

Policy document

# Property Protector

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# A warm welcome to Zurich

Thank **you** for taking out **your** Property Protector policy with **us** – and welcome to Zurich Insurance Company.

As one of the larger general insurers in the UK, **we** have a wealth of expertise and experience backed up by the global strength of the Zurich Financial Services Group. Zurich is renowned for innovation and customer dedication – **our** experts **are** constantly reviewing how **we** can update and improve **our** products and services for **you**.

At Zurich Insurance **we** have **your** future in mind and look forward to working closely with **you**.

[www.zurich.co.uk](http://www.zurich.co.uk)

# Property Protector policy

The policy, schedule and any endorsements should be read as if they were one document.

The policy is a contract between **you** (also referred to as the Insured) and **us** (also referred to as the Insurers). **You** have made to **us** a proposal, which is the basis of and forms part of the contract.

**We** will insure **you** under those sections shown in the schedule during any Period of Insurance for which **we** have accepted **your** premium provided all the terms and conditions of the policy are kept.

## Law applicable to the contract

UK law allows both **you** and **us** to choose the law applicable to the contract. The contract will be subject to the relevant law of the United Kingdom, the Isle of Man or the Channel Islands relating to **your** address as shown in the schedule. If there is any dispute as to which law applies it shall be English law.

The parties agree to submit to the exclusive jurisdiction of the English courts.

For and on behalf of Zurich Insurance Company.



Ian Stuart  
Chief Executive

This is a legal document and should be kept in a safe place.

Please read the policy, insurance agreement and schedule carefully.

If they do not meet **your** needs return them to **us** or **your** broker or agent.

## How we will use your data

Zurich Insurance Company holds data in accordance with the Data Protection Act 1998. It may be necessary for **us** to pass data to other organisations that supply products and services associated with this contract of insurance. In order to verify information, or to prevent and detect fraud, **we** may share information **you** give **us** with other organisations and public bodies, including the Police, accessing and updating various databases. If **you** give **us** false or inaccurate information and **we** suspect fraud, **we** will record this and the information will be available to other organisations that have access to the database(s). **We** can supply details of the databases **we** access or contribute to, on request.

# Section A

## Material Damage

In the event of the Property Insured described in the Schedule being lost destroyed or damaged by any of the Covers specified in the Schedule during the Period of Insurance the Insurers will 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 Insurers' option reinstate or replace such property or any part of it.

Provided that the liability of the Insurers under this Section shall not exceed:

- i) in the whole the Total Sum Insured or in respect of any items its Sum Insured or any other Limit of Liability stated in the Schedule at the time of the loss destruction or damage
- ii) the Sum Insured (or Limit) remaining after deduction for any other loss destruction or damage occurring during the same Period of Insurance, unless the Insurers shall have agreed to reinstate any such Sum Insured (or Limit).

### Specification to Section A

#### Property Insured

All in accordance with the Schedule.

#### Designation

For the purpose of determining where necessary the heading under which any property is insured, the Insurers agree to accept the designation under which such property has been entered in the Insured's books.

### Definitions

#### 1 Buildings

Buildings of the premises specified in the Schedule including

- a) landlords' fixtures and fittings
- b) outbuildings, extensions, annexes, gangways, conveniences, canopies, lamp posts, fixed signs, temporary buildings and street furniture
- c) walls, gates and fences
- d) drains, sewers, 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 Insured's responsibility
- e) yards, car parks, roads, pavements, forecourts and similar surfaces
- f) property comprising fixtures and fittings (but excluding moveable contents) formerly the property of tenants but relinquished to the Insured at the time of the surrender of the lease
- g) tenants improvements for which the Insured are responsible
- h) Landlords' Contents as defined below, up to a limit of £5,000 unless specifically insured.

#### 2 Landlords' Contents

furniture, furnishings, fuel tanks, statues, garden furniture, potted plants, trees and shrubs, video, audio, building management systems and security equipment, and other similar property of the Insured or for which the Insured is responsible all whilst contained in or on the Buildings insured hereby.

#### 3 Office Contents

Office Contents are as defined in the Folio.

#### 4 Damage

'DAMAGE', in capital letters, shall mean loss or destruction of or damage to the Property Insured.

## Clauses applying to Section A

### 1 Architects' Surveyors' Legal and Consulting Engineers' Fees

- a) The insurance by each item on Buildings and Landlords' Contents includes an amount in respect of Architects' Surveyors' Legal and Consulting Engineers' Fees
- b) The insurance on Fees applies only to those necessarily and reasonably incurred in the reinstatement or repair of Property Insured consequent upon its DAMAGE but not for preparing any claim, it being understood that the amount payable under the item shall not exceed in total its sum insured.

### 2 Automatic Reinstatement of Loss

In the absence of written notice by the Insurers or the Insured to the contrary within 30 days of the DAMAGE the insurance hereby shall not be reduced by the amount of any loss in consideration of which the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the expiry of the Period of Insurance provided that the Insured shall take immediate steps to effect such additions to or variations in the protections of the Property Insured as the Insurers may require.

### 3 Capital Additions

The insurance by this Section shall subject to its terms and conditions extend to cover:

- a) any newly acquired Buildings and Landlords' Contents in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man in so far as the same are not otherwise insured and
- b) alterations additions and improvements to Buildings and Landlords' Contents but not in respect of any appreciation in value

during the current Period of Insurance provided that:

- i) at any one situation this cover shall not exceed 10% of the Total Sum Insured on such property or £2,000,000 whichever is the less
- ii) the Insured undertakes 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 Insurers' liability
- iii) the provisions of this extension shall be fully maintained notwithstanding any specific insurance effected under ii) above.

### 4 Contracting Purchaser's Interest

If at the time of DAMAGE the Insured shall have contracted to sell his interest in any Building hereby insured 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 against such DAMAGE by him or on his behalf) shall be entitled to benefit under this Section without prejudice to the rights and liabilities of the Insured or the Insurers until completion.

### 5 Contractors' Interest

Where the Insured is required to effect insurance on the Buildings in the joint names of themselves and the contractor under the terms of a contract condition then the interest of the contractor in the Buildings as a joint insured is hereby noted subject to any single contract valued in excess of £150,000 or 10% of the Sum Insured on the Building whichever is the less being advised to the Insurers and an additional premium being paid as appropriate.

### 6 Drain Clearing

The insurance extends to cover expenses necessarily incurred in clearing cleaning and/or repairing drains gutters sewers and the like for which the Insured are responsible in consequence of any Cover insured hereby. Provided that Insurers' liability under this clause shall not exceed £25,000 any one loss.

## **7 Fire Extinguishment and Alarm Resetting Expenses**

The Insurers will pay the reasonable costs incurred by the Insured in:

- a) refilling fire extinguishing appliances
  - b) replacing used sprinkler heads
  - c) refilling sprinkler tanks
  - d) resetting fire and intruder alarms and closed circuit television systems
  - e) recharging halon gas and CO2 flooding systems
- all in consequence of DAMAGE as insured hereby.

## **8 Index Linking**

Where so indicated in the Schedule the Sum Insured will be adjusted during the Period of Insurance in accordance with fluctuations in suitable indices of cost.

In the event of loss the sum insured will continue to be adjusted in accordance with fluctuations in the indices during the period necessary for completion of repair or reinstatement provided that repair or reinstatement is carried out without unreasonable delay.

The premium will remain unchanged during the Period of Insurance but at each renewal the premium will be calculated on the revised sum insured.

## **9 Landscaped Gardens**

The insurance hereby extends to cover costs and expenses incurred with the consent of the Insurers in making good destruction of or damage to landscaped gardens or grounds at the premises caused by DAMAGE as insured hereby, but excluding:

- a) the cost of movement of soil other than as necessary for surface preparation
- b) the failure of trees, shrubs or turf to become established following replanting
- c) the failure of seeds to germinate

provided the liability of the Insurers under this extension shall not exceed £25,000 any one loss.

In respect of property insured by this extension, the Insurers shall not be liable for the first £250 in respect of each and every loss at each separate premises arising from DAMAGE caused by Storm, Flood or Malicious Persons (other than by Fire or Explosion) not acting on behalf of or in connection with any political organisation or All Other Damage.

## **10 Loss of Market Value**

It is understood that:

- a) if the Insured elects not to repair or rebuild the Buildings, the Insurers will pay to the Insured the reduction in the market value of the Buildings immediately following the DAMAGE but not exceeding the amount which would have been payable had the Buildings been repaired or rebuilt
- b) if as a result of DAMAGE insured hereby the Insured are required to rebuild or reinstate the Buildings in a manner different from that immediately before the DAMAGE solely to comply with the Stipulations (as defined in the Condition European Community And Public Authorities' Clause Including Undamaged Property) and as a result there is reduction in market value thereof the Insurers agree to pay:
  - i) the cost of repairing or reinstating the Buildings
  - ii) a cash settlement representing the reduction in market value so that the total payment made is no greater than the amount that would have been payable had the Buildings been repaired or reinstated in an identical manner to their condition immediately before the DAMAGE
- c) the total amount recoverable under any item of the Policy shall not exceed its Sum Insured
- d) all the terms and conditions of the Policy except in so far as they are varied hereby shall apply as if they had been incorporated herein.

### **11 Metered Water**

The Insurers will pay the cost for which the Insured is responsible in respect of loss of metered water. The amount payable in respect of any one premises is limited to such excess water charges demanded by the Water Authority and resulting from the escape of water from pipes, apparatus or tanks in consequence of loss destruction or damage as insured hereby.

### **12 Mortgagees and Lessors**

Any increase in the risk of DAMAGE resulting from any act or neglect of any Mortgagor, Leaseholder, Lessee or Occupier of any Buildings insured by this Policy will not prejudice the interest of any Mortgagee, Freeholder or Lessor provided such increase in risk is without their prior knowledge or authority and that the Insurers are notified immediately they become aware of such increase in risk and pay an appropriate additional premium if required.

### **13 Non-Invalidation**

This Policy shall not be invalidated by any act or omission or by any alteration whereby the risk of DAMAGE is increased unknown to or beyond the control of the Insured, provided the Insured, immediately they become aware thereof shall give notice to the Insurers and pay an appropriate additional premium if required.

### **14 Other Interests**

It is understood and agreed that the interest of various lessees, freeholders, mortgagees and debenture holders in the Property Insured may be noted at the request of the Insured but only in respect of the parts of the premises demised by the lease to the individual tenant. The Insured undertake to declare the names, nature and extent of such interests at the time of the DAMAGE.

### **15 Removal of Debris**

The insurance by all items of this Section extends to include costs and expenses necessarily incurred by the Insured with the consent of the Insurers in:

- a) removing debris
- b) dismantling and/or demolishing
- c) shoring up or propping
- d) boarding up of windows and doors
- e) weatherproofing

of the portion or portions of the Property Insured by the said items destroyed or damaged by any Cover hereby insured.

It is understood that:

- i) the Insurers 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 Policy
- ii) the liability of the Insurers under this clause and the Policy in respect of any item shall in no case exceed its Sum Insured.

## **16 Residential Property**

In the event of DAMAGE resulting in:

- a) a residential Building or residential portion of any Building insured hereby being uninhabitable or
- b) access being prevented to such property

this Section extends to include Rent Receivable as defined in Section B1 and the reasonable additional cost of comparable accommodation incurred by the lessee or owner until the said property is habitable or accessible.

The amount recoverable under this extension shall not exceed 30% of the Sum Insured applicable to the Residential Building or portion of the Building concerned during any one Period of Insurance.

## **17 Subrogation Waiver**

In the event of a claim arising under this Policy, the Insurers agree to waive any rights, remedies or relief to which they might become entitled by subrogation against:

- a) any Company standing in the relation of Parent to Subsidiary or Subsidiary to Parent to the Insured as defined in the Companies Act or Companies (N.I.) Order, as appropriate, current at the time of the 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 Companies (N.I.) Order, as appropriate, current at the time of the DAMAGE
- c) any tenant or lessee in respect of DAMAGE to that part of the premises in the demise of that tenant or lessee or to those parts of the premises in which all the tenants have a common interest where the premium has been paid by the tenant or lessee unless such DAMAGE arises out of a criminal or malicious act of the tenant or lessee.

## **18 Temporary Removal**

The Property Insured by this Section is covered whilst temporarily removed for cleaning, renovation, repair or similar purposes elsewhere and in transit thereto and therefrom all in Great Britain and Northern Ireland.

Provided that:

- a) the liability of the Insurers under this clause in respect of each item of the Section for any DAMAGE occurring elsewhere than at the within mentioned Premises shall not exceed 10% of the Sum Insured by the item as specified in the Folio
- b) this extension does not apply to property in so far as it is otherwise insured.

## **19 Temporary Repairs**

Within the limits of the Sum Insured the Insurance hereby covers costs incurred with the prior consent of the Insurers in (a) weatherproofing and (b) boarding up windows and doors, following DAMAGE as insured hereby.

## **20 Theft of Keys**

If the Cover of Theft is insured hereby, the Insurers will pay to the Insured the reasonable expenses not exceeding £500 incurred for the necessary replacement of locks following the loss of keys to the premises caused by Theft from the premises or Theft from the private residence of the Insured or an authorised employee.

## **21 Trace and Access**

It is understood and agreed that in the event of DAMAGE resulting from Escape of Water or Fuel Oil or Sprinkler Leakage if insured hereby, the insurance is extended to include the cost necessarily and reasonably incurred with the consent of the Insurers in:

- a) locating the source of such DAMAGE
- b) repairing or replacing the tank, apparatus or pipe from which the DAMAGE arises
- c) the subsequent making good of damage caused as a consequence thereof

It is understood that:

- a) Insurers' liability under this extension shall not exceed £50,000 any one occurrence
- b) All Policy terms, exclusions and conditions will apply.

## **22 Upgrading Sprinkler Installations**

The Insurance hereby extends to include the additional costs incurred following loss or destruction of or damage to the automatic sprinkler installation at the premises by any Cover insured hereby in the event that on repair or reinstatement thereof, the Insurers require the installation to conform to the Loss Prevention Council Rules for Automatic Sprinkler Installations current at that time.

The total amount recoverable under any item of the Policy shall not exceed its Sum Insured.

## **23 Unauthorised Use of Services**

The insurance hereby extends to include the cost of metered electricity, gas, water or fuel oil for which the Insured are legally responsible arising from its unauthorised use by persons taking possession, keeping possession or occupying premises without the Insured's authority.

It is agreed that such premises will be inspected weekly by a responsible person on behalf of the Insured and that all practicable steps are taken to terminate such unauthorised use as soon as it is discovered.

The Insurers' limit of liability under this extension shall not exceed £25,000 in respect of any one occurrence.

## **24 Value Added Tax**

The insurance by each item on buildings extends to include Value Added Tax paid by the Insured which is not subsequently recoverable provided that:

- 1 a) the Insured's liability for such tax arises solely as a result of the reinstatement or repair of the buildings to which such items relates following DAMAGE
- b) the Insurers have paid or have agreed to pay for such DAMAGE
- c) if any payment made by the Insurers in respect of the reinstatement or repair of such DAMAGE shall be less than the actual cost of the reinstatement or repair, any payment under this clause resulting from that DAMAGE shall be reduced in like proportion
- 2 the Insured's liability for such tax does not arise from the replacement building having 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 Insurers' 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 Insurers' liability under this extension shall not include amounts payable by the Insured as penalties or interest for non-payment or late payment of tax.

It is understood that provisions to the contrary elsewhere in this Policy are over-ridden as follows in respect of those items to which this clause applies:

- i) for the purposes of any condition of average rebuilding costs shall be exclusive of Value Added Tax
- ii) the liability of the Insurers may exceed the Sum Insured by an item or in the whole the Total Sum Insured where such excess is solely in respect of Value Added Tax.

## **25 Workmen**

Workmen are allowed to work in the Buildings for the purposes of effecting any repairs, minor additions and alterations or decorations without prejudice to this insurance.

## **Supplementary conditions applying to Section A**

### **1 Reinstatement**

Subject to the following special conditions the basis upon which the amount payable in respect of Buildings (other than where the supplementary condition 'Inflation Protection Day One' applies) 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 Insurers 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 more extensive than its condition when new.

### **Special conditions**

- 1 The liability of the Insurers 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.
- 2 No payment beyond the amount which would have been payable in the absence of this supplementary condition 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.
- 3 All the terms and conditions of the Policy shall apply:
  - a) in respect of any claim payable under the provisions of this supplementary condition except in so far as they are varied hereby
  - b) where claims are payable as if this supplementary condition had not been incorporated.

### **2 Security Requirements**

In respect of Buildings occupied by the Insured or for which the security is the direct responsibility of the Insured or their agents and/or in respect of any empty or disused Buildings of which the Insurers have been notified:

- a) any additional protection required by the Insurers shall be fitted in accordance with their requirements and together with all other devices for the protection of the Property Insured shall be kept in good order and put into full and effective operation whenever the premises are closed for business to customers or callers or are unattended
- b) all keys including duplicate keys relative to the security of a portion of the premises or to any safe or strong room containing Property Insured shall be removed from that portion of the premises whenever they are closed for business or left unattended.

### **3 Inflation Protection – (Day One Basis)**

In respect of Buildings where the Sum Insured (ie the Declared Value plus the percentage loading) has been advised to the Insurers as being in excess of £500,000 and all Landlords' and Office Contents:

- A) subject to the following special conditions the basis upon which the amount payable in respect of any item on Buildings and Landlords' or Office Contents 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 Insurers 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.

- B) the Insured having stated in writing the Declared Value (shown in brackets below the sum insured) of each of the said items, 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 in so far 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.

#### **Special conditions**

- i) At the inception of each period of insurance the Insured shall notify the Insurers 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.
- ii) If at the time of DAMAGE the Declared Value of the property covered by such item be less than 75% of the cost of reinstatement (as defined in paragraph B above) at the inception of the period of insurance then the Insurers' liability for the DAMAGE shall not exceed that proportion thereof which the Declared Value bears to such cost of reinstatement.
- iii) The liability of the Insurers 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.
- iv) No payment beyond the amount which would have been payable in the absence of this supplementary condition 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.
- v) All the terms and conditions of the Policy shall apply:
  - a) in respect of any claim payable under the provisions of this supplementary condition except in so far as they are varied hereby
  - b) where claims are payable as if this supplementary condition had not been incorporated except that the Sum(s) Insured shall be limited to the percentage of the Declared Value(s) as stated in the Schedule.

#### **4 European Community And Public Authorities (Including Undamaged Property)**

Subject to the following special conditions the insurance in respect of Buildings and Contents extends to include 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 (hereinafter referred to as 'the Stipulations') in respect of:
  - i) the lost destroyed or damaged property thereby insured
  - ii) undamaged portions thereof
  - iii) any water supply equipment at the premises supplying the sprinkler installation in undamaged portions of the Premises

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 the Policy
  - 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 Cover 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**

- i) 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 Insurers 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 Insurers under this extension not being thereby increased.
- ii) If the liability of the Insurers under (any item of) the Policy 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 Insurers under the extension (in respect of any such item) shall be reduced in like proportion.
- iii) The total amount recoverable under any item of the Policy in respect of this extension shall not exceed:
  - a) in respect of the lost destroyed or damaged property  
its Sum Insured
  - b) in respect of undamaged portions of property (other than foundations), 25% of the total amount for which the Insurers would have been liable had the property insured by the item at the premises where the DAMAGE has occurred been wholly destroyed.
- iv) The total amount recoverable under any item of the Policy shall not exceed its sum insured.
- v) All the terms and conditions of the Policy except in so far as they are varied hereby shall apply as if they had been incorporated herein.

## **5 Unoccupied Buildings**

- a) The Insured will notify the Insurers when any Buildings become untenanted unoccupied vacant silent or disused.
- b) In respect of such Buildings it is agreed that, within 45 days of the Building becoming untenanted unoccupied vacant silent or disused:
  - i) the gas, electricity (other than power required for an intruder or fire alarm system) and water supplies are turned off at the mains and all water pipes, apparatus and tanks are drained down or during the period 1st October to 1st April each year central heating systems must be kept working at a minimum temperature of 5 degrees C.  
Where sprinkler systems are installed and water supplies must be maintained, heating must be maintained at a minimum temperature of 5 degrees C.
  - ii) all devices for preventing access to the Buildings are in full and effective operation at all times
  - iii) the premises and yards are clear of all waste materials and redundant contents
  - iv) all accessible windows if not fixed by appropriate locks to be screwed shut
  - v) the letter-box is permanently sealed shut or a non combustible receptacle be permanently fixed to the letter-box
  - vi) the premises are inspected at least once a week by a responsible person to ensure that there is no deterioration in the fabric of the Building and that compliance with conditions i) – v) continues.
- c) The Insured will notify the Insurers when such a Building or portion thereof becomes occupied.
- d) The Insured will pay a suitable additional premium if required.

# Section B1

## Business Interruption

In the event of any building or other property used by the Insured at the Premises for the purpose of the Business being lost, destroyed or damaged by any of the Covers specified in the Schedule during the Period of Insurance and in consequence the Business carried on by the Insured at the Premises be interrupted or interfered with then the Insurers will pay to the Insured in respect of each item in the Schedule the amount of loss resulting from such interruption or interference provided that:

- 1 at the time of the happening of the loss, destruction or damage there shall be in force an insurance covering the interest of the Insured in the property at the Premises against such loss, destruction or damage and that:
  - a) payment shall have been made or liability admitted therefor, or
  - b) payment would have been made or liability admitted therefor but for the operation of a proviso in such insurance excluding liability for losses below a specified amount
- 2 the liability of the Insurers under this Section shall not exceed:
  - a) in the whole the Total Sum Insured or in respect of any item its Sum Insured or any other Limit of Liability stated in the Schedule at the time of the loss, destruction or damage
  - b) the Sum Insured (or Limit) remaining after deduction for any other interruption or interference consequent upon loss destruction or damage occurring during the same Period of Insurance, unless the Insurers shall have agreed to reinstate any such Sum Insured (or Limit).

### Specification 1 to Section B1

Item 1	On Rent Receivable	£ Estimated Rent Receivable as stated in the schedule
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The insurance under Item No. 1 is limited to (a) Loss of Rent Receivable and (b) Increase in Cost of Working and the amount payable as indemnity thereunder shall be:

- a) in respect of loss of Rent Receivable: the amount by which the Rent Receivable during the Indemnity Period shall, in consequence of the Incident, fall short of the Standard Rent Receivable
- b) in respect of Increase in Cost of Working: the additional expenditure necessarily and reasonably incurred 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 Incident, but not exceeding the amount of the Reduction in Rent Receivable thereby avoided less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of the Rent Receivable as may cease or be reduced in consequence of the Incident.

Notwithstanding proviso 2 to Section B1

- a) the liability of the Insurers shall in no case exceed, in respect of Rent Receivable 200% of the Estimated Rent Receivable stated herein, in respect of each other item 100% of the Sum Insured stated herein, nor in the whole the sum of 200% of the Estimated Rent Receivable and 100% of the Sums Insured by other items, or such other amounts as may be substituted therefor by endorsement signed by or on behalf of the Insurers
- b) in the absence of written notice by the Insured or the Insurers to the contrary the Insurers' liability shall not stand reduced by the amount of any loss, the Insured undertaking to pay the appropriate additional premium for such automatic reinstatement of cover.

## Definitions

- Notes: i) To the extent that the Insured is accountable to the tax authorities for Value Added Tax, all terms in this policy shall be exclusive of such tax.
- ii) For the purpose of these definitions, any adjustment implemented in current cost accounting shall be disregarded.

### Consequential Loss

'CONSEQUENTIAL LOSS', in capital letters, shall mean loss resulting from interruption of or interference with the Business carried on by the Insured at the Premises in consequence of loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business.

### Incident

Loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business.

### Indemnity Period

The period beginning with the occurrence of the Incident and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence thereof.

### Maximum Indemnity Period

As stated in the Schedule.

### Rent Receivable

The amount of the rent, service charges and other income received or receivable from the letting of the Premises and Services rendered thereat.

### Estimated Rent Receivable

The amount declared by the Insured to the Insurers as representing not less than the Rent Receivable which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds 12 months).

### Standard Rent Receivable

The Rent Receivable during that period in the twelve months immediately before the date of the Incident which corresponds with the Indemnity Period to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Incident or which would have affected the Business had the Incident not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Incident would have been obtained during the relative period after the Incident.

## Clauses

### 1 Alternative Trading

If during the Indemnity Period the Business shall be conducted elsewhere than at the Premises the money paid or payable to the Insured in respect of such other premises shall be brought into account in arriving at the Rent Receivable during the Indemnity Period.

### 2 Buildings Awaiting Sale

If at the time of the Incident the Insured shall have contracted to sell their interest in the buildings and the sale is cancelled or delayed solely in consequence of the Incident the amount payable may at the Insured's option be as follows:

either

- a) during the period prior to the date upon which but for the Incident the buildings would have been sold –  
the loss of rent being:  
the actual amount of the reduction in the Rent Receivable by the Insured during the Indemnity Period solely in consequence of the Incident  
or
- b) during the period commencing with the date upon which but for the Incident the buildings 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:

- 1) the actual interest incurred on capital borrowed (solely to offset in whole or in part the loss of use of the sale proceeds) for the purpose of financing the Business
- 2) the investment interest lost to the Insured on any balance of the sale proceeds (after deduction of any capital borrowed as provided for under paragraph 1) above)  
less any amount receivable in respect of Rent.

This Section also covers with the consent of the Insurers:

additional expenditure being the expenditure necessarily and reasonably incurred during the Indemnity Period in consequence of the Incident solely to avoid or minimise the loss payable under

a) and b) above but not exceeding the amount of loss avoided by such expenditure provided that the insurance under this clause shall be subject to all terms and conditions of the Policy.

### 3 Capital Additions – Rent Receivable

The insurance extends to cover Rent Receivable in respect of newly acquired or newly erected Buildings or alterations additions or extensions to the Buildings insured by this Policy in so far as such Rent Receivable is not otherwise insured provided that:

- a) at any one situation this cover shall not exceed 10% of the Sum Insured under this Section or £500,000 any one Period of Insurance, whichever is the less
- b) the Insured shall give particulars of such Capital Additions as soon as reasonably practical and shall effect specific insurance thereon retrospective to the date of the commencement of the Insurers' liability
- c) the provisions of this extension shall be fully maintained notwithstanding any specific insurance effected under b) above.

### 4 Cost of Reletting

This Section is extended to include the costs necessarily and reasonably incurred with the consent of the Insurers during the Indemnity Period in reletting the buildings (including legal fees in connection with the reletting) solely in consequence of the Incident.

## **5 New Business**

For the purpose of any claim arising from an Incident occurring before the completion of the first year's trading of the Business at the Premises the term 'Standard Rent Receivable' shall bear the following meaning and not as within stated:

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 Incident to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business whether before or after the Incident or which would have affected the Business had the Incident not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Incident would have been obtained during the relative period after the Incident.

## **6 Payments on Account**

Payments on account may be made to the Insured during the Indemnity Period at the discretion of the Insurers but in no case shall any payment exceed the Insurers' liability in respect of Reduction in Rent Receivable of each Item for the period in respect of which a payment is to be made.

## **7 Professional Accountants**

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Insurers under the Claims condition of this Policy for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Insured and their reports shall be prima facie evidence of the particulars and details to which such reports relate.

The Insurers will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or any other proofs, information or evidence as may be required by the Insurers under the terms of the Claims condition of this policy and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the sum of the amount payable under this clause and the amount otherwise payable under the Section shall in no case exceed the liability of the Insurers as stated.

## **8 Renewal**

The Insured shall prior to each renewal provide the Insurers with the Estimated Rent Receivable for the financial period most nearly concurrent with the ensuing period of insurance.

## **9 Subrogation Waiver**

In the event of a claim arising under this Policy, the Insurers agree to waive any rights, remedies or relief to which they might become entitled by subrogation against:

- a) any Company standing in the relation of Parent to Subsidiary or Subsidiary to Parent to the Insured as defined in the Companies Act or Companies (N.I.) Order, as appropriate, current at the time of the Incident
- 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 Companies (N.I.) Order, as appropriate, current at the time of the Incident
- c) any tenant or lessee in respect of CONSEQUENTIAL LOSS to that part of the premises in the demise of that tenant or lessee or to those parts of the premises in which all the tenants have a common interest where the premium has been paid by the tenant or lessee unless such CONSEQUENTIAL LOSS arises out of a criminal or malicious act of the tenant or lessee.

## Extensions

**1** Any loss as insured by this Section resulting from interruption of or interference with the Business in consequence of loss, destruction or damage at the under-noted situations or to property as under-noted shall be deemed to be an Incident, provided that, after the application of all other terms and conditions of the Policy the liability under the Extension(s) in respect of any one occurrence shall not exceed:

- a) the percentage of:
  - i) 200% of the Estimated Rent Receivable
  - ii) the Sum Insured by all other items of this Sectionor
- b) the amount shown below such situations or property as the limit.

**a) Prevention of Access**

Property in the vicinity of the Premises, loss or 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 or destruction of or damage to property of any supply undertaking from which the Insured obtains electricity, gas, water or telecommunications services which prevents or hinders the supply of such services, to the Premises.

**b) Public Utilities**

Property at any:

- i) generating station or sub-station of the public electricity supply undertaking
- ii) land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith
- iii) water works or pumping station of the public water supply undertaking
- iv) land based premises of the public telecommunications undertaking from which the Insured obtains electricity, gas, water or telecommunications services all in Great Britain or Northern Ireland.

For the purpose of the foregoing Extensions the Limit of Liability is 100%.

**c) Managing Agents**

Property at the premises of any managing agents employed or engaged to collect Rent Receivable provided that:

- a) such Rent Receivable is not paid to the Insured as a direct result of the Incident
- b) the Rent Receivable is not outstanding for 120 days in excess of its due date
- c) all reasonable steps to recover the Rent Receivable are taken
- d) such Rent Receivable is not recoverable under any other Policy

Limit 25%

## **2 Notifiable Diseases, Vermin, Defective Sanitary Arrangements, Murder and Suicide**

The insurance by this Section shall subject to all the Exclusions and Conditions of the Policy (except in so far as they may be hereby expressly varied) extend to include loss resulting from interruption of or interference with the Business carried on by the Insured at the Premises in consequence of:

- i) a) any occurrence of a Notifiable Disease (as defined below) or Legionella at the Premises or attributable to food or drink supplied from the Premises
- b) any discovery of an organism at the Premises likely to result in the occurrence of a Notifiable Disease
- ii) the discovery of vermin or pests at the Premises
- iii) any accident causing defects in the drains or other sanitary arrangements at the Premises which causes restrictions on the use of the Premises on the order or advice of the competent local authority
- iv) any occurrence of murder or suicide at the Premises.

### **Special conditions**

A Notifiable Disease shall mean illness sustained by any person resulting from:

- a) food or drink poisoning,
- or
- b) any human infectious or human contagious disease [excluding Acquired Immune Deficiency Syndrome (AIDS)], an outbreak of which the competent local authority has stipulated shall be notified to them.

B For the purpose of this Extension:

Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the occurrence discovery or accident, beginning with the date from which the restrictions on the Premises are applied (or in the case of 4 above, with the date of the occurrence) and ending not later than the Maximum Indemnity Period thereafter.

Maximum Indemnity Period shall mean 3 months.

Premises shall mean only those locations stated in the Premises definition. In the event that the policy includes an extension which deems loss, destruction or damage at other locations to be an Incident such extension shall not apply to this Extension.

- C The Insurers shall not be liable under this Extension for any costs incurred in the cleaning, repair, replacement, recall or checking of property except those costs and expenses following an outbreak of Legionella necessarily incurred with the Insurers' consent in cleaning and decontamination of the air-conditioning or water supply equipment at the Premises, the use of which has been restricted on the order or advice of the competent local authority, provided that the Insurers' liability shall not exceed £5,000 in any Period of Insurance.
- D The Insurers' total liability under this Extension shall not exceed £250,000 (or 10% of the Estimated Rent in respect of the affected premises, whichever is the less ) in any one Period of Insurance, after the application of all other terms and conditions of the policy.

## **3 Loss of Investment Income on Late Payment**

Where following an Incident the Insurers are making a payment in respect of Rent Receivable and the payment to the Insured by the Insurers is made later than the date upon which the Insured would normally expect to receive such rent from the lessee the Insurers will pay a further sum representing the interest which the Insured would have earned by placing the money in their normal deposit account on the earlier date.

#### 4 Unlawful Occupation

Subject to the conditions of the Policy loss as insured by this Section is extended to include loss resulting from interruption of or interference with the Business in consequence of access to or use of the Premises being hindered or prevented due to the Premises or property in the vicinity of the Premises or any rights of way being

- a) occupied by terrorists or persons thought to be terrorists
- b) unlawfully occupied by third parties except in the course of a dispute between any employer and employee or group of workers
- c) thought to contain or actually containing a harmful device provided that the police are immediately informed

It is understood that the Insurers shall not be liable for

- i) loss arising from any cause within the control of the Insured
- ii) loss as a result of physical loss or destruction of or damage to property
- iii) loss which is the direct result of repairs or maintenance being carried out to property as a result of inherent defect or wear and tear
- iv) any incident involving prevention or hindrance of access to or use of the Premises for less than 12 hours duration.

Limit £15,000.

#### Specification 2 to Section B1

	£
On Increased Cost of Working	Sum Insured as stated in the Schedule

The Insurance under this Section is limited to Increased Cost of Working and the amount payable as indemnity thereunder shall be the increased expenditure reasonably incurred by the Insured during the Indemnity Period in order to minimize any interruption of or interference with the Business in consequence of the Incident.

#### Definitions

**Note:** To the extent that the Insured is accountable to the tax authorities for Value Added Tax, all terms in this policy shall be exclusive of such tax.

#### Consequential Loss

'CONSEQUENTIAL LOSS', in capital letters, shall mean loss resulting from interruption of or interference with the Business carried on by the Insured at the Premises in consequence of loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business.

#### Incident

Loss or destruction of or damage to property used by the Insured at the Premises for the purpose of the Business.

#### Indemnity Period

The period beginning with the occurrence of the Incident and ending not later than the Maximum Indemnity Period thereafter during which the results of the Business shall be affected in consequence of the Incident.

#### Maximum Indemnity Period

As stated in the Schedule.

## Clauses

### 1 Professional Accountants

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Insurers under the Claims condition of this Policy for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Insured and their reports shall be prima facie evidence of the particulars and details to which such reports relate.

The Insurers will pay to the Insured the reasonable charges payable by the Insured to their professional accountants for producing such particulars or any other proofs, information or evidence as may be required by the Insurers under the terms of the Claims condition of this policy and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the sum of the amount payable under this clause and the amount otherwise payable under the Section shall in no case exceed the liability of the Insurers as stated.

### 2 Payments on Account

Payments on account may be made to the Insured during the Indemnity Period if required.

## Extensions

- 1 Any loss as insured by this Section resulting from interruption of or interference with the Business in consequence of loss destruction or damage at the under-noted situations or to property as under-noted shall be deemed to be an Incident, provided that, after the application of all other terms and conditions of the Policy the liability under the Extension(s) in respect of any one occurrence shall not exceed:
  - a) the Sum Insured by this Section  
or
  - b) the amount  
shown below such situations or property as the limit.
- a) Prevention of Access  
Property in the vicinity of the Premises, loss or 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 or destruction of or damage to property of any supply undertaking from which the Insured obtains electricity, gas, water or telecommunications services which prevents or hinders the supply of such services, to the Premises.
- b) Public Utilities  
Property at any:
  - i) generating station or sub-station of the public electricity supply undertaking
  - ii) land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith
  - iii) water works or pumping station of the public water supply undertaking
  - iv) land based premises of the public telecommunications undertaking from which the Insured obtains electricity, gas, water or telecommunications services all in Great Britain or Northern Ireland.

For the purpose of the foregoing Extensions the Limit of Liability is 100%.

c) Managing Agents

Property at the premises of any managing agents employed or engaged to collect Rent Receivable provided that:

- a) such Rent Receivable is not paid to the Insured as a direct result of the Incident
- b) the Rent Receivable is not outstanding for 120 days in excess of its due date
- c) all reasonable steps to recover the Rent Receivable are taken
- d) such Rent Receivable is not recoverable under any other Policy

Limit 25%

## **2 Notifiable Diseases, Vermin, Defective Sanitary Arrangements, Murder and Suicide**

The insurance by this Section shall subject to all the Exclusions and Conditions of the Policy (except in so far as they may be hereby expressly varied) extend to include loss resulting from interruption of or interference with the Business carried on by the Insured at the Premises in consequence of:

- i) a) any occurrence of a Notifiable Disease (as defined below) or Legionella at the Premises or attributable to food or drink supplied from the Premises
  - b) any discovery of an organism at the Premises likely to result in the occurrence of a Notifiable Disease
- ii) the discovery of vermin or pests at the Premises
- iii) any accident causing defects in the drains or other sanitary arrangements at the Premises which causes restrictions on the use of the Premises on the order or advice of the competent local authority
- iv) any occurrence of murder or suicide at the Premises.

### **Special conditions**

A Notifiable Disease shall mean illness sustained by any person resulting from:

- a) food or drink poisoning
  - or
- b) any human infectious or human contagious disease [excluding Acquired Immune Deficiency Syndrome (AIDS)], an outbreak of which the competent local authority has stipulated shall be notified to them.

B For the purpose of this Extension –

Indemnity Period shall mean the period during which the results of the Business shall be affected in consequence of the occurrence, discovery or accident, beginning with the date from which the restrictions on the Premises are applied (or in the case of (iv) above, with the date of the occurrence) and ending not later than the Maximum Indemnity Period thereafter.

Maximum Indemnity Period shall mean 3 months.

Premises shall mean only those locations stated in the Premises definition. In the event that the policy includes an extension which deems loss, destruction or damage at other locations to be an Incident such extension shall not apply to this Extension.

C The Insurers shall not be liable under this Extension for any costs incurred in the cleaning, repair, replacement, recall or checking of property except those costs and expenses following an outbreak of Legionella necessarily incurred with the Insurers' consent in cleaning and decontamination of the air-conditioning or water supply equipment at the Premises, the use of which has been restricted on the order or advice of the competent local authority, provided that the Insurers' liability shall not exceed £5,000 in any Period of Insurance.

D The Insurers' total liability under this Extension shall not exceed £250,000 (or 10% of the Estimated Rent in respect of the affected premises, whichever is the less ) in any one Period of Insurance, after the application of all other terms and conditions of the policy.

### **3 Unlawful Occupation**

Subject to the conditions of the Policy loss as insured by this Section is extended to include loss resulting from interruption of or interference with the Business in consequence of access to or use of the Premises being hindered or prevented due to the Premises or property in the vicinity of the Premises or any rights of way being

- a) occupied by terrorists or persons thought to be terrorists
- b) unlawfully occupied by third parties except in the course of a dispute between any employer and employee or group of workers
- c) thought to contain or actually containing a harmful device provided that the police are immediately informed

It is understood that the Insurers shall not be liable for

- i) loss arising from any cause within the control of the Insured
- ii) loss as a result of physical loss or destruction of or damage to property
- iii) loss which is the direct result of repairs or maintenance being carried out to property as a result of inherent defect or wear and tear
- iv) any incident involving prevention or hindrance of access to or use of the Premises for less than 12 hours duration.

Limit £15,000.

# Section B2

## Book Debts

In the event of loss or destruction of or damage to the Insured's books of account or other business books or records at the Premises during the Period of Insurance by any cause not excluded herein (loss, destruction or damage so caused being hereinafter termed DAMAGE) and the Insured be in consequence thereof unable to trace or establish the Outstanding Debit Balances in whole or in part due to them then the Insurers will pay to the Insured the amount of loss resulting from such DAMAGE in accordance with the provisions herein contained.

Provided that the liability of the Insurers shall not exceed:

- a) the Total Sum Insured stated in the Schedule at the time of the DAMAGE
- b) the Sum Insured remaining after deduction for any other DAMAGE during the same Period of Insurance, unless the Insurers shall have agreed to reinstate any such Sum Insured.

### Specification

On Outstanding Debit Balances      £      Sum Insured as stated in the Schedule

The insurance hereunder is limited to the loss sustained by the Insured in respect of Outstanding Debit Balances directly due to the DAMAGE and the amount payable in respect of any one occurrence of DAMAGE shall not exceed:

- a) the difference between:
    - i) Outstanding Debit Balances  
and
    - ii) the total of the amounts received or traced in respect thereof
  - b) the additional expenditure incurred with the previous consent of the Insurers in tracing and establishing customers' debit balances after the DAMAGE
- provided that if the Sum Insured by this Item be less than the Outstanding Debit Balances the amount payable shall be proportionately reduced.

### Definitions

#### Customers' Accounts

As stated in the Schedule.

#### Outstanding Debit Balances

The total amount due to the Insured at date of the DAMAGE.

### Clauses

#### 1 Automatic Reinstatement of Loss

In consideration of the insurance not being reduced by the amount of any loss the Insured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the Period of Insurance.

#### 2 Professional Accountants' Charges

The Insurers will pay the reasonable charges payable by the Insured to their Professional Accountants for producing any particulars or details or any other proofs, information or evidence as may be required by the Insurers under the terms of this Policy and reporting that such particulars or details are in accordance with the Insured's books of account or other business books or documents provided that the sum of the amount payable under this clause and that amount otherwise payable under this Section shall in no case exceed the Total Sum Insured hereby.

## Covers applicable to Sections A, B1 and B2

### Short Title

The following Covers are only applicable if indicated in the Schedule to be operative.

### Fire

FIRE but excluding DAMAGE or CONSEQUENTIAL LOSS caused by:

- a) explosion resulting from fire
- b) earthquake or subterranean fire

LIGHTNING

EXPLOSION

- a) of boilers
- b) of gas

used for domestic purposes only

- c) in respect of Section B1 & B2 only, of any other boilers or economisers on the Premises

but excluding DAMAGE or CONSEQUENTIAL LOSS caused by earthquake or subterranean fire.

### Theft

THEFT or ATTEMPTED THEFT or ROBBERY or ATTEMPTED ROBBERY committed on the Premises – including any directly resulting

- a) damage to the Buildings of the Premises falling to be borne by the Insured
- b) damage to glass which:
  - i) is accompanied by and directly forms part of other DAMAGE to which this Cover applies, or
  - ii) is accepted by a Police Authority as prima facie evidence of attempted theft within the meaning of this Cover but only if and so far as the glass is not more specifically insured

but excluding

- a) any loss destruction or damage contributed to or caused by any person lawfully on the premises
- b) In respect of Section A

In respect of each and every loss as ascertained after the application of any Condition of Average, the amount stated in the Schedule to be the Excess.

### Explosion

EXPLOSION excluding:

- i) in respect of Section A  
DAMAGE caused by or consisting of the bursting by steam pressure of a boiler economiser or other vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the Insured
- ii) in respect of Section B1 and B2  
CONSEQUENTIAL LOSS or DAMAGE caused by the bursting by steam pressure of any vessel, machine or apparatus (not being a boiler or economiser on the Premises) in which internal pressure is due to steam only and belonging to or under the control of the Insured.

### Aircraft

Aircraft or other aerial devices or articles dropped therefrom.

## **Riot**

RIOT CIVIL COMMOTION STRIKERS LOCKED-OUT WORKERS or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation, excluding:

- a) DAMAGE or CONSEQUENTIAL LOSS:
  - i) arising from confiscation, requisition or destruction by order of the government or any public authority
  - ii) arising from cessation of work
- b) CONSEQUENTIAL LOSS or DAMAGE arising from deliberate erasure loss distortion or corruption of information on computer systems or other records programs or software.

## **Riot and Malicious Persons**

RIOT CIVIL COMMOTION STRIKERS LOCKED-OUT WORKERS or persons taking part in labour disturbances or MALICIOUS PERSONS excluding:

- a) DAMAGE or CONSEQUENTIAL LOSS:
  - i) arising from confiscation, requisition or destruction by order of the government or any public authority
  - ii) arising from cessation of work
- b) as regards DAMAGE (other than by fire or explosion) directly caused by malicious persons not acting on behalf of or in connection with any political organisation:
  - i) DAMAGE by theft or attempt thereof
  - ii) in respect of each and every loss as ascertained after the application of any Condition of Average (Underinsurance) the amount stated in the Schedule to be the Excess
- c) CONSEQUENTIAL LOSS or DAMAGE arising from deliberate erasure, loss, distortion or corruption of information on computer systems or other records programs or software.

## **Earthquake**

EARTHQUAKE.

## **Subterranean Fire**

SUBTERRANEAN FIRE.

## **Storm**

STORM excluding:

- a) DAMAGE or CONSEQUENTIAL LOSS caused by:
  - i) the escape of water from the normal confines of any natural or artificial water course, lake, reservoir, canal or dam
  - ii) inundation from the seawhether resulting from storm or otherwise:
- b) DAMAGE or CONSEQUENTIAL LOSS attributable solely to change in the water table level
- c) DAMAGE or CONSEQUENTIAL LOSS caused by frost, subsidence, ground heave or landslip
- d) DAMAGE or CONSEQUENTIAL LOSS in respect of moveable property in the open, fences and gates
- e) In respect of Section A only  
in respect of each and every loss as ascertained after the application of any Condition of Average (Underinsurance) the amount stated in the Schedule to be the Excess.

### **Storm and Flood**

STORM and FLOOD excluding:

- a) DAMAGE or CONSEQUENTIAL LOSS attributable solely to change in the water table level
- b) DAMAGE or CONSEQUENTIAL LOSS caused by frost, subsidence, ground heave or landslip
- c) DAMAGE or CONSEQUENTIAL LOSS in respect of movable property in the open, fences and gates
- d) In respect of Section A only  
in respect of each and every loss as ascertained after the application of any Condition of Average (Underinsurance) the amount stated in the Schedule to be the Excess.

### **Escape of Water or Fuel Oil**

ESCAPE OF WATER or FUEL OIL FROM ANY TANK APPARATUS OR PIPE excluding:

- a) DAMAGE or CONSEQUENTIAL LOSS caused by water discharged or leaking from any automatic sprinkler installation
- b) In respect of Section A only  
in respect of each and every loss as ascertained after the application of any Condition of Average (Underinsurance) the amount stated in the Schedule to be the Excess.

### **Impact (Third Party Only)**

IMPACT by any mechanically propelled vehicle or by goods falling therefrom or animal not belonging to or under the control of the Insured or any occupier of the premises or their respective employees whilst in the course of their employment, but excluding DAMAGE or CONSEQUENTIAL LOSS in respect of property in transit.

### **Impact**

IMPACT by any mechanically propelled vehicle or by goods falling therefrom or animal but excluding:

- a) DAMAGE or CONSEQUENTIAL LOSS in respect of property in transit
- b) in respect of DAMAGE by mechanically propelled vehicles or animals belonging to or under the control of the Insured or any occupier of the premises or their respective employees whilst in the course of their employment, the amount stated in the Schedule to be the Excess in respect of each and every loss as ascertained after the application of any Condition of Average (Underinsurance).

### **Sprinkler Leakage**

ACCIDENTAL ESCAPE OF WATER FROM ANY AUTOMATIC SPRINKLER INSTALLATION in the premises but excluding:

- a) DAMAGE or CONSEQUENTIAL LOSS caused by explosion, earthquake, subterranean fire or heat caused by fire
- b) in respect of Section A only  
in respect of each and every loss as ascertained after the application of any Condition of Average (Underinsurance) the amount stated in the Schedule to be the Excess.

### **Subsidence**

SUBSIDENCE or GROUND HEAVE of any part of the site on which the property stands or LANDSLIP excluding:

- a)
  - i) DAMAGE to yards, car-parks, roads, pavements, walls, gates and fences unless also affecting a building insured hereby
  - ii) CONSEQUENTIAL LOSS in respect of yards, car-parks, roads, pavements, walls, gates and fences unless a building at the same premises used by the Insured for the purpose of the Business is also damaged thereby.
- b) DAMAGE or CONSEQUENTIAL LOSS 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
- c)
  - i) DAMAGE or
  - ii) loss resulting from destruction or damage which originated prior to the inception of this cover
- d) DAMAGE or CONSEQUENTIAL LOSS resulting from:
  - i) demolition, construction, structural alteration or repair of any property or
  - ii) groundworks or excavation at the same premises
- e) In respect of Section A only in respect of each and every loss as ascertained after the application of any Condition of Average (Underinsurance) the amount stated in the Schedule to be the Excess.

### **Special condition**

In so far as this insurance relates to DAMAGE or CONSEQUENTIAL LOSS caused by Subsidence, Ground Heave or Landslip:

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

### **All Other Damage**

ALL OTHER ACCIDENTAL DAMAGE excluding:

- 1 DAMAGE or CONSEQUENTIAL LOSS caused by any:
  - a) of the Covers
  - b) of the causes expressly excluded from the Coversspecified above (whether insured or not).
- 2 DAMAGE or CONSEQUENTIAL LOSS caused by or consisting of:
  - a) inherent vice, latent defect, gradual deterioration, wear and tear, its own faulty or defective design or materials
  - b) faulty or defective workmanship, operational error or omission, on the part of the Insured or any of his employees

but this shall not exclude subsequent DAMAGE or CONSEQUENTIAL LOSS which itself results from a cause which is not otherwise excluded

- 3** DAMAGE or CONSEQUENTIAL LOSS 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, texture or finish
- DAMAGE or CONSEQUENTIAL LOSS consisting of:
- 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
- CONSEQUENTIAL LOSS or DAMAGE caused by:
- e) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services except where such act is solely for the purpose of safeguarding human life
- but this shall not exclude:
- i) such DAMAGE or CONSEQUENTIAL LOSS which itself results from any accidental loss, destruction or damage not otherwise excluded
  - ii) subsequent DAMAGE or CONSEQUENTIAL LOSS which itself results from a cause not otherwise excluded
- 4** DAMAGE or CONSEQUENTIAL LOSS caused by or consisting of acts of fraud or dishonesty but this shall not exclude such DAMAGE or CONSEQUENTIAL LOSS if resulting from a cause which is not otherwise excluded
- 5** DAMAGE caused by or consisting of or CONSEQUENTIAL LOSS arising directly or indirectly from:
- a) disappearance, unexplained or inventory shortage, misfiling or misplacing of information
  - b) in respect of Sections B1 & B2 erasure, loss, distortion or corruption of information on computer systems or other records programs or software
- 6** In respect of Section A:
- a) destruction of or damage to a building or structure caused by its own collapse or cracking
  - b) in respect of Sections B1 & B2 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
- 7** In respect of Section A:
- In respect of each and every loss as ascertained after the application of any Condition of Average (Underinsurance) the amount stated in the Schedule to be the Excess.

## Exclusions applicable to Sections A, B1 and B2

- 1** DAMAGE or CONSEQUENTIAL LOSS occasioned by riot or civil commotion unless these Covers are specified in the Schedule and then only to the extent stated.
- 2**
  - a) In respect of Section A:  
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 Cover hereby insured against
    - ii) any Cover hereby insured against which itself results from pollution or contamination.
  - b) In respect of Sections B1 & B2:  
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 Cover hereby insured against
    - ii) a Cover hereby insured against which itself results from pollution or contamination.
- 3** DAMAGE or CONSEQUENTIAL LOSS in respect of:
  - 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 other than refurbishment work and extensions to existing structures having a contract value not exceeding £500,000
  - b) livestock, growing crops or trees other than potted plants, trees or shrubs located inside the building
  - c) jewellery, precious stones, precious metals, bullions, furs, curiosities, works of art or rare books in excess of £500 any one item
  - d) property more specifically insured
  - e) in respect of Section A, Consequential Loss of any kind or description.

# Section C

## Property Owners' Liability

The Insurers agree to indemnify the Insured (subject to the terms, limitations and conditions herein contained) during the period stated in the Schedule and during any subsequent period for which the Insurers shall have accepted the premium required for renewal of this Policy in respect of all sums which the Insured shall become legally liable to pay as compensation for:

### Public Liability

- a) accidental death of or accidental Personal Injury to any person other than an Employee where such death or Personal Injury arises out of and in the course of the employment
- b) accidental loss of or accidental damage to material property
- c) accidental obstruction, accidental trespass, accidental nuisance, accidental interference with pedestrian, road, rail, air or waterborne traffic, accidental invasion of the right of privacy or accidental interference with any right of air, light, water or way
- d) wrongful arrest or false imprisonment.

occurring during the currency of this Policy within The Territorial Limits in connection with the Business of the Insured.

The liability of the Insurers under this Section for all compensation payable by the Insured to any claimant or number of claimants in respect of any one occurrence or all occurrences of a series arising out of one original cause shall not exceed the Limit(s) of Indemnity stated in the Schedule.

### Exclusions to Public Liability

The indemnity granted by this Section shall not apply to or include:

- 1 liability arising from the ownership or possession or use by or on behalf of the Insured of any mechanically propelled vehicle or mobile plant:
  - a) which is licensed for road use or
  - b) for which compulsory motor insurance or security is required or
  - c) which is more specifically insured.Provided always that this Exclusion shall not apply in respect of:
  - i) liability not more specifically insured under any other policy arising during the act of loading or unloading mechanically propelled vehicles or mobile plant or the bringing to or the taking away of a load from such vehicle or such plant
  - ii) the use of any mechanically propelled vehicle or mobile plant solely as a tool of trade unless more specifically insured or unless compulsory motor insurance or security is required
  - iii) the unauthorised movement on the Insured's premises or contract site of any mechanically propelled vehicle or mobile plant unless more specifically insured or unless compulsory motor insurance or security is required.
- 2 liability arising from the ownership or possession or use by or on behalf of the Insured of craft designed to travel through air or space, hovercraft or watercraft other than barges, motor launches and non-powered craft used on inland waterways
- 3 liability arising from Products after they have ceased to be in the custody or control of the Insured other than food or beverages for consumption on the premises of the Insured or at any other premises where the Insured is carrying on the Business
- 4 loss of or damage to that part of any property upon which the Insured or any servant or agent of the Insured is or has been working where the loss or damage is the direct result of such work

- 5 loss of or damage to property belonging to the Insured or held in trust by or borrowed, rented, leased or hired for the use by the Insured but this exclusion shall not apply to:
  - a) the personal effects (including vehicles and their contents) of directors, Employees and visitors
  - b) buildings or their contents temporarily occupied by the Insured for the purpose of carrying out work therein or thereon
  - c) premises (or fixtures and fittings therein) hired, rented, leased or lent to the Insured other than such loss or damage if liability is assumed by the Insured under a tenancy or other agreement and would not have attached in the absence of such agreement.
- 6 the first £250 (Two Hundred and Fifty Pounds) of compensation payable for loss of or damage to material property in respect of any one occurrence or all occurrences of a series arising out of one original cause. Provided always that the Insured shall indemnify the Insurers in respect of any such amount for which the Insurers have made payment.

#### **Products Liability**

- A accidental death of or accidental Personal Injury to any person other than an Employee where such death or Personal Injury arises out of and in the course of the employment
- B accidental loss of or accidental damage to material property

occurring within The Territorial Limits during the currency of this Section and caused by Products. The liability of the Insurers for all compensation payable by the Insured under this Section in respect of all such death or such Personal Injury and such loss of or such damage to such material property occurring during any one Period of Insurance shall not exceed the Limit(s) of Indemnity.

If at the end of the first 12 and/or 24 months of the period of insurance shown in the schedule the aggregate limit of indemnity has been reduced by reason of claims paid or outstanding then it will be reinstated to the amount shown in the schedule as the limit of indemnity.

#### **Exclusions to Products Liability**

The indemnity granted by this Section shall not apply to or include:

- 1 replacing, reinstating, rectifying, repairing, recalling or guaranteeing the performance of any Products
- 2 liability arising from any Products:
  - a) which at the time of the contract of sale or supply are knowingly:
    - i) sold or supplied for use in craft designed to travel through air or space
    - ii) exported to the United States of America or Canada
  - b) in the custody or control of the Insured.

#### **General exclusions**

The indemnity granted by Section C shall not apply to or include:

- 1 liability in respect of liquidated damages or fines or penalties which attaches solely because of a contract or agreement.
- 2 liability arising out of professional advice given by the Insured for a fee or in circumstances where a fee would normally be charged.
- 3 any Associated or Subsidiary Company of the Insured or Branch Office or Representative of the Insured with Power of Attorney domiciled elsewhere than in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.
- 4 aggravated, exemplary, vindictive or punitive damages awarded by any Court of Law outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

## Extensions

### 1 Legal Costs

In addition to the indemnity provided by Section C the Insurers will indemnify the Insured in respect of all legal costs awarded to any claimant or incurred in the defence of any claim that is contested by or with the consent of the Insurers.

### 2 Additional Benefit

The Insurers will pay the costs incurred with its consent for:

- a) representation at any Coroner's Inquest or Fