alternative Trading

If during the Indemnity Period accommodation shall be provided or services rendered elsewhere than at the Premises for the benefit of the Business either by the Insured or others on their behalf the money paid or payable in respect of such accommodation and services shall be brought into account in arriving at the Rent Receivable during the Indemnity Period

Buildings Awaiting Sale

If at the time of the DAMAGE the Insured shall have contracted to sell their interest in the Premises or shall have accepted an offer in writing to purchase their interest in the Premises subject to contract and the sale is cancelled or delayed solely in consequence of the DAMAGE

Provided that the Insured shall make all reasonable efforts to complete the sale of the Premises as soon as practicable after the DAMAGE the Insured may opt for the amount payable by the Company to be as follows

- a. during the period prior to the date upon which but for the DAMAGE the Premises would have been sold
the loss of Rent Receivable being the actual amount of the reduction in Rent Receivable solely in consequence of the DAMAGE
- b. during the period commencing with the date upon which but for the DAMAGE the Premises would have been sold and ending with the actual date of sale or with the expiry of the Indemnity Period if earlier
the loss in respect of interest being
 - i. the actual interest incurred on capital borrowed (solely to offset in whole or part the loss of use of the sale proceeds) for the purpose of financing the Business
 - ii. the investment interest lost to the Insured on any balance of the sale proceeds (after deduction of any capital borrowed as provided under i.)

less any amount receivable in respect of Rent Receivable

- c. the additional expenditure being
 - i. the expenditure necessarily and reasonably incurred in consequence of the DAMAGE solely to avoid or minimise the loss payable under a. and b. immediately above but not exceeding the amount of loss avoided by such expenditure
 - ii. the additional legal fees and other expenditure incurred solely as a result of the cancellation or delay in consequence of the DAMAGE but not exceeding either an amount equivalent to the expenditure incurred immediately prior to the DAMAGE or £50,000 whichever is the less

Capital Additions

This Section extends to include Rent Receivable in respect of

- a. alterations additions extensions and improvements to the Premises insured
- b. newly acquired and or newly erected buildings anywhere in the United Kingdom provided they are not otherwise insured

Provided that

- i. at any one Premises the cover shall not exceed £500,000 or 20% of the total Sum Insured on Rent Receivable whichever is the less
- ii. the Insured undertake to give particulars of such extension of cover as soon as practicable and to effect specific insurance thereon retrospective to the date of the commencement of the Company's liability
- iii. the provisions of this Clause shall be fully maintained notwithstanding any specific insurance effected under ii. above

Documents

This Section extends to include interruption of or interference with the Business caused by DAMAGE to deeds documents and plans in any Premises including whilst in transit within the United Kingdom subject to a £5,000 limit per incident

Empty Buildings

Where Rent Receivable is insured in respect of any Empty buildings in the event of DAMAGE the Insured must show that but for the DAMAGE Rent Receivable would have been earned and will be required to support a claim for loss of Rent Receivable by submitting reasonable evidence of the amount of Rent Receivable and the date from which it would have been earned

The Company will have regard

- a. to actual negotiations with prospective tenants both before and after the DAMAGE
- b. for demand for similar accommodation in the locality and
- c. of the general level of rents applying

If required the advice of a professional valuer acceptable to both the Insured and Company will be sought and such fees will be included in the indemnity under this Clause

Failure of Public Supply

This Section extends to include interruption of or interference with the Business caused by accidental failure of the public supply for at least 180 consecutive minutes of

- a. electricity at the terminal ends of the supply authority's service feeders at the Premises
- b. gas at the supply authority's meters at the Premises
- c. water at the supply authority's main stop cock serving the Premises other than drought

not occasioned by the deliberate act of any supply authority or service provider or the exercise by any authority of its power to withhold or restrict supply or services

Failure of Telecommunications

This Section extends to include interruption of or interference with the Business caused by accidental failure of the telecommunications system serving the Premises at the incoming telephone terminals or receivers at the Premises excluding satellite or mobile phone services and any failure that does not involve total cessation of service for at least 180 consecutive minutes

not occasioned by the deliberate act of the service provider or the exercise by any authority of its power to withhold or restrict supply or services

Provided that the liability of the Company under this Extension shall not exceed £5,000 in respect of any one loss

Loss of Attraction

This Section extends to include loss resulting from interruption of or interference with the Business due to DAMAGE to property in the vicinity of the Premises which shall deter potential tenants whether the Premises of the Insured or property of the Insured therein shall be damaged or not

Provided that the maximum amount payable under this Clause in any Period of Insurance shall not exceed

- a. £50,000 or the Sum Insured in respect of each Premises whichever is the less
- b. £250,000 in any one Period of Insurance

Loss of Investment Income due to Late Payment of Rent

If as a result of DAMAGE the Company is paying an indemnity in respect of loss of Rent Receivable and the payment is made later than the date upon which the Insured would normally have expected to receive the rent from the lessee the Company will pay a further sum representing the investment interest lost to the Insured during the period of delay

Murder Suicide or Disease

The Company shall indemnify the Insured in respect of DAMAGE resulting from interruption of or interference with the Business during the Indemnity Period following

- a. the occurrence of any of the following specified human infectious or human contagious diseases:

- i. Acute Encephalitis
- ii. Acute Poliomyelitis
- iii. Anthrax
- iv. Chicken pox
- v. Cholera
- vi. Diphtheria
- vii. Dysentery
- viii. Legionellosis
- ix. Legionnaires Disease
- x. Leprosy
- xi. Leptospirosis
- xii. Malaria
- xiii. Measles
- xiv. Meningococcal Infection
- xv. Mumps
- xvi. Ophthalmia Neonatorum
- xvii. Paratyphoid Fever
- xviii. Plague
- xix. Rabies
- xx. Rubella
- xxi. Scarlet Fever
- xxii. Smallpox
- xxiii. Tetanus
- xxiv. Tuberculosis
- xxv. Typhoid Fever
- xxvi. Viral Hepatitis
- xxvii. Whooping Cough
- xxviii. Yellow Fever

manifested by any person whilst in the Premises or within a 25 mile radius of it

- b. murder or suicide in the Premises
- c. injury or illness sustained by any person arising from or traceable to foreign or injurious matter in food or drink provided in the Premises
- d. vermin or pests in the Premises
- e. the closing of the whole or part of the Premises by order of a competent public authority consequent upon defect in the drains or other sanitary arrangements at the Premises

This Extension extends to include costs and expenses necessarily incurred with Our consent in

- i. cleaning and decontamination of property other than Stock
- ii. removal and disposal of contaminated Stock

at the Premises use of which has been restricted on the order of the competent public authority solely in consequence of the incident as defined above

Provided that the liability of the Company shall not exceed £25,000 in respect of any one occurrence

New Business Clause

For the purpose of any claim arising from DAMAGE occurring before the completion of the first years trading of the Business at the Premises Definitions Annual Rent Receivable and Standard Rent Receivable shall bear the following meanings and not as within stated

Annual Rent Receivable

The proportional equivalent for a period of twelve months of the Rent Receivable realised during the period between the commencement of the Business and the date of the DAMAGE

Standard Rent Receivable

The proportional equivalent for a period equal to the Indemnity Period of the Rent Receivable realised during the period between the commencement of the Business and the date of the DAMAGE

To which adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or special 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 nearly as may be reasonably practicable the results which but for the DAMAGE would have been obtained during the relative period after the DAMAGE

Payments on Account

In the event of loss the Company will make monthly payments on account during the Indemnity Period to the Insured if desired

Prevention of Access and Loss or Damage at Managing Agents Premises

Subject to the conditions of the Policy loss resulting from interruption of or interference with the Business in consequence of DAMAGE

- a. to property in the vicinity of the Premises destruction of or damage to which shall prevent or hinder the use of the Premises or access thereto whether the Premises or property of the Insured therein shall be damaged or not (but excluding loss destruction of or damage to property of any supply undertaking from which the Insured obtain electricity gas or water or telecommunications services which prevent or hinder the supply of such services)
- b. to property at the Premises of the Insureds Managing Agents

shall be deemed to be loss resulting from DAMAGE to property used by the Insured at the Premises

Professional Accountants and Legal Fees

The Company will indemnify the Insured in respect of reasonable fees payable by the Insured

- i. to their professional accountants for producing any particulars or details contained in the Insureds business books or documents or other such proofs information or evidence as the Company may require under the terms of Condition 4c) and reporting that such particulars or details are in accordance with the Insureds business books or documents
- ii. to their lawyers for determining their contractual rights under any Rent cessor clause or insurance break clause contained in the lease but not for any other purposes in the preparation of any claim

Public Emergency

The actions or advice of a competent Public Authority due to an emergency likely to endanger life or property in the vicinity of the Premises which prevents or hinders the use of or access to the Premises excluding:

- a. any loss during the first four hours
- b. any period other than the actual period when access to the Premises was prevented
- c. labour disputes
- d. any loss occurring in Northern Ireland
- e. infectious or contagious disease

Provided that the liability of the Company under this Extension shall not exceed 10% of the Sum Insured by this Section or £50,000 whichever is the lower in any one Period of Insurance

Public Supply Undertakings

This Section extends to include interruption of or interference with the Business caused by DAMAGE as defined in this Section giving rise to destruction or damage to property at any

- a. generating station or sub-station of the public electricity supply undertaking
- b. land based premises of the public gas supply undertaking or of any natural gas producer linked directly herewith
- c. water works and pumping stations of the public water supply undertaking
- d. land based premises of the public telecommunications undertaking

from which the Insured obtains electricity gas water or telecommunications services within Great Britain Northern Ireland the Channel Islands or the Isle of Man

Reinstatement of Sum Insured

In the event of loss the Sum Insured by this Section will be automatically reinstated from the date of the loss unless written notice is given to the contrary either by the Company or by the Insured and the Insured undertake to pay such necessary premiums as may be required for such reinstatement from that date

Rent Review

Where the Rent Receivable is subject to a Rent Review during the Period of Insurance then the Sum Insured by this Section will be automatically increased to reflect the revised Rent Receivable earned

Extra premium will not be charged for such increase in cover during the Period of Insurance provided that the Insured shall prior to renewal advise the Company of the revised Rent Receivable for the ensuing year of insurance

Rent Free Period

If at the date of the DAMAGE any Premises are subject to a rent free period under the terms of the lease then the Indemnity Period stated in the Schedule shall be adjusted by adding the unexpired portion of the rent free period to the number of years shown in the Schedule provided that the Company's liability does not exceed the Sum Insured or any Limit of Liability stated in the Policy whichever is the lower

Sale of Property Insured

If at the time of DAMAGE to the Premises the Insured shall have contracted to sell the interest of the Insured in such building and the purchase shall not have been but shall be thereafter completed the purchaser on completion of the purchase if and so far as the Rent Receivable are not otherwise insured by or on behalf of the purchaser against such DAMAGE shall be entitled to the benefits of this

Section of the Policy so far as it relates to such DAMAGE without prejudice to the rights and liabilities of the Insured or the Company under this Section up to the date of completion

Subrogation Waiver

In the event of a claim arising under this Section the Company agrees to waive any rights remedies or relief to which they might have become entitled by subrogation against

- a. any Company standing in relation of Parent to Subsidiary (Subsidiary to Parent) to the Insured as defined in the Companies Act or the Companies (N.I.) Order as appropriate current at the time of DAMAGE
- b. any Company which is a subsidiary of a Parent Company of which the Insured are themselves a Subsidiary in each case within the meaning of the Companies Act or the Companies (N.I.) Order as appropriate current at the time of DAMAGE
- c. any tenant provided that
 - i. the DAMAGE did not result from a criminal fraudulent or malicious act of the tenant
 - ii. the tenant contributes to the cost of insuring the Property Insured against the event which caused the DAMAGE

Unlawful Occupation

This Section extends to include interruption of or interference with the Business due to occupation of the Premises or other property in the vicinity by members of a terrorist or criminal organisation or other unlawful occupants

Provided the Company will not be liable for

- i. any incident involving an interruption of less than 48 hours duration
- ii. any period other than the actual period of prevention or hindrance of access to the Premises
- iii. eviction costs

The insurance by this Clause shall only apply for the period beginning with the loss and ending not later than three months thereafter during which the results of the Business shall be affected in consequence of the DAMAGE

Value Added Tax

To the extent that the Insured are accountable to the tax authorities for Value Added Tax all terms in this Section shall be exclusive of such tax

Section 3 – Public Liability

1. Indemnity

The Company will Indemnify the Insured against all sums the Insured shall become legally liable to pay as damages and claimants costs and expenses arising out of accidental

- a. Injury to any person
- b. loss or damage to material property
- c. obstruction, trespass, nuisance or interference with any right of way air light or water or other easement
- d. wrongful arrest detention imprisonment or eviction of any person or invasion of the right of privacy

occurring within the Territorial Limits during the Period of Insurance and happening in connection with the Business

Limit of Liability

The liability of the Company for all damages payable as a result of any one occurrence or of all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the Limit of Indemnity stated in the Schedule

In addition the Company will pay

1. all other costs and expenses incurred with its written consent
2. the legal costs and expenses incurred with its written consent for the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of Part II of the Consumer Protection Act 1987 or Section(s) 7 8 14 and/or 15 of the Food Safety Act 1990
3. the legal costs and expenses incurred with its written consent for the defence of prosecution brought under the Health and Safety at Work etc Act 1974 for any alleged offence or under the Health and Safety at Work (Northern Ireland) Order 1978 including legal costs and expenses incurred with the consent of the Company in an appeal against conviction arising from such proceedings

provided that

- a. the proceedings relate to the health safety and welfare of persons other than Employees
- b. the Company will not indemnify the Insured in respect of
 - i. fines and penalties
 - ii. costs or expenses insured by any other policy

2. Clauses

Contractual Liability

In connection with liability assumed under agreement this Section

- a. shall apply only if the conduct and control of claims is vested in the Company
- b. shall not apply in respect of liquidated damages fines or penalties

Cross Liabilities

If more than one Insured is referred to in the Schedule each Insured so named shall be considered as a separate and distinct entity and the word Insured shall be construed as applying to each separate Insured in the same manner as if a separate policy had been issued to each

Provided always that the liability of the Company for all damages payable as a result of any one occurrence or of all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed in the aggregate the Limit of Indemnity stated in the Schedule

Discharge of Liability

The Company may pay the Limit of Indemnity or any lesser amount for which any claim or claims against the Insured can be settled and the Company shall be under no further liability in respect of such claim or claims except for costs or expenses incurred prior to the date of such payment

3. Extensions

Additional Persons Insured

The Insured shall extend to include in the event of the death of any person entitled to indemnity under this Section the deceased's legal personal representatives but only in respect of liability incurred by such deceased person

At the request of the Insured the Company will indemnify in the terms of this Section

- a. any director of the Insured or Employee
- b. the officers, committees and members of the Insured's canteen social sports educational and welfare organisations first aid fire security and ambulance services
- c. any principal for whom the Insured is carrying out a contract to the extent required by the contract conditions

in respect of liability arising in connection with the ownership of the Premises described in the Schedule

Provided always that

- i. each such additional person insured shall as though they were the Insured observe fulfil and be subject to

the terms of this Policy insofar as they can apply

- ii. the Company shall retain the sole conduct and control of all claims

Compensation for Court Attendance

In the event of any of the undermentioned persons attending court as a witness at the request of the Company in connection with a claim in respect of which the Insured is entitled to indemnity under this Section the Company shall provide compensation to the Insured at the following rates per day for each day on which attendance is required

- a. any director or partner of the Insured £500
- b. any Employee £250

Contingent Motor Liability

Notwithstanding Exclusion 3 of this Section the Company shall indemnify the Insured against legal liability in respect of Injury loss or damage arising out of the use in connection with the Business of any motor vehicle not owned or provided by the Insured

The indemnity will not apply to legal liability

- a. in respect of loss or damage to such vehicle or to goods conveyed therein or thereon
- b. in respect of Injury loss or damage arising while such vehicle is being
 - i. driven by the Insured
 - ii. driven with the general consent of the Insured or of his representative by any person who to the knowledge of the Insured or his representative does not hold a licence to drive a vehicle unless such person has held and is not disqualified from holding such a licence
 - iii. used elsewhere than in a member country of the European Union
- c. in respect of which the Insured is entitled to indemnity under any other insurance

Contractors Contingent Liability

The Company will indemnify the Insured in respect of liability arising out of minor work carried out by bona-fide contractors in the form of decorations repairs and routine maintenance provided that such persons are not entitled to indemnity under any other policy covering such liability

The total liability of the Company including all costs and expenses shall not exceed the Limit of Indemnity stated in the Schedule

Data Protection

The Company will indemnify the Insured in respect of legal liability arising under data protection legislation to pay compensation for damages or distress occurring during the Period of Insurance arising from holding personal data, or, as

a result of any loss, misuse or unauthorised disclosure of personal data held by you in the course of the Business. provided that

- a. the liability of the Company in respect of compensation does not exceed the amount the Insured is ordered to pay, or which the Insured might reasonably be expected to pay by a court having jurisdiction
- b. the process of registration under the legislation has been commenced or completed by the Insured and the application has not been refused or withdrawn

within the Territorial Limits

The Company shall not be liable in respect of

- i. fines or penalties imposed by a court
- ii. the costs of any appeal against the refusal of an application for registration or alteration, in connection with the data protection legislation or any enforcement, de-registration or prohibition notice
- iii. the cost of replacing, reinstating, rectifying or erasing any personal data
- iv. refund of monies paid to you by any claimant
- v. compensation costs and expenses covered by Section 7 of this Policy or any other Legal Expenses insurance.

The total liability of the Company including all costs and expenses in this respect shall not exceed £1,000,000 during any one Period of Insurance

Defective Premises Act

This Section subject otherwise to the terms of the Policy extends to indemnify the Insured against liability for Injury loss or damage arising solely by reason of Section 3 of the Defective Premises Act 1972 or Article 5 of the Defective Premises (Northern Ireland) Order 1975 in respect of any Premises previously owned for purposes pertaining to the Business and since disposed of by the Insured provided that

- a. this extension shall not indemnify the Insured in respect of loss of or damage to the land or Premises disposed of or in connection with the cost of rectifying any defect or alleged defect therein
- b. the Company will not be liable under this extension if the Insured are entitled to indemnity under any other insurance

Legionella

Notwithstanding Exclusion 6 of this Section the Company will indemnify the Insured against legal liability to pay damages for accidental Injury to any person other than an Employee arising out of the release of legionella bacteria happening in connection with the Business and occurring within the Territorial limits

Provided that

- 1. any claim for damages costs and expenses

- or
2. any notification of any circumstance which
 - i. has caused or is alleged to have caused Injury
 - or
 - ii. can be reasonably expected to give rise to a claim which may be the subject of an indemnity provided by this Extension
- is first made in writing to the Insured during the Period of Insurance and is notified to the Company during the same Period of Insurance or within 30 days after the expiry of the same Period of Insurance
1. the Insured had a written risks assessment and controls in place to prevent the growth of biological agents that may cause disease or illness
 2. the indemnity provided by this Extension will not apply to liability arising under contract whether by virtue of express agreement or otherwise

Manslaughter Costs

The indemnity provided by this Section extends to include

- A. legal costs and expenses incurred by the Insured or any person entitled to indemnity with the prior written consent of the Company in
 - i. the course of an investigation leading to the offence of
 - ii. defending the Insured against criminal proceedings in connection with a charge of
 - iii. an appeal against any conviction resulting from a prosecution for

manslaughter corporate manslaughter corporate homicide or culpable homicide as a result of any death happening during the Period of Insurance which may be the subject of indemnity under the Policy
- B. prosecution costs awarded against the Insured or any person entitled to indemnity as a result of any conviction for such an offence

Provided always that

1. The maximum amount payable under this Extension shall not exceed £1,000,000 in all during any one Period of Insurance
2. The Company shall not be liable to make any payment under this Extension in respect of
 - a. the fees of any solicitor or counsel appointed by or on behalf of any person entitled to indemnity unless consent to the appointment has been agreed by the Company
 - b. fines or penalties or the cost of implementing any remedial order or publicity order
 - c. an appeal unless advice has been obtained from a Queen's Counsel that such appeal has strong

- prospect of success
- d. an appeal against any fine penalty remedial order or publicity order
 - e. costs incurred as a result of the failure to comply with any remedial order or publicity order
 - f. costs and expenses insured by any other policy
 - g. any investigation or prosecution brought other than under the laws of Great Britain Northern Ireland the Channel Islands or the Isle of Man

Overseas Personal Liability

The Company will indemnify the Insured and if the Insured so request any director or partner of the Insured any Employee or spouse of such person against legal liability incurred in a personal capacity whilst temporarily outside Great Britain Northern Ireland the Channel Islands or the Isle of Man in connection with the Business

The indemnity will not apply

- a. to legal liability arising out of the ownership or occupation of land or buildings
- b. in respect of which any person referred to above is entitled to indemnity under any other insurance

Section 4 – Employers Liability

Only applicable if this Section is shown as Operative in the Schedule

1. Indemnity

The Company will indemnify the Insured against all sums that the Insured shall become legally liable to pay as damages together with costs and expenses shown below in respect of Injury sustained within the Territorial Limits during the Period of Insurance by any Employee arising out of and in the course of his/her employment by the Insured in the Business

Limit of Indemnity

The liability of the Company under this Section for damages costs and expenses payable in respect of any one claim against the Insured or series of claims against the Insured arising out of one event shall not exceed the amount stated in the Schedule

Costs and expenses shall be deemed to mean –

1. costs and expenses of claimants for which the Insured is legally liable
2. other costs and expenses incurred with the Company's written consent in respect of any claim which may be the subject of indemnity under this Section
3. solicitors fees incurred with the Company's written consent for
 - a. defence in any Court of Summary Jurisdiction of any proceedings brought against the Insured in respect of breach or alleged breach of any statutory duty resulting in Injury
 - b. representation at a Coroners Court or Fatal Accident Inquiry in respect of any death which may be subject to indemnity under this Section
4. legal costs and expenses incurred by the Insured and at the request of the Insured any director or Employee with the Company's written consent and costs awarded against the Insured or director or Employee arising in connection with a prosecution (including an appeal against any conviction resulting from a prosecution) as a result of an alleged offence occurring during the Period of Insurance under the Health and Safety at Work etc Act 1974 or similar safety legislation of Great Britain Northern Ireland the Channel Islands or the Isle of Man provided that
 - a. the proceedings relate to the health safety or welfare of Employees
 - b. the Company will not indemnify the Insured in respect of
 - i. fines or penalties
 - ii. costs and expenses insured by any other policy

Right of Recovery

This Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to Employees in Great Britain Northern Ireland the Channel Islands or the Isle of Man but the Insured shall repay to the Company all sums paid by the Company which the Company would not have been liable to pay but for the provisions of such law

2. Extensions

Additional Persons Insured

In the event of the death of any person entitled to indemnity under this Section the Company will indemnify in the terms of this Section the deceased's legal personal representatives but only in respect of liability incurred by such deceased person

At the request of the Insured the Company will indemnify in the terms of this Section

- a. i. any principal in respect of liability arising out of the performance by the Insured of any agreement entered into by the Insured with the principal to the extent required by such agreement
- ii. any director of the Insured or Employee in respect of liability arising in connection with the Business

Provided that the Insured would have been entitled to indemnity under this Section if the claim had been made against the Insured

- b. i. any officer committee or member of the Insureds canteen sports social or welfare organisations fire security first aid medical or ambulance services in their respective capacities as such
- ii. any director or senior official of the Insured in respect of private work undertaken by any Employee for such director or senior official

Provided that

- a. each person shall as though he were the Insured observe fulfil and be subject to the terms of this Section insofar as they can apply
- b. the Company shall retain the sole conduct and control of all claims

Compensation for Court Attendance

In the event of any of the undermentioned persons attending court as a witness at the request of the Company in connection with a claim in respect of which the Insured is entitled to indemnity under this Section the Company shall provide compensation to the Insured at the following rates per day for each day on which attendance is required

- a. any director or partner of the Insured £500
- b. any Employee £250

Manslaughter Costs

The indemnity provided by this Section extends to include

- A. legal costs and expenses incurred by the Insured or any person entitled to indemnity with the prior written consent of the Company in
 - i. the course of an investigation leading to the offence of
 - ii. defending the Insured against criminal proceedings in connection with a charge of
 - iii. an appeal against any conviction resulting from a prosecution for
manslaughter corporate manslaughter corporate homicide or culpable homicide as a result of any death happening during the Period of Insurance which may be the subject of indemnity under the Policy
- B. prosecution costs awarded against the Insured or any person entitled to indemnity as a result of any conviction for such an offence

Provided always that

- 1. The maximum amount payable under this Extension shall not exceed £1,000,000 in all during any one Period of Insurance
- 2. The Company shall not be liable to make any payment under this Extension in respect of
 - a. the fees of any solicitor or counsel appointed by or on behalf of any person entitled to indemnity unless consent to the appointment has been agreed by the Company
 - b. fines or penalties or the cost of implementing any remedial order or publicity order
 - c. an appeal unless advice has been obtained from a Queen's Counsel that such appeal has strong prospect of success
 - d. an appeal against any fine penalty remedial order or publicity order
 - e. costs incurred as a result of the failure to comply with any remedial order or publicity order
 - f. costs and expenses insured by any other policy
 - g. any investigation or prosecution brought other than under the laws of Great Britain Northern Ireland the Channel Islands or the Isle of Man

Unsatisfied Court Judgements

In the event of Injury to an Employee sustained during the Period of Insurance and arising out of his employment by the Insured in the course of the Business which results in a judgement for damages being obtained by such Employee or his personal representatives and which remains unsatisfied in whole or in part six months after the date of such judgement the Company will at the request of the Insured pay to the Employee or his personal representatives the amount of any such damages and any awarded costs to the extent that they remain unsatisfied provided that

- a. the judgement for damages is obtained
 - i. in a court of law within Great Britain Northern Ireland the Channel Islands or the Isle of Man
 - ii. against a company partnership or individual other than the Insured conducting a business at or from Premises within the territories described in a. i. above
- b. there is no appeal outstanding
- c. this judgement relates to Injury which would otherwise be within the terms of the Policy
- d. if any payment is made under the terms of this Extension the Employee or the personal representatives of the Employee shall assign the judgement to the Company

Section 5 – Terrorism

Only applicable if this Section is shown as Operative in the Schedule

Definitions

Terrorism

Terrorism is defined for the purposes of this Section only as Acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's Government in the United Kingdom or any other government de jure or de facto

Consequential Loss

Consequential Loss is defined for the purposes of this Section only as

Loss resulting from interruption or interference with the Business as a result of DAMAGE to Property Insured

In consideration of the payment of the Premium in respect of the Period of Insurance the cover provided under Section 1 – Buildings, Section 2 – Rental Income and Section 6 – Machinery Breakdown and Special Clause 4 - Failure of Other Insurances if shown as Applicable on the Schedule is extended to include DAMAGE occasioned by or happening through or in consequence of Terrorism as hereinafter defined for the purposes of this Terrorism Section

All losses arising within 72 hours caused by Terrorism during the Period of Insurance will be treated as one loss and the Insured can decide when the 72 hour period starts as covered by this Section provided that all DAMAGE occurs within the Period of Insurance and that no two periods overlap

Provided always that the insurance provided by this Terrorism Section is subject to the following exclusions

1. War Risks Exclusion

This insurance does not cover damage occasioned by or happening through riot civil commotion war invasion act of foreign enemy hostilities (whether war is declared or not) civil war rebellion revolution insurrection or military or usurped power

2. Electronic Risks Exclusion

This insurance does not cover any losses directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from

- i. damage to or the destruction of any Computer Systems
- ii. any alteration modification distortion erasure or corruption of Data

in each case whether the property of the Insured or not where such loss is directly or indirectly caused by or

contributed to by or arising from or occasioned by or resulting from Virus or Similar Mechanism or Hacking or Phishing or Denial of Service Attack

but this exclusion will not apply where the loss

- A. results directly 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 a vessel or vehicle destruction of damage to or movement of buildings or structures plant or machinery other than any Computer Systems

and

B. comprises

- a. the cost of reinstatement replacement or repair in respect of DAMAGE to or destruction of property insured by the Insured and/or
- b. Consequential Loss suffered directly by the Insured as a direct result of either DAMAGE or destruction to property insured by the Insured at a location covered by this Policy or as a direct result of denial prevention or hindrance of access to a location where property insured by You is covered by this Policy as a result of DAMAGE caused by Terrorism to property which is within one mile of the location

However under (A) and (B) above the Company will not cover the Insured for any losses caused by Terrorism where the organisation involved 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

Subject only to the proviso set out in (C) below the following property is specifically excluded from the cover provided under (A) and (B) above

- i. money currency electronic cryptographic or virtual currency including Bitcoin or anything similar negotiable or non-negotiable instruments financial securities or any financial instrument of any sort whatever
- and
- ii. Data

C. However in circumstances where loss otherwise falling within this Section results indirectly from any alteration modification distortion erasure or corruption of Data because the occurrence of a peril or perils detailed under (A) above results from any alteration modification distortion erasure or corruption of Data then

notwithstanding (ii) above such loss shall nonetheless be covered

3. Excluded Property

This insurance does not cover any losses whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from loss destruction or damage in respect of

- i. any property located outside England Wales and Scotland and property in the territorial seas adjacent thereto as defined by the Territorial Seas Act 1987
- ii. any nuclear installation or nuclear reactor
- iii. any property which is specifically excluded elsewhere in this Policy
- iv. any property which is insured by or would but for the existence of this Policy be insured by any form of transit aviation or marine policy

This Terrorism Section is subject to the following terms and conditions

1. In any action or other proceedings where the Company alleges that any damage is not covered by this Terrorism Section the burden of proving that such damage is covered shall be upon the Insured
2. The Companys liability in respect of all losses arising out of any one occurrence and in the aggregate in any one Period of Insurance shall not exceed the total Sums Insured or for any item its individual Sum Insured or any other Limit of Liability under this Policy
3. The insurance provided by this Terrorism Section is subject otherwise to all the terms definitions conditions and provisions of this Policy

Section 6 – Machinery Breakdown

Only applicable if this Section is shown as Operative in the Schedule

Property Insured

Item 1 Plant and Machinery

All plant and machinery owned by or leased to the Insured situated at the Premises which is ready for use and is solely for use in connection with the Business

Property Insured shall not include

- a. foundations masonry brickwork chimneys or refractory linings
- b. materials being processed by or contained in the Property Insured
- c. office equipment Computer Equipment or other electronic data processing equipment
- d. plant or machinery which is prototype experimental or untried
- e. plant machinery pipes or cables situated underground
- f. plant or machinery used for the generation of electricity (other than standby diesel engine and generator sets up to one mega watt per set)
- g. glass lined vessels other than spray lined boilers
- h. products of the Insured's Business

Item 2 Computers and Electronic Equipment

Computer Equipment and Other Electronic Equipment defined below the property of the Insured or leased hired or rented to the Insured solely for use in connection with the Business and situated at the Premises

2.1 Computer Equipment

Equipment used for the electronic processing and communication and storage of data consisting of mainframes, servers personal computers and other installed equipment consisting of:

- a. fixed discs interconnecting wiring and telecommunications equipment
- b. laptop or portable computers
- c. printers scanners and other peripheral equipment solely for use with other Computer Equipment
- d. auxiliary equipment solely for use with Computer Equipment comprising temperature and environmental control equipment power supply voltage regulation and protective devices

2.2 Other Electronic Equipment

Items of office equipment operated primarily by solid state electronic parts excluding Computer Equipment

A. Insured Peril

Breakdown

Damage to an item of Property Insured caused by its own Breakdown occurring during the Period of Insurance

B. Inflation Protection

The Company will adjust the Sum Insured each month in line with suitable indices of costs Additional premium will not be charged on such adjustments during the Period of Insurance The renewal premium for this Section will be based on the adjusted Sum Insured In the event of an insured Breakdown the monthly index linking adjustments will continue during the period between the date of the Breakdown and the completion of repair or replacement subject to a maximum period of 12 months Provided that the Insured takes all reasonable steps to have the repair or replacement carried out without delay

C. Limits of Liability

The liability of the Company under this Section of this Policy shall not exceed

- a. £250,000 in respect of Item 1
- b. £75,000 in respect of Item 2 but not more than
 - i. £75,000 in respect of Item 2.1 Computer Equipment
 - ii. £25,000 in respect of Item 2.2 Other Electronic Equipment
 - iii. £25,000 in respect of Extension 5 Additional Expenditure
- c. any lesser Sum Insured shown in the Schedule in substitution for a. and b. i. above

in respect of any one accident or series of accidents arising from one occurrence of Breakdown

D. Extensions of Cover

In addition the Insured will be indemnified against

1. Additional Property Insured

additional items of Property Insured following completion of successful testing and commissioning and where required statutory inspection and certification

- a. belonging to the Insured or leased hired rented or licensed to the Insured
- b. Computer Equipment on loan or trial for a continuous period not exceeding three months during the Period of Insurance

Provided that

- i. the total new replacement value of Property Insured is not greater than the Limits of Liability
- ii. so far as the Insured is aware the additional Property Insured is free from any material defect

2. Temporary Removal

- a. Breakdown of Property Insured occurring within the European Union or European Free Trade Area while it is temporarily located at any other premises or in transit for the purposes of repair service or maintenance
- b. Breakdown of laptop or portable computers Item 2.1.b. anywhere in the World

up to a maximum amount of £50,000 in respect of Item 1 and £10,000 in respect of Item 2 as part of the amounts shown in the Limits of Liability

3. Debris Removal

the cost necessarily and reasonably incurred by the Insured with the consent of the Company in the removal of Property Insured following Breakdown insured by this Section of the Policy up to a maximum amount of £25,000 as part of the amounts shown in the Limits of Liability

4. Computer Records

software programmes and data excluding information on paper records and excluding the value of data carrying materials anywhere in the World up to a maximum amount of £25,000 as part of the amounts shown in the Limits of Liability

5. Additional Expenditure

additional Expenditure necessarily and reasonably incurred by the Insured to prevent or minimise interruption or interference with the operations of the Business carried out using the Computer Equipment in consequence of indemnifiable Breakdown of Item 2.1 of the Property Insured up to a maximum amount of

£25,000 as part of the amounts shown in the Limits of Liability

6. Additional Cost

necessary and reasonable cost incurred by the Insured following Breakdown of Item 1 of Property Insured

- a. in effecting a temporary repair or expediting a permanent repair
- b. in respect of increased cost of working incurred to prevent or minimise interruption to the Business in consequence of the Breakdown excluding the cost incurred in the 48 hours immediately following the occurrence of the Breakdown

up to a maximum amount of £5,000 as part of the amounts shown in the Limits of Liability

7. Claims Preparation Cost

necessary and reasonable cost incurred in producing and certifying any particulars or details required by the Company in connection with an event for which liability has been accepted but limited to

- a. additional cost incurred by employees of the Insured
- b. the cost of materials used in furnishing the requirements of the Company

up to a maximum amount of £2,500 as part of the amounts shown in the Limits of Liability

8. Business Interruption

the loss of profit solely in consequence of an indemnifiable Breakdown of Property Insured Item 1 or Item 2.1

up to a maximum amount of £50,000 in connection with any one occurrence of Breakdown

Provided that

- a. Section 2 of this Policy is in force
- b. the terms of Section 2 of this Policy shall apply to cover under this extension save as to
 - i. the cause of the interruption of or interference with the Business and
 - ii. any extensions of cover applicable to Section 2
- c. the exclusions applicable to Section 2 will also apply to this extension of cover
- d. the maximum Indemnity Period under this extension will be six months
- e. the total liability of the Company shall not exceed the amounts shown in Clause D Limits of Liability or any lesser amounts shown in the Schedule

E. Reinstatement

In the event of Breakdown of Property Insured for which liability is accepted the basis on which the amount payable is to be calculated shall be the reinstatement of the Property Insured

Reinstatement shall mean:

- a. where the Property Insured is damaged beyond economic repair its replacement by new property of equal performance and/or capacity or if this is not possible its replacement by new property having the nearest higher performance and/or capacity to the item damaged beyond economic repair
- b. where the Property Insured is damaged the repair of the damaged portion to a condition substantially the same as but not better or more extensive than its condition when new
- c. additional work solely necessary to comply with European Union legislation or building or other Regulations under or framed in pursuance of any Act of Parliament or bye-laws of any municipal or local authority

Provided that

1. the liability of the Company shall not exceed the Limits of Liability under this Section of the Policy
2. where the Property Insured is damaged or destroyed in part only the liability of the Company shall not exceed the amount which would have been payable had the Property Insured been totally destroyed
3. no payment beyond that which would have been payable if this clause had not been included shall be made
 - i. unless the work of reinstatement is commenced and carried out without unnecessary delay or
 - ii. if at the time of a Breakdown the Property Insured shall be covered by any other insurance effected by or on behalf of the Insured which is not on a reinstatement basis
4. the Company shall not be liable for the cost in complying with any of the legislation or Regulations under clause c)
 - i. in respect of damage occurring prior to the introduction of this clause
 - ii. under which notice has been served to the Insured prior to the happening of the damage
 - iii. in respect of undamaged property
 - iv. in respect of any tax duty development or other charge which may be payable for compliance with any Regulations
 - v. in respect of the additional cost that would have

been required to make good the damaged or destroyed Property Insured to a condition equal to its condition when new had the necessity to comply with the legislation or Regulations not arisen

- vi. in respect of any charge or assessment arising out of capital appreciation which may be payable in respect of the Property Insured or by its owner by reason of compliance with the legislation or Regulations
5. in connection with Property Insured Item 1 Plant and Machinery where the parts necessary for repair of Property Insured are not available at manufacturers listed prices the Company shall be liable to pay for the cost of an equivalent repair to similar property for which parts are available at manufacturers listed prices

Where by reason of the above provisions no payment is to be made beyond the amount which would have been payable if this clause had not been incorporated the rights and liabilities of the Company and the Insured in respect of the damage shall be subject to the terms of this Section of the Policy as if this clause had not been incorporated

F. Exclusions Applicable to Section 6

This Section of the Policy does not cover

1. Excess
The first £200 in respect of each and every occurrence for which the Insured is indemnified by this Section of the Policy
2. Perils
damage caused by or resulting from
 - a. fire however caused
 - b. fire extinguishing fluid
 - c. explosion other than specifically insured by this Section of the Policy
 - d. lightning earthquake storm tempest flood inundation water aircraft or other aerial devices or articles dropped therefrom
 - e. subsidence or other ground movement or displacement
 - f. theft or attempted theft
 - g. riot strike lockout and civil commotion
3. Maintenance/Faulty Workmanship
the cost of
 - a. maintenance
 - b. rectification of faulty workmanship or damage resulting from any operation of commissioning maintenance or repair
 - c. damage by direct application of tools

4. Wear and Tear

the cost of rectification of

 - a. inevitable wear and tear erosion corrosion or other deterioration caused by or naturally resulting from ordinary work use or exposure
 - b. gradually developing flaws or fractures which do not necessitate immediate stoppage

but not damage insured by this Section of the Policy resulting from a. or b. unless otherwise excluded

 - c. scratching of painted or polished surfaces unless accompanied by other indemnifiable damage to the item
 5. Expendable Items

cutters bits tools moulds dies heating elements driving belts and chains and similar items that require periodic replacement

If as a result of other damage insured by this Section of the Policy these items are damaged beyond repair then the Company shall indemnify the Insured for any remaining residual value
 6. Safety Devices

damage to safety or protective devices by their functioning
 7. Multiple Lifting Operations

damage arising during any lifting or lowering operation in which a load is shared between two or more machines unless the prior consent of the Company has been obtained
 8. Waterborne Vessels

waterborne vessels or Property Insured mounted on or while being loaded onto or unloaded from such a vessel other than vessels on inland waterways or canals
 9. Consequential Loss

liquidated damages penalties for delay or detention or in connection with guarantees of performance or efficiency or loss of use or any form of consequential loss not specifically insured by this Section of the Policy
 10. Guarantee or Maintenance

loss or damage recoverable under any guarantee or maintenance rental hire or lease agreement.
 11. Unproven Software and Programming Errors

any cost

 - a. incurred in consequence of the use by the Insured of software programs on which development has not been finalised or which has not passed all testing procedures and has not been successfully proven
 - b. of rectifying programming errors or design defects in software and any additional expenditure in consequence of such errors or defects
 12. Value of Data

the value to the Insured of data stored on Property Insured
 13. Installation/Testing

damage to any item of Property Insured

 - a. arising during
 - i. its initial installation erection or its final removal
 - ii. its final testing or commissioning
 - b. caused by or arising from
 - i. the imposition of abnormal conditions deliberate overloading or overload testing other than overload testing in accordance with the Code of Practice for the Safe Use of Cranes BS 7121 including any subsequent amendments or revisions
 - ii. overload testing in accordance with the Code of Practice for the Safe Use of Cranes BS 7121 including any subsequent amendments or revisions caused by or arising from a defect in the item
 14. Pollution and Contamination

any cost arising directly or indirectly from pollution or contamination

This Exclusion shall not apply to cost arising from pollution or contamination of Property Insured caused directly by an occurrence which is insured by this Section of the Policy subject to a maximum amount of £7,500 as a part of the limits under a. or b. of Limits of Liability
 15. Nuclear Risks

loss or damage directly or indirectly caused by or contributed to or arising from

 - a. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b. the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- G. Conditions Applicable to Section 6**
1. Right to Survey

It is a Condition of this Section of the Policy that the Company has the right to carry out a survey of the risks insured at any time mutually agreed with the Insured

2. Maintenance

It is a condition precedent to liability that You must ensure that all Plant and Machinery insured by Item 1 is maintained in accordance with the manufacturers recommendations

H. Claims Conditions Applicable to Section 6

1. Claims Procedures

In the event of any occurrence giving rise or likely to give rise to a claim under this Section of the Policy the Insured shall preserve any damaged or defective Property Insured for inspection by the Company's representatives

2. Options for Claims Settlement

a. If any Property Insured is to be reinstated or replaced by the Company the Insured shall at their own expense provide all plans documents books and information as may reasonably be required

The Company shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner

b. The Company shall not be liable for the cost of any repairs undertaken without their written consent except in urgent cases where it has been necessary to put minor repairs in hand provided that

- i. the requirements of General Condition 4 Claims – Insured's Duties has been complied with and
- ii. the repairs are carried out to the satisfaction of the Company

Where damage is confined to a part of a machine or structure the Company shall be liable for the value of that part plus the cost of any necessary dismantling and erection for which the Insured is responsible

The Insured shall not be entitled to abandon any property to the Company whether taken into the possession of the Company or not

3. Subrogation

Any claimant under this Section of the Policy shall at the request and expense of the Company take or permit to be taken all necessary steps for enforcing rights against any other party in the name of the Insured before or after any payment is made by the Company

Section 7 – Legal Expenses

Important Notice

All potential claims must initially be reported to the Legal Helpline Service, which operates 24 hours a day, 365 days a year. You must call the helpline before taking any action that may give rise to a claim under this Section, particularly if you are considering disciplinary action or redundancy. Failure to do so may result in any subsequent claim being declined. The 24 hour helpline is there to provide support. In addition, the Legal Helpline also provides initial advice on any legal problem, whether covered under this Policy or not.

Telephone 02921 158 155

This Section of the Policy is 'Claims Made' basis. It only covers claims notified to the coverholder during the Period of Insurance. You must notify us within 30 days of any circumstance which may give rise to any claim. Failure to do so could lead us to decline a claim for indemnity arising from such circumstances.

Consideration and Insurance

1. The Insured named in the Schedule ('the Insured') having paid or agreed to pay the premium the Company will, subject to the terms, limits and conditions of the Policy (compliance with such conditions being deemed a condition precedent to the liability of the Company), indemnify the Insured up to the Limit of Indemnity in respect of any Insured Event occurring within the Territorial Limits during the Period of Insurance in connection with the Business and in respect of which legal proceedings are conducted within the Territorial Limits.

Sub-Section 1 – Legal Costs Incurred in Disputes with Employees

2. Limit of cover under Sub-Section 1
Legal Advice, Legal Costs and Expenses (as defined) incurred by the Insured in respect of any dispute with:
an employee or ex-employee, which arises out of or relates to his contract of employment with the Insured;
or
a prospective employee, leading to civil or criminal proceedings under the Race Relations Act 1976 or the Sex Discrimination Act 1975 or any Acts amending or replacing the same in defending civil or criminal proceedings, or appealing or defending an appeal against judgement, conviction or sentence by the relevant court, tribunal or arbitrator
provided that the total Legal Costs and Expenses payable by the Company in any one Period of Insurance shall not exceed the annual Limit of Indemnity stated in the Schedule or in respect of any period of insurance which is less than one year the pro rata proportion of such annual limit.

3. Exclusions applicable to Sub-Section 1

The Company shall not be liable for any claim for indemnity in respect of or arising from or relating to:

- 3.1 a dispute of which the Time of Occurrence (as defined) was within the first 90 days of the first Period of Insurance in the case of an employee who was subject to a written or verbal warning or involved in a dispute arising from his employment within the 6 months immediately preceding such period; or
- 3.2 a claim against the Insured in respect of damages for personal injuries to the claimant and/or loss of or damage to his property
- 3.3 The Insured's failure to follow the advice given by the Legal Helpline
- 3.4 A dispute where the Insured has failed to consult the Legal Helpline immediately upon the Insured becoming aware of the dispute or potential dispute or where the Insured has failed to heed the written advice of a Panel Solicitor

Sub-Section 2 – Compensation and Damages for Dismissal of Employees

4. Limit of cover under Sub-Section 2
The cover under Sub-Section 2 is limited to compensation or damages payable by the Insured to an employee arising from the judgment of a court or tribunal or from a settlement agreed by the Company (but not from a judgment by default) in any dispute accepted by the Company as covered by Sub-Section 1 above, provided that the total of the compensation awards paid by the Company in any one Period of Insurance shall not exceed the annual limit for compensation awards stated in the Schedule or in respect of a Period of Insurance which is less than one year the pro-rata proportion of such annual limit.
5. Exclusions applicable to Sub-Section 2
The Company shall not be liable for any claim for indemnity under Sub-Section 2 where:
 - 5.1 The dismissal in question was not carried out in accordance with the guide laid down in the current edition of The Code of Practice 1 as prepared by the Advisory Conciliation and Arbitration Service (ACAS)
 - 5.2 The Insured has incurred a compensation award by non-payment of money due under the relevant contract of employment or statutory provision relating thereto
 - 5.3 The award is in respect of a redundancy
 - 5.4 The award is in respect of the breach by the Insured of a fixed term contract
 - 5.5 The dismissal is of the type described in the Employment Rights Act 1996 Sections 96(1), 99 or

117(6) or any amending legislation

5.6 The award is payable under the Employment Rights Act 1996 Sections 93 (1-2) or 117 (3-5) or any amending legislation

Sub-Section 3 – Criminal Proceedings Defence Cover

6. Limit of cover under Sub-Section 3

The cover under Sub-Section 3 is limited to Legal Costs and Expenses incurred by the Insured in respect of any act or omission or alleged act or omission of the Insured, or of the proprietors, directors, partners and all other employees of the Insured either arising out of and in the course of their employment with the Insured, or as a trustee of a pension fund set up for the benefit of the Insured's employees which leads to:

6.1 prosecution in a court of criminal jurisdiction; or

6.2 the serving of an improvement notice or a prohibition notice on the Insured under the Health and Safety at Work etc Act 1974; or

6.3 civil proceedings being taken against an insured person other than the Insured as such trustee of a pension fund;

In defending civil or criminal proceedings, or appealing or defending an appeal against either conviction, sentence or judgment of the relevant court, tribunal or arbitrator, or the imposition or terms of a notice specified in clause 6.3 above In so far as proceedings under the Health and Safety at Work etc Act 1974 are concerned the Territorial Limit shall be any place where the Act applies provided that the total Legal Costs and Expenses payable by the Company in any one Period of Insurance shall not exceed the annual limit of indemnity stated in the Schedule or in respect of any Period of Insurance which is less than one year the pro rata proportion of such annual limit

7. Exclusions applicable to Sub-Section 3

The Company shall not be liable for any claim or indemnity under Sub-Section 3 in circumstances where:

7.1 prosecutions are deliberately or intentionally solicited by the Insured; or

7.2 an alleged offence involves dishonesty or intentional threatened or actual violence to the person of another by the Insured unless he is subsequently acquitted of such offence

7.3 The Insured has pleaded guilty and/or admitted liability

Sub-Section 4 – Debt Recovery

8. Limit of cover under Sub-Section 4

The cover under Sub-Section 4 is limited to Legal Costs and Expenses incurred by the Insured in the recovery of money and interest due to the Insured from another business for;

8.1 the provision of goods and/or services

8.2 professional fees and services

8.3 dishonoured cheques

provided that:

8.3.1 The Insured supplies the correct name and address of the debtor for the purposes of identification in proceedings and where the debtor is a partnership the Partners names and addresses

8.3.2 If the Company considers it appropriate to do so it may instruct a debt collection agency to recover such monies rather than a solicitor but if the Company considers legal proceedings are appropriate the Company will instruct a Panel Solicitor provided that the Insured shall have a right to nominate a Solicitor to act for him by immediately providing the Company with the name and address of the nominated Solicitor in writing The Company may refuse this nomination in exceptional circumstances but if such nomination is refused the Insured shall have the right to be exercised by service of notice in writing upon the Company within 30 days of such refusal to refer the question to arbitration pursuant to Clause 34 hereof

8.3.3 The Company has the absolute right to select the method of enforcement of judgment or to forego enforcing judgment

8.3.4 The amount of money and interest due to the Insured exceeds £250

and provided that the total Legal Costs and Expenses payable by the Company in any one Period of Insurance shall not exceed the annual Limit of Indemnity stated in the Schedule or in respect of any Period of Insurance which is greater or less than one year the pro rata proportion of such annual limit

9. Exclusions applicable to Sub-Section 4

The Company shall not be liable for any claim for indemnity under Sub-Section 4 in respect of:

9.1 any matter where the debtor intimates that a defence exists or a defence is served

9.2 damages for breach of contract

9.3 hire purchase or credit sale agreements other than arrears

9.4 the return of goods hired or leased

9.5 debts reported to the Company more than sixty days after the money became due and payable

Sub-Section 5 – Jury Service and Attendance Allowance

10. Limit of cover under Sub-Section 5

10.1 The cover under Sub-Section 5 is limited to the amount of the salary of any employee or director of the Insured or to the amount of any remuneration of any Partner of the Insured or of the Insured for any period of absence from work during which any such person has to attend a Court or tribunal in respect of:

10.1.1 Any proceedings covered under any operative Sub-Section of this Section

10.1.2 Attendance at Court for Jury Service excluding the first 5 days of such service provided that the amount paid under this Sub-Section shall not exceed:

£50 per person per day

£1,000 per claim

10.2 And provided that the amount payable by the Company under Sub-Section 5 in any one Period of Insurance shall not exceed the annual limit of indemnity stated in the Schedule or in respect of any Period of Insurance which is less than one year the pro rata proportion of such limit

Basis of calculation

10.3 Absence from work shall be calculated to the nearest half day taking an 8 hour day to be a whole day and 8 hours to be the maximum for which a claim can be made in respect of any one day

10.4 For full-time employees or directors or salaried partners 1 whole day's salary or wages shall mean 1/250 of the employees or director's salaried partner's gross annual salary at the time of his attendance

10.5 For part-time employees or directors or salaried partners the salary or wages lost shall bear the same proportion to their gross weekly salary or wages as the period of absence from work bears to their normal working week for the Insured

10.6 In the case of a person who is not a salaried employee, Director or Partner and who is entitled only to a share in the profit of the Insured's business such person for the purpose of Sub-Section 5 of this Section shall be deemed to have an annual salary of £12,500

Sub-Section 6 – Pro-active Assistance and Start-up Legal Fees

Limit of cover under Sub-Section 6

11.1 The provision of legal advice and a negotiating service by the Coverholder's Legal Helpline Service in respect of

11.1.1 Property Legal Protection

11.1.2 Disputes with Landlords

11.1.3 Contract Disputes

11.2 Provided that The Coverholder may at its absolute discretion but subject to the consent of the Insured dispose of any claims arising under clauses 11.1.1, 11.1.2 and 11.1.3 by way of alternative dispute resolution

11.3 And provided that the obligation for the Coverholder to provide the Insured with the services referred to in Sub-Section 6 shall cease when the costs of providing such services shall reach the Limit of Indemnity in respect of any one incident

11.4 The costs incurred by the Coverholder in providing the legal advice and negotiating services and/or Alternative Dispute Resolution shall be deducted from the amount of the annual limit of indemnity under the relevant Sub-Section of this Section

11.5 The Coverholder shall not be liable for any breakdown or failure of the Legal Helpline Service as a result solely of force majeure Act of God strikes mechanical or technical difficulties or any other cause whatsoever beyond its control

Sub-Section 7 – Protection of Licences

12. Limits of cover under Sub-Section 7

12.1 The Cover under Sub-Section 7 is limited to Legal Costs and Expenses incurred by the Insured in relation to an appeal to the relevant statutory body Court or tribunal where the relevant Authority suspend revoke alter the terms of or refuse to renew the Insured's licence(s) provided that the amount payable by the Company under Sub-Section 7 in any one Period of Insurance shall not exceed the annual Limit of Indemnity stated in the Schedule or in respect of any Period of Insurance which is less than one year the pro rata proportion of such limit

12.2 In Sub-Section 7 a licence means a licence issued under statute or statutory instrument or by the Government or Local Authority to the Insured where such licence is necessary to engage in the business or trade

Sub-Section 8 – Data Protection Defence

13. Limits of cover under Sub-Section 8

13.1 The cover under Sub-Section 8 is limited to Legal Costs and Expenses incurred by the Insured in

13.2 the Defence of Civil Legal proceedings brought by an individual against the Insured or the Insured's employees for damages or distress following a failure or an alleged failure to comply with data protection legislation

- 13.3 appeals against imposition of or terms of an enforcement deregistration or transfer prohibition notice issued under data protection legislation

Sub-Section 9 – Property Legal Protection

14. Limits of cover under Sub-Section 9

The cover under Sub-Section 9 is limited to Legal Costs and Expenses incurred by the Insured arising from the Business of the Insured in pursuing or defending the Insured's legal rights appealing or defending an appeal against judgement of the relevant Court, Tribunal or Arbitrator in respect of:

- 14.1 disputes over the possession of the Property owned by the Insured;
- 14.2 any nuisance or trespass by a third party of the Property owned by the Insured;
- 14.3 disputes following physical damage to the Property owned by the Insured;
- 14.4 disputes with tenants resulting in the obtaining and serving of eviction orders;
- 14.5 securing the eviction of squatters from the Property.

Provided that the Insured will suffer a financial loss if it fails to pursue or defend the claim or legal proceedings.

15. Exclusions applicable to Sub-Section 9

The Company shall not be liable for any claim for indemnity under Sub-Section 9 in respect of or arising from or relating to:

- 15.1 mining subsidence or heave howsoever caused;
- 15.2 a contract other than a lease or licence for the use of the Property;
- 15.3 the payment or non-payment or review of rent or service charges;
- 15.4 planning consents, building regulations or compulsory purchase orders;
- 15.5 the renewal of a lease or other contract to use the Property.

Sub-Section 10 – Disputes with Landlords

16. Limit of cover under Sub-Section 10

16.1 The cover under Sub-Section 10 is limited to Legal Costs and Expenses incurred by the Insured in the pursuit or defence of Civil Legal Proceedings between the Insured and his Landlord under the terms of a lease or tenancy agreement applying to the business premises of the Insured

17. Exclusions applicable to Sub-Section 10

- 17.1 The Company will not indemnify the Insured in respect of Disputes relating to rent and service charges and any relevant taxes or
- 17.2 an Insured Event arising in the first 3 months of the first Period of Insurance

Sub-Section 11 – Goods or Services Contract Disputes

18. Limit of cover under Sub-Section 11

The cover under Sub-Section 11 is limited to Legal Costs and Expenses incurred by the Insured, in respect of any dispute in respect of a contract entered into by or on behalf of the Insured for the purchase or hire or sale or provision of goods or of services where the amount in dispute is not less than £1,000 pursuing or defending the Insured's legal rights, or appealing or defending an appeal against the judgment of the relevant court, tribunal or arbitrator, provided that

- 18.1 if the amount in dispute is payable in instalments the instalments due and payable at the time of making a claim under this Sub-Section must be not less than £1,000 and
- 18.2 if the dispute relates to money owed to the Insured a claim under this Sub-Section must be made within 6 months of the money becoming due and payable
- 18.3 The Insured shall pay the first £250 of the Legal costs and Expenses to the appointed Solicitor if the amount in dispute is less than £5,000 and the first £500 of the Legal Costs if the amount in dispute is more than £5,000

19. Exclusions applicable to Sub-Section 11

The Company shall not be liable for any claim for indemnity under Sub-Section 11 in respect of or arising from or relating to:

- 19.1 a contract of insurance in so far as the dispute is in respect of the sum of money or other compensation payable under such contract; or
- 19.2 the lease or tenancy of property
- 19.3 The amount payable by the Insured under Sub-Section 11 in any one Period of Insurance shall not exceed £2,000 or in respect of any Period of Insurance which is less than one year the pro rata proportion of such limit

Sub-Section 12 – Tax, VAT, PAYE and NIC Investigations

20. The cover under Sub-Section 12 is limited to Professional Fees incurred by the Insured in respect of:

- Comprehensive Enquiries or In-Depth Investigations arising out of the Insured's tax affairs
- VAT Disputes
- PAYE Disputes
- NIC Disputes

21. Exclusions applicable to Sub-Section 12:

- The Company shall not be liable of any claims for Indemnity under Sub-Section 12 in respect of or arising out of:
- 21.1 Aspect Enquiries less than £200 and more than

£2,000

- 21.2 Professional Fees in any claim involving criminal proceedings or alleged fraudulent evasion of tax, and any case dealt with by a Special Compliance Office, Boards Investigations Unit or any other special office of the Inland Revenue
- 21.3 Claims which originate from any matter which existed before the Period of Insurance
- 21.4 Disputes where the prospect of success is remote
- 21.5 The costs of making good any deficiencies in books, records, accounts or returns including the costs of repairing a return
- 21.6 Costs of appeals which have not been approved by the Company
- 21.7 Any claim which occurs during the first 60 days of the first Period of Insurance
- 21.8 Fees and Disbursements payable to an Accountant, firm of Accountants or person not approved of in writing by the Company
- 21.9 Technical or routine treatment of matters not connected with or arising out of an expression of dissatisfaction of the Insured's affairs
- 21.10 Pre notification costs
- 21.11 The Insured shall pay the first £200 of the Professional Fees

Sub-Section 13 – Non Motor Personal Benefit

22. We will indemnify You against Legal Costs and Expenses reasonably incurred in:

22.1 Personal Injury

Pursuing a Personal Injury claim for damages in respect of Your injury or death caused by negligence of another subject to a limit of indemnity of £25,000 per Insured Incident

22.2 Consumer Disputes

Pursuing or defending claims subject to a Limit of Indemnity of £25,000 per Insured Incident arising out of a contract entered into by You or on Your behalf for

- a. obtaining services
- b. the purchase, hire, hire purchase or sale of any personal goods obtained new after inception of this Policy provided that the value of the goods or services in dispute exceeds £100

22.3 Home Rights

The pursuit of civil claims subject to a limit of indemnity of £25,000 per Insured Incident arising out of:

- a. A contract dispute relating to goods or services used in Your home
- b. Loss or damage to
 - i. goods in the home owned by You or for which

You are responsible

- ii. the home
- c. An alleged infringement of the legal rights appertaining to Your home

22.4 Taxation

Professional Fees arising from or relating to an in-depth Inland Revenue investigation of your personal tax affairs subject to a Limit of Indemnity of £25,000 per Insured Incident

22.5 Defence against Criminal Prosecution Defence of Your legal rights including appeal or defence of appeal against judgement, conviction or sentence in respect of any act or omission leading to criminal proceedings being brought against you subject to a limit of indemnity of £25,000 per Insured Incident

23. Exclusions applicable to Sub-Section 13

This Sub-Section specifically does not cover:

23.1 Consumer Disputes

- a. Any contract entered into by You in connection with a profession business or trade other than for your Contract for full-time employment
- b. Any matter where the amount in dispute or the total instalments due at the time of making the claim is less than £100
- c. Any contract where the dispute arises within the first 90 days of the Period of the Insurance
- d. Any contract under which a sum of money was due and payable more than six months before the claim was reported
- e. Any contract relating to any work carried out in on or for the benefit of land or buildings other than the Home
- f. Any contract of insurance in so far as the dispute is solely in respect of the sum of money or other compensation payable under such contract
- g. Any incidents which occur as a result of defective products, goods or services
- h. Any claims relating to the planning, erection or alteration of buildings
- i. Any dispute with local or government authorities

23.2 Property & Home Rights

This Sub-Section specifically does not cover:

- a. Claims relating to the planning, erection, alteration, construction, conversion, extension of buildings or parts of buildings
- b. Disputes with local or government authorities
- c. Disputes involving leased or rented property or in respect of or arising out of any tenancy agreement

- d. Compulsory purchase confiscation nationalisation requisition or destruction of or restrictions or controls placed on or damage to any property
- e. Actual planned or proposed construction closure adoption or repair of roads or bridges or the actual planned proposed construction demolition or adaption of buildings housing or other works
- f. A dispute arising within the first 90 days of the Period of the Insurance
- g. Claims relating to material damage covered by another relevant insurance policy

23.3 Taxation

Fees arising where the Insured Incident had commenced before the First Period of Insurance or the Insured should have realised that a claim might occur or from investigation or enquiry by or transfer to the Special Compliance Office

23.4 Prosecution Defence

Legal Costs incurred in the defence of any criminal proceedings unless charges are dismissed or the insured is acquitted are excluded from the cover provided by this Sub-Section

23.5 Excess

The first £25 of any Legal Costs, except in Small Claims Court matters where We will pay any unrecovered issue fee

23.6 Motor Vehicles

Any dispute or prosecution involving a motor vehicle unless the dispute relates to a personal injury claim

23.7 Domestic Disputes

A matrimonial or co-habitation dispute except in so far as any claim relates to a dispute with Your professional advisors

23.8 Courts outside the UK

Legal proceedings outside the United Kingdom and proceedings in constitutional international or supranational courts or tribunals including the European Court of Justice and the Commission and Court of Human Rights

23.9 Small Claims Court

The payment of Legal Costs of a claim falling within the Small Claims Court limits where We shall provide legal advice and assistance and the payment of any unrecovered issue fee

23.10 Inter Family Disputes

Disputes between You and Your Family

23.11 Fines or Penalties

Fines or penalties in any circumstances or damages or

compensation awarded

24. Additional Exclusions applicable to Sub-Section 13

We shall not be liable for Legal Costs in respect of:

24.1 Any matter arising from or relating to any business or trading activity or venture for gain undertaken by the Insured including but not limited to any personal guarantee and investment in unlisted companies Notwithstanding the provisions of this exclusion we will indemnify the Insured in respect of Legal Costs incurred in the pursuit of Legal Proceedings arising from the Insured's contract of employment subject otherwise to the terms and conditions of this Policy

24.2 The pursuit or defence of any action alleging defamation

24.3 Legal Proceedings between the Insured and a central or local government authority unless:

a. The Insured has suffered or could suffer pecuniary loss if the Legal Proceedings are not pursued or defended

or

b. The Legal Proceedings relate to the imposition of statutory charges

24.4 Legal Proceedings in relation to any contract of insurance insofar as the dispute is solely in respect of quantum

24.5 Claims where the Insured

a. Takes action without first obtaining Our agreement or that of the appointed solicitor or expert

b. Causes delay or fails to give reasonable assistance to Us or the appointed solicitor or expert

24.6 Claims reported to Us more than 30 days after the Insured Incident

24.7 Any claim, where Legal Costs are incurred without Our specific written authority

24.8 Any matter in respect of which you are entitled to Legal Aid

Sub-Section 14 – Motor Personal Benefit

25. Cover under Sub-Section 14

25.1 Subject to the terms, conditions and exclusions of this Policy We will pay Your Legal Costs which arise from Your use of an Insured Vehicle during the Period of Insurance and claims made by or against You during the Period of Insurance and which relate to the pursuit by You of legal rights to obtain a remedy or to recover damages from a third party or parties in consequence of an Insured Incident in which the Insured Vehicle has been involved provided such Legal Costs do not exceed the Limit of Indemnity

25.2 Subject to the terms, conditions and exclusions of this Policy we will pay the Legal Costs incurred in;

- a. Defending a criminal prosecution brought against You as a result of a driving offence where Your driving licence is at risk of being revoked or suspended or
- b. In the pursuit or defence of any claim arising out of:
 - i. The sale, purchase, hire purchase or lease of the Insured Vehicle
 - or
 - ii. The testing, servicing or repair of the Insured Vehicle providing always that the value of the contract in dispute exceeds £100 and provided that under paragraphs 25.2 a. and b. we shall not be liable to pay either the first £25 of Legal Costs or Legal Costs in excess of £5,000 in respect of each claim

26. Exclusions applicable to Sub-Section 14

This insurance does not cover

- 26.1 Any claim where, when in control of the Insured Vehicle You did not have possession of both a valid driving licence and certificate of insurance
- 26.2 Any claim where the Insured Vehicle was not in a roadworthy condition or did not have a valid MOT Certificate where applicable
- 26.3 Any claim where loss or damage was caused by the mechanical failure of the Insured Vehicle
- 26.4 The Defence of any claim or legal proceedings made or brought against You arising from injury or loss or destruction of or damage to any property provided that this exclusion shall not apply to clause 25.2 a. and b. of the Sub-Section headed Cover
- 26.5 Any claim or legal proceedings made commenced or brought against You outside the Territorial Limits
- 26.6 Any act, omission or any claim commenced which relates to an incident which occurred outside the Period of Insurance
- 26.7 Any claim under paragraph 25.2 a. under The Sub-Section headed Cover of this Section where You at the time of the claim or legal proceedings have 6 or more penalty points (as defined by the Road Traffic Offenders Act 1988) or any claim where you have no reasonable prospects of successfully defending such a Criminal Prosecution or any claim relating to a parking or non-endorseable offence or fine-penalty offence where your licence is not under threat of suspension
- 26.8 The defence of any criminal prosecution under Section 6 (i) of the RoadTrafficAct1988 where You have failed to provide the appropriate authorities with a breath test or a blood or urine sample as legally required or if Your breath, blood or urine alcohol level is found to be more than double the

level permitted by law

- 26.9 Claims made by You against any authorised passenger in the Insured Vehicle
- 26.10 Claims for passengers where there is a conflict of interest between You or the authorised driver and any other passenger(s)
- 26.11 Legal Costs in respect of the defence of a claim or counterclaim from a third party where Your own motor insurers refuse to become involved or act solely for reasons of quantum in which case we may instruct solicitors to act but you will be personally responsible for all costs arising from the action which would otherwise have fallen upon your insurers
- 26.12 Any claim where We or the appointed solicitor or expert deem there are no reasonable prospects of success

Section Exclusions

27. General Exclusions

The Company shall not be liable for any claim for indemnity in respect of or arising from or relating to:

- 27.1 an Insured Event reported to the Company more than 30 days after its Time of Occurrence unless the claim is in respect of a criminal prosecution;
- 27.2 an Insured Event reported to the Company outside the Period of Insurance
- 27.3 fees, costs and disbursements incurred prior to the written acceptance of a claim by the Company;
- 27.4 fines, penalties, compensation or damages which the Insured or any other person insured under this Section is ordered to pay by the relevant court, tribunal or arbitrator except as covered under Sub-Section 2 above;
- 27.5 any prosecution, contract, act or omission which arises from or relates to the ownership, hiring or use of a motor vehicle by the Insured or any other person insured under this Section;
- 27.6 any contract where the cause of action arises within the first 90 days of the first Period of Insurance under the relevant Sub-Section of this Section;
- 27.7 a shareholding or partnership share in any company insured by this Section, unless such shareholding or partnership share was acquired under a scheme open to all employees of the Insured or a substantial number of them of a certain minimum grade, other than the directors or partners of the Insured;
- 27.8 patents, copyrights, trademarks, merchandise marks registered designs, intellectual property, secrecy and confidentiality agreements

27.9

- a. ionising radiations or contamination by radioactivity from an irradiated nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- b. any radioactive toxic explosive or other hazardous properties of any nuclear assembly or component thereof
- c. riot civil commotion war invasion acts of foreign enemies hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power or confiscation nationalisation requisition destruction or damage to property by or under the order of any government

28. Delay and improper instructions

The Company shall not be liable for any claims for indemnity where the Insured or any person insured under this Section:

- 28.1 pursues or defends a case without the Company's consent or contrary to or in a different manner from that advised by the appointed solicitor; or
- 28.2 fails to give proper instructions in due time to the appointed solicitor or counsel appointed by him; or
- 28.3 is responsible for delay which in the Company's reasonable opinion is prejudicial to his case

29. Bankruptcy of the Insured

The Company shall not be liable for any claim for indemnity when the Insured is bankrupt, or has made an arrangement with his creditors, or has entered into a deed of arrangement or, is in liquidation or part or all of the Insured's affairs or property are in the care or control of a receiver

Section Conditions

30. Presentation of Claim

When presenting a claim under this Section the Insured must give the Company full written details of the Insured Event and provide such proofs, supporting evidence and other information as the Company may require

31. Prospects of Success

The Company shall accept a civil claim if it is covered under this Section provided that it offers reasonable prospects for the recovery of damages or other remedy or for a successful defence. The Company may discontinue indemnity if during the course of the claim it considers that such prospects no longer exist. If the Company either refuses to accept or discontinue a claim it shall inform the Insured of its reasons which, shall be final

32. Representation

- 32.1 The Company reserves the right through its agents

or solicitors to take over and conduct in the name of the Insured the prosecution, pursuit or defence or settlement of any claim or proceedings save in the event of any conflict of interest arising between the interests of the Company and the Insured in which event the Insured shall be free to choose a lawyer to serve his interests

- 32.2 When presenting a claim the Insured should notify the Company of the solicitor whom he wishes to act for him

- 32.3 The Insured may in any event request the Company to nominate a solicitor to act for him and the Insured and/or any other person insured by this Section

- 32.4 Prior to the Company's acceptance of the Insured's nomination of a solicitor, the Company shall be entitled but not bound to instruct a solicitor, or if the Insured fails to nominate a solicitor, the Company shall be entitled but not bound to instruct a solicitor on behalf of the Insured and/or any other person insured by the Section if it considers this necessary to safeguard the Insured and/or such other person's immediate interests

33. Control of Claim

- 33.1 The Company shall have direct access to the appointed solicitor or accountant at all times and the Insured shall co-operate fully with the Company in all respects and shall keep the Company fully and continually informed of all material developments in the legal representation or proceedings. At the Company's request the Insured shall instruct the appointed solicitor or accountant to produce to the Company immediately any documents, information or advice in his possession, and further shall give him such other instructions in relation to the conduct of his claim as the Company may require

- 33.2 Legal Costs and Expenses relating to an expert witness called on behalf of the Insured will be covered by the Company only if it has given prior written approval of the appointment of such witness

- 33.3 The appointed solicitor or the Insured shall inform the Company immediately in writing of any offer or payment into court made with a view to settling the claim. No agreement to settle which may result in a claim for indemnity under this Policy is to be made without the Company's prior approval. If any offer or payment into court is not accepted by the Insured but the amount thereof is equal to or in excess of the total damages eventually recovered by him the Company shall have no liability in respect of any further Legal Costs and Expenses or attendance expenses unless upon being notified of the offer or payment into court the Company agreed to the continuation of the proceedings

33.4 If in any proceedings the Insured is not successful in his claim or defence no appeal or other proceedings will be covered unless the Company is notified in writing of the intention to appeal no later than 6 clear days before the time for making an appeal expires and the Company considers that there are reasonable prospects of such appeal succeeding

33.5 At the Company's request the Insured shall require the appointed solicitor to have the Legal Costs and Expenses taxed, assessed or audited by the relevant court or tribunal

33.6 If for any reason the appointed solicitor or accountant refuses to act for the Insured or if the Insured withdraws his claim from the appointed solicitor or accountant, then the Company's liability will cease forthwith unless in its absolute discretion it agrees to the appointment of another solicitor or accountant to continue with the claim

33.7 If the Insured withdraws from the claim without the prior agreement of the Company then the Legal Costs and Expenses and attendance expenses will become the responsibility of the Insured, and the Company will be entitled to be reimbursed by the Insured for any costs paid or incurred during the course of the claim including any Legal Expenses and attendance expenses the Company considers it is obliged to pay on the Insured withdrawing from the claim

34. Arbitration

In the event of any dispute arising the Insured may ask for the dispute to be considered by an independent arbitrator agreed upon by both parties or failing agreement one who is nominated by the President of the local Law Society or appropriate professional body All costs of the arbitration shall be met in full by the party against whom the decision is made

35. Payment of Costs

All accounts for Legal Costs and Expenses and attendance expenses payable under this Section shall be submitted to the Company immediately

36 Recovery

The Insured shall take, at the Company's expense, every available step to recover from third parties Legal Costs and Expenses payable under this Section and such Legal Costs and Expenses shall be paid to the Company

37 Contribution

If at the time of any occurrence or claim there is or but for the existence of this Policy would be any other policy of indemnity or insurance in favour of or effected by or on behalf of the Insured applicable to such occurrence or claim the Company shall not be liable under this Policy to indemnify the Insured in respect of such

occurrence or claim except in respect of any excess beyond the amount which would be payable under such indemnity or insurance had this Policy not been effected

38 The Law

The Law applicable to this Section shall be English Law and the parties hereby agree to submit to the jurisdiction of the Courts of England and Wales

Special Clauses

Applicable only if shown as Applicable in the Schedule

1. Subsidence Extension

Notwithstanding Exclusions 6a. and 6b. the insurance by Sections 1 and 2 extends to cover DAMAGE caused by Subsidence or Ground Heave of any part of the site on which the property stands or Landslip excluding

- a. the first £1,000 of each and every loss in respect of Section 1 at each separate Premises as ascertained after the application of any Condition of Average
- b. damage to yards car parks roads pavements walls gates and fences unless also affecting a building insured hereby
- c. damage caused by or consisting of
 - i. the normal settlement or bedding down of new structures
 - ii. the settlement or movement of made-up ground
 - iii. coastal or river erosion
 - iv. defective design or workmanship or the use of defective materials
 - v. fire subterranean fire explosion earthquake or the escape of water from any tank apparatus or pipe
- d. damage which originated prior to the inception of this cover
- e. damage resulting from
 - i. demolition construction structural alteration or repair of any propertyor
 - ii. groundwork or excavation at the Premises

Special Conditions

Insofar as this insurance relates to DAMAGE caused by Subsidence Ground Heave or Landslip

- a. The Insured shall notify the Company immediately they become aware of any demolition groundworks excavation or construction being carried out on any adjoining site
- b. The Company shall then have the right to vary the terms or cancel this cover

2. Money and Personal Accident – Assault Extension

Money

The insurance by Section 1 extends to include loss from any cause of Money held in connection with the Business

- a. while in transit or at contract sites whilst the Insured or any Employee is working there or in a bank safe
- b. while in the custody of collectors for 24 hours from the time they receive it or until the next working day whichever is the later
- c. from the Premises

Up to a maximum amount of £5,000 for any one loss

In addition the Insured will be indemnified against loss of or damage to any safe at the Premises or the Insured's residence or that of any of the Insured's partners, directors or authorised collectors or Employees as a direct result of theft or attempted theft of Money

Provided always that when any Premises are left unoccupied

- i. liability for Money not contained in a locked safe is limited to £500
- ii. liability for Money in a locked safe is limited to £2,000
- iii. keys and/or combination codes to safes are not left in the Premises unless the Premises is still attended by the Insured or an authorised Employee in which case such keys and/or combination codes shall be deposited in a secure place not in the vicinity of any safe

It is a condition precedent to liability under this Extension that whenever Money in transit exceeds £3,000 at any one time

- a. the Money will be accompanied by not less than two responsible adult persons
- b. not more than £3,000 will be carried by any one person

Notwithstanding the limits referred to above the limit any one loss of crossed cheques crossed postal orders crossed money orders crossed bankers drafts National Savings Certificates credit company sales vouchers or receipts National Insurance stamps affixed to cards and VAT purchase receipts shall be £500,000

Cover by this Extension includes liability under the terms of issue of any bank charge card credit debit or cash card used in connection with the Business for loss following fraudulent use thereof by any unauthorised person Provided that

- a. the liability of the Company does not exceed £500 in any one Period of Insurance

- b. any loss of said card has been reported to the police within 24 hours of discovering the loss
- c. any loss of said card has been reported to the issuing company immediately
- d. the Conditions of Issue of the said card have been complied with

Exclusions

This Extension shall not insure against loss –

- a. arising from fraud or dishonesty of the Insured's Employees unless such loss be discovered within fourteen clear working days of the occurrence
- b. due to clerical or accounting errors
- c. from unattended motor vehicles
- d. arising outside Great Britain Northern Ireland Republic of Ireland the Channel Islands or the Isle of Man

Personal Accident – Assault

If the Insured or any Employee of the Insured within the age limits 16 to 70 years shall suffer bodily injury or suffer emotional stress necessitating professional counselling caused solely or directly as a result of robbery or any attempt thereat in the course of the Business the Company will pay compensation on the basis of the following Table of Compensations

Table of Compensations

- 1. Death * – £25,000
- 2. Total loss or permanent and total loss of use of one or more limbs* – £25,000
- 3. Total and irrecoverable loss of all sight in one or both eyes* – £25,000
- 4. Permanent Total Disablement other than by loss of limb or eye from gainful employment of any and every kind* – £25,000
- 5. For any period up to a maximum of 2 years of temporary total disablement from engaging in usual occupation – £100 per week (payable monthly)
- 6. For any period up to a maximum of 2 years of temporary partial disablement from engaging in usual occupation – £25 per week (payable monthly)
- 7. Incurred Medical Expenses – £250 or 15% of the amount payable under 5 or 6 whichever is the greater
- 8. The cost of professional counselling not exceeding
 - an hourly cost of £30
 - an amount per person of £1,000
 - an amount in any on Period of Insurance of £5,000

* Occurring within 2 years of sustaining the bodily injury

Provided that

- a. compensation will not be payable under more than one of the items 1 2 3 4 5 and 6 in the Table of Compensations for the same injury
- b. no liability will attach to the Company for bodily injury arising from or influenced by any existing physical defect or infirmity or the medical condition of any person entitled to compensation
- c. compensation shall not apply under item 8 in the Table of Compensations unless such counselling is recommended by a qualified medical practitioner and agreed by Us before costs are incurred

The insurance by this Extension is extended to pay for damage to cash carrying devices or clothing and personal effects belonging to the Insured or any Employee of the Insured up to a limit of £500 in respect of any one person

3. Long Term Agreement

The discount shown in the Schedule is allowed off the net premiums on this Policy in consideration of the Insured having given an undertaking expiring on the date stated in the Schedule to offer annually the insurance under this Policy on the terms and conditions in force at the expiry of each Period of Insurance and to pay the premium annually in advance it being understood that

- a. the Company shall be under no obligation to accept an offer made in accordance with the above-mentioned undertaking
- b. where appropriate the Sum Insured may be reduced at any time to correspond with any reduction in value or in the Business

The above-mentioned undertaking applies to any Policy (or Policies) which may be issued by the Company in substitution for this Policy and the same discount shall be allowed off the net premiums on any substituted Policy (or Policies) issued by the Company as aforesaid

Payment of the premium due at the expiry date shown in the Schedule shall be deemed acceptance by the Insured of the terms of this clause

4. Failure of Other Insurances

The insurance by Sections 1 and 2 extends to cover

- a. DAMAGE to Buildings
 - b. loss of Rent Receivable following DAMAGE to buildings
- in which the Insured has an insurable interest but under the terms of the lease the responsibility for arranging adequate insurance cover rests with a third party lessee or third party lessor but such third party has failed to maintain in force such insurance

Provided that

- a. a valid enforceable lease is in force
- b. the Insured could not have prevented such failure or omission
- c. this Extension shall only apply
 - i. in the event of failure of the third party's insurance and then only for the excess beyond the amount payable under such insurance
 - ii. in respect of claims arising directly from a contingency specified in the lease but in no case greater in scope than the cover provided by this Policy
- d. at any one Premises this cover shall not exceed
 - i. in respect of Section 1 20% of the total Sum Insured by the Section but in no case exceeding £2,000,000
 - ii. in respect of Section 2 20% of the total Sum Insured or £250,000 whichever is the less

Further it is a condition of the insurance by each Section that

1. the Insured has procedures in place to check that lessees or lessors have effected and maintain adequate insurance cover including any Terrorism cover
2. on discovery of a failure to insure or to insure for reinstatement value the Insured shall immediately effect adequate insurance cover including against Terrorism where they have elected to take Terrorism cover
3. subrogation rights are not waived in respect of damage caused by Terrorism

Policy Exclusions

Sections 1 and 2

The insurance by these Sections does not cover

1. damage caused by or consisting of
 - a. inherent vice latent defect gradual deterioration wear and tear frost change in water table level its own faulty or defective design or materials
 - b. the bursting by steam pressure of a boiler economiser vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured other than
 - i. in respect of Section 1 – a boiler used for domestic purposes only
 - ii. in respect of Section 2 – any boiler or economiser on the Premises or a boiler used for domestic purposes only
 - c. pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

But this shall not exclude subsequent DAMAGE or subsequent loss resulting from DAMAGE which itself results from a cause not otherwise excluded
2. damage caused by or consisting of
 - a. faulty or defective workmanship operational error or omission on the part of the Insured or any of his Employees
but this shall not exclude
 - i. such DAMAGE not otherwise excluded which itself results from a Defined Peril
 - ii. subsequent DAMAGE which itself results from a cause not otherwise excluded
 - b. acts of fraud or dishonesty by the Insureds Employees
but this shall not exclude such DAMAGE not otherwise excluded which itself results from a Defined Peril
3. damage caused by or consisting of
 - a. corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects
 - b. change in temperature colour flavour texture or finish
 - c. joint 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
 - d. mechanical or electrical breakdown or derangement

- of the particular machine apparatus or equipment in which such breakdown or derangement originates
 - e. in respect of Section 2 – the deliberate act of a supply undertaking in withholding the supply of water gas electricity fuel or telecommunication services
But this will not exclude
 - i. such DAMAGE not otherwise excluded which itself results from a Defined Peril or from any other accidental loss destruction or damage
 - ii. subsequent DAMAGE which results from a cause not otherwise excluded
4. infidelity or dishonesty of the Insured or any of their Employees or other persons to whom Property Insured may be entrusted nor loss destruction or damage resulting from the Insured voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme trick device or false pretence or any unexplained loss or loss or shortage disclosed on taking inventory
5. a. in respect of Section 1
loss or destruction or damage caused by pollution or contamination but this shall not exclude destruction of or damage to the Property Insured not otherwise excluded caused by
 - i. pollution or contamination which itself results from a Defined Peril
 - ii. a Defined Peril which itself results from pollution or contamination
- b. in respect of Section 2
loss resulting from pollution or contamination but this shall not exclude loss resulting from destruction of or damage to property used by the Insured at the Premises for the purpose of the Business not otherwise excluded caused by
 - i. pollution or contamination at the Premises which itself results from a Defined Peril
 - ii. a Defined Peril which itself results from pollution or contamination
6. damage caused by or consisting of
 - a. subsidence ground heave or landslip unless resulting from fire explosion earthquake or the escape of water from any tank apparatus or pipe
 - b. normal settlement or bedding down of new structures
7. damage caused by or consisting of or arising directly or indirectly from
 - a. disappearance unexplained or inventory shortage

- misfiling or misplacing of information
- b. in respect of Section 2
 - i. erasure loss distortion or corruption of information on computer systems or other records programs or software caused deliberately by rioters strikers locked-out workers persons taking part in labour disturbances or civil commotion or malicious persons
 - ii. other erasure loss distortion or corruption of information on computer systems or other records programs or software unless resulting from a Defined Peril insofar as it is not otherwise excluded
- 8. a. in respect of Section 1
destruction of or damage to a building or structure caused by its own collapse or cracking
- b. in respect of Section 2
loss resulting from destruction of or damage to a building or structure used by the Insured at the Premises caused by its own collapse or cracking unless resulting from a Defined Peril in so far as it is not otherwise excluded
- 9. damage in respect of movable property in the open fences and gates by wind rain hail sleet snow flood or dust
- 10. damage in respect of
 - a. glass (other than fixed glass) china earthenware marble or other fragile or brittle objects
 - b. in respect of Section 1 – curiosities or works of art other than such DAMAGE caused by a Defined Peril and not otherwise excluded
- 11. Unless specifically mentioned as insured under Section 1
 - a. property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
 - b. land roads pavements piers jetties bridges culverts or excavations
 - c. trees or growing crops
- 12. In respect of Section 1 – property which at the time of the happening of DAMAGE is insured by or would but for the existence of this Policy be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected
- 13. In respect of Section 1 – any property more specifically insured by or on behalf of the Insured
- 14. any claims caused by or happening through war invasion act of foreign enemy hostilities (whether war is declared or not) civil war civil rebellion warlike

- operations revolution insurrection or military or usurped power confiscation nationalisation requisition seizure or destruction or damage to property by or under the order of any government or public or local authority
- 15. damage or any other loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from
 - a. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b. the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

Sections 1, 2 and 3

Under these Sections the Company shall not be liable to any claim directly or indirectly caused by or contributed to by or arising from

- 1. the failure of any computer or other equipment data processing service product microchip micro processor integrated circuit embedded chip or similar device computer software program or process or any other electronic system or any design or advice in connection with any of the foregoing irrespective of ownership possession or use and whether occurring before during or after the Year 2000
 - i. correctly to recognise any date as its true calendar date
 - ii. to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
 - iii. to capture save or retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software being a 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

but this shall not exclude in respect of Sections 1 (Buildings) and 2 (Rental Income) subsequent DAMAGE not otherwise excluded which itself results from a Defined Peril

Sections 1, 2 and 6

1. loss damage cost or expense of whatsoever nature directly or indirectly caused by or resulting from or in connection with
 - a. For England Scotland Wales the Channel Islands and the Isle of Man
 - i. any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - ii. any action taken in controlling preventing suppressing or in any way relating to any act of Terrorism
 - b. For Northern Ireland
 - i. any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - ii. any action taken in controlling preventing suppressing or in any way relating to any act of Terrorism
 - iii. riot civil commotion and (except for damage or loss caused by fire or explosion) strikers locked out workers or persons taking part in labour disturbances or malicious persons

If the Company alleges that by reason of this exclusion any loss damage cost or expense is not covered by these Sections of the Policy the burden of proving the contrary shall be upon the Insured

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

Definition – *Terrorism*

For England Scotland and Wales Terrorism is defined as acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's Government in the United Kingdom or any other government de jure or de facto

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

For the Channel Islands and the Isle of Man Terrorism is defined as an act of any person(s) acting on behalf of or in connection with any organisation which carries out

- activities directed towards the overthrowing by force or violence of any government de jure or de facto
2. any losses directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from
 - a. damage to or the destruction of any Computer Systemsor
 - b. any alteration modification distortion erasure or corruption of Datain each case whether the property of the Insured or not where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from Virus or Similar Mechanism or Hacking or Phishing or Denial of Service Attack but this shall not exclude subsequent DAMAGE or consequential loss not otherwise excluded which itself results from a Defined Peril covered by this Section except for DAMAGE caused by malicious persons other than thieves

Section 3

Under this Section the Company shall not be liable for any claim in respect of

1. Injury to any Employee
2. Loss of or damage to
 - a. property belonging to the Insured
 - b. property which is leased let rented hired or lent to or which is the subject of a bailment to the Insured
3. Injury loss or damage caused by or in connection with or arising out of the ownership possession or use by or on behalf of the Insured of any
 - a. aircraft hovercraft or watercraft
 - b. mechanically-propelled vehicle or trailer attached thereto (other than motorised garden implements used to maintain the land belonging to the Premises described in the Schedule)
4. Any consequence whether direct or indirect of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
5. Any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
 - a. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b. the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or

nuclear component thereof

6. Liability for Pollution or Contamination other than caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance All Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place

The liability of the Company for all damages payable in respect of all Pollution or Contamination which is deemed to have occurred during the Period of Insurance shall not exceed in the aggregate the Limit of Indemnity stated in the Schedule

For the purpose of this clause ***Pollution or Contamination*** shall be deemed to mean

- i. all Pollution or Contamination of buildings or other structures or of water or land or the atmosphere and
 - ii. all loss or damage or injury directly or indirectly caused by such Pollution or Contamination
7. The liability of the Company for all damages costs and expenses payable in respect of all occurrences of a Terrorist Act during any one Period of Insurance shall not exceed in the aggregate the sum of £2,000,000

Provided that if the monetary amount of the Limit of Indemnity stated in the Schedule is less than £2,000,000 then such lesser monetary amount shall apply as the Company's maximum liability for all damages costs and expenses payable in respect of all occurrences of a Terrorist Act during any one Period of Insurance

For the purposes of this Clause Terrorist Act means any act of a person or group directed towards the overthrowing or influencing of any government or putting any section of the public in fear by threat force or violence or other means

8. a. fears of the consequences of exposure to or inhalation of
- b. the costs incurred by anyone in repairing removing replacing recalling rectifying reinstating or managing (including those of any persons under any statutory duty to manage) any property arising out of the presence of

Asbestos including any product containing Asbestos

Section 4

1. So far as concerns the liability of any principal or liability assumed by the Insured under agreement and which would not have attached in the absence of such agreement this Section shall not apply to any liability of whatsoever nature directly or indirectly caused by or

contributed to or arising from

- a. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b. the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
2. This Section does not provide an indemnity in respect of any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 as amended by the Motor Vehicles (Compulsory Insurance) Regulations 1992 and the Road Traffic (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or other compulsory road traffic act legislation
3. The liability of the Company under this Section for damages costs and expenses payable in respect of any one claim against the Insured or series of claims against the Insured arising out of one event shall not exceed £5,000,000 This limitation shall only apply in respect of any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from a Terrorist Act

For the purposes of this Clause Terrorist Act means any act of a person or group directed towards the overthrowing or influencing of any government or putting any section of the public in fear by threat force or violence or other means

Policy Conditions

1. Alteration

You must tell Us as soon as possible during the Period of Insurance but in any event within 30 days of any change

- a. to the Business
- b. in the person firm company or organisation shown in Your schedule as the Insured
- c. to the information You provided to Us previously or any new information that increases the risk of loss as insured under any Section of Your Policy

We do not have to accept any request to vary Your Policy. If You wish to make any alteration to Your Policy You must disclose any change to the information You previously provided or any new information that could affect this insurance. If We accept any variation to Your Policy an increase in the premium or different terms or conditions of cover may be required by Us.

Your Policy will cease to be in force and void (meaning it no longer exists) from the date of alteration unless We agree in writing to accept the alteration.

2. Arbitration

If any difference shall arise as to the amounts to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions. Where any difference is by this condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the Company.

This condition does not apply to the Public Liability Employers Liability or Legal Expenses sections of the Policy.

3. Cancellation

- a. You may cancel Your Policy within 14 days of receiving Your Policy in the first Period of Insurance if for any reason You are dissatisfied or the Policy does not meet your requirements.
- b. You may cancel Your Policy at any time if the Business is sold by You or You cease trading or You sell all the property insured shown in Your schedule.
- c. We can cancel Your Policy
 - i. at any time by giving 21 days written notice to Your last known address.
 - ii. immediately without giving You notice if the premium has not been paid to Us.

Where Your Policy is cancelled in accordance with any of the above provisions We will refund part of the premium paid proportionate to the unexpired Period of Insurance following cancellation provided that no claim has been paid or is outstanding in the current Period of Insurance.

Cancellation of Your Policy will not affect any claims or rights You or We may have before the date of cancellation.

We do not have to offer renewal of Your Policy and cover will cease on the expiry date.

4. Claims Notification Condition

You must

1. As soon as practical
 - a. give Us notice of any circumstances which might lead to a claim under Your Policy.
 - b. give Us all the information We request.
2. Immediately
 - a. on receipt send Us every letter court order summons or other legal document served upon You.
 - b. tell Us about any prosecution inquest or fatal accident inquiry or dispute for referral to adjudication or court proceedings in connection with any potential claim under Your Policy.
 - c. notify the police of any loss or damage that has been caused by malicious persons thieves rioters strikers or vandals.

5. Claims Procedures Condition

General – Applicable to all Sections

- a. You must take or allow others to take practical steps to prevent further injury loss or damage recover property lost and otherwise minimise the claim.
- b. At Your expense You must provide Us with
 - i. full details in writing of any injury loss or damage and any further information or declaration We may reasonably require.
 - ii. any assistance to enable Us to settle or defend a claim.
 - iii. details of any other relevant insurances.
- c. You may not accept negotiate pay settle admit or repudiate any claim without Our written consent.
- d. Following a claim You must allow Us or anyone authorised by Us
 - i. access to premises.
 - ii. to take possession of or request delivery to Us of any property insured.
- e. You may not abandon any property to Us.
- f. We will be allowed complete control of any proceedings and settlement of the claim.

Applicable to Section 6 – Machinery Breakdown

Please refer to page 30 of this Policy

Applicable to Section 7 – Legal Expenses

Please refer to page 38 of this Policy

6. Contracts (Rights of Third Parties) Act

The parties to this contract do not intend that any clause or term of this contract should be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this contract

7. Fraud

You and anyone acting for You must not act in a fraudulent way

If You or anyone acting for You

- a. knowingly makes a fraudulent or exaggerated claim under Your Policy
- b. knowingly make a false statement in support of a claim (whether or not the claim itself is genuine) or
- c. knowingly submit a false or forged document in support of a claim (whether or not the claim itself is genuine)

We will

- i. refuse to pay the claim;
- ii. terminate the Policy from the date of the fraudulent act

We may also inform the police of the circumstances

8. Identification

This Policy and the Schedule (which forms an integral part of this Policy) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this Policy or of the Schedule shall bear such specific meanings wherever they may appear

9. Fair Presentation of Risk

You have a duty to make a fair presentation of the risk which You wish to insure. This applies at the start of Your Policy if any variation is required and at each renewal. If You do not comply with this condition then

- a. If the failure to make a fair presentation of the risk is deliberate or reckless We can elect to make Your Policy void and keep the premium. This means treating the Policy as if it had not existed and that We will not return premiums paid to Us or
- b. If the failure to make a fair presentation of the risk is not deliberate or reckless and We would not have provided cover had You made a fair presentation then We can elect to make Your Policy void and return premiums paid by You to Us or

- c. If the failure to make a fair presentation of the risk is not deliberate or reckless and We would have issued cover on different terms had You made a fair presentation of the risk then We can
 - i. reduce proportionately any amount paid or payable in respect of a claim under Your Policy using the following formula: We will divide the premium actually charged by the premium which We would have charged had You made a fair presentation and calculate this as a percentage. The same percentage figure will be applied to the full amount of the claim to arrive at the proportion of the claim to be paid or payable and/or
 - ii. treat Your Policy as if it had included such different terms (other than payment of the premium) as We would have imposed had You made a fair presentation
- d. Where We elect to apply one of the above then
 - i. if We elect to make Your Policy void this will be from the start of the Policy or the date of variation or from the date of renewal
 - ii. We will apply the formula calculated by reference to the premium that would have been charged to claims from the start of the Policy or the date of variation or from the date of renewal
 - iii. We will treat the Policy as having different terms imposed from the start of the Policy or the date of variation or from the date of renewal

depending on when the failure to make a fair presentation occurs

10. Conditions Precedent

It is a condition precedent to liability on the part of the Company under this Policy that the terms hereof so far as they relate to anything to be done or complied with by the Insured are duly and faithfully observed

If on the happening of a loss You are not complying with the requirements of any condition and the condition is designed to reduce a loss of a particular kind at a particular location and/or at a particular time and You are able to prove that the non-compliance with the condition could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred You will be covered and We will pay the claim

11. Contribution and Average

a. Applicable to Section 1 – Buildings and Section 2 Rental Income

If at the time of any DAMAGE there is any other insurance effected by or on behalf of the Insured covering any of the property damaged the liability of the Company hereunder shall be limited to its rateable proportion of such DAMAGE

If any other insurance shall be subject to any average (under insurance) condition this Section if not already subject to any Condition of Average shall be subject to Average in like manner

If a claim is made under these Sections and there is other insurance cover for which You are or would be but for these Sections entitled to have a claim paid under the other insurance We will at Our option either pay

- a. a proportionate share of the claim
- or
- b. an amount beyond that which is or would be payable under other insurance

b. Applicable to Sections 3 and 4 – Public Liability and Employers Liability

The Company will not indemnify the Insured in respect of liability which is insured by or would be but for the existence of the Section be insured by any other policy except in respect of any excess beyond the amount payable under such other policy had this insurance not been effected

12. Reasonable Care

You must take reasonable steps to

- a. Prevent or protect against injury loss or damage
- b. Keep Your premises machinery plant and equipment and all other property insured in good condition and in full working order
- c. Remedy any defect or any danger that becomes apparent as soon as possible

If required by Us You must allow access to Your premises and/or activities of Your Business to carry out inspection or survey You must complete any risk improvements that We ask for within a reasonable period of time advised by Us

13. Reinstatement

If any property insured by Section 1 is to be reinstated or replaced by the Company the Insured shall at their own expense provide all such plans documents books and information as may be reasonably required

The Company shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than its Sum Insured

14. Subrogation (Our Rights)

We will be entitled to undertake in Your name or on Your behalf

- a. the defence or settlement of any claim
- b. steps to enforce rights against any other party before or after payment is made by Us

15 Multiple Insureds

- a. If the Insured described in the Schedule comprises more than one insured party each operating as a separate and distinct entity then (save as provided in this Multiple Insureds Clause) cover hereunder shall apply in the same manner and to the same extent as if individual policies had been issued to each such insured party provided that the total liability of the Company to all of the insured parties collectively shall not exceed the Sum Insured including any inner limits set by memorandum or endorsement stated in the Policy
- b. Any payment or payments by the Company to any one or more such insured parties shall reduce to the extent of that payment the Companys liability to all such parties arising from any one event giving rise to a claim under this Policy and (if applicable) in the aggregate
- c. The insured parties will at all times preserve the various contractual rights and agreements entered into by the insured parties and the contractual remedies of such parties in the event of loss or damage
- d. The Company will not pay any claim to an insured party if the Company find that the insured party has not complied with the Fair Presentation of Risk condition or where the insured party has committed fraud or not complied with a Policy Condition each being a vitiating act A vitiating act (as explained in this Multiple Insureds Clause) committed by one insured party will not affect the rights of the other insured parties who have not committed a vitiating act

16. Sanctions Condition

This contract of insurance is subject to sanction prohibition or restriction under United Nations resolutions It is a condition of Your Policy that We will not provide cover or pay any claim or provide any benefit under Your Policy to the extent that the provision of such cover payment of such claim or provision of such benefit would expose Us or Our parent subsidiary or any insurers group member company to any trade or economic sanctions or violate any laws or regulations of the United Kingdom the European Union the United States of America or any other territory

Making a Complaint

COBRA Underwriting Agencies aims to provide the highest standard of service to every customer. If the service does not meet Your expectations we want to hear about it so we can try to put things right.

All complaints we receive are taken seriously. Following the steps below will help us understand Your concerns and give You a fair response.

How to Make Your Complaint

The majority of complaints can be resolved quickly and satisfactorily by the department You are dealing with. If Your complaint relates to a claim on Your policy, please contact the department dealing with Your claim. If Your complaint relates to anything else, please contact Your insurance advisor or COBRA Underwriting Agencies.

Telephone contact is often the most effective way to resolve complaints quickly.

Alternatively You can write to us at:

COBRA Underwriting Agencies Ltd

Managing Director

6th Floor Knollys House

17 Addiscombe Road

Croydon CR0 6SR

Tel: 020 8256 1930

Email: michael.bowler@cobraua.co.uk

When You make contact please tell us the following information:

- Name address and postcode, telephone number and e-mail address (if you have one)
- Your policy and / or claim number, and the type of policy You hold
- The name of Your insurance advisor/agent/firm (if applicable)
- The reason for Your complaint

Any written correspondence should be headed 'COMPLAINT' and You may include copies of supporting material.

Beyond COBRA Underwriting Agencies

Should You remain dissatisfied following our final written response, You may be eligible to refer Your case to the Financial Ombudsman Service (FOS).

The FOS is an independent body that arbitrates on complaints about general insurance products. The FOS can only consider Your complaint if we have given You our final decision.

You have six months from the date of our final response to refer Your complaint to the FOS. This does not affect Your right to take legal action.

Financial Ombudsman Service

Exchange Tower

Harbour Exchange Square

London

E14 9SR

Tel: 0800 023 4567 *

Tel: 0300 123 9123 **

Fax: 020 7964 1001

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

Web: www.financial-ombudsman.org.uk

** free for people phoning from a 'fixed line' (for example at home)*

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

Our promise to you

We will

- Acknowledge written complaints promptly
- Investigate Your complaint quickly and thoroughly
- Keep You informed of progress of Your complaint
- Do everything possible to resolve Your complaint
- Learn from our mistakes
- Use the information from complaints to continuously improve our service.

Telephone calls may be monitored or recorded.

Financial Services Compensation Scheme (FSCS)

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation in the unlikely event we cannot meet our obligations to You. This depends on the type of insurance, size of the business and the circumstances of the claim. Further information about the compensation scheme arrangements is available from the FSCS (www.fscs.org.uk).

COBRA Underwriting Agencies Ltd

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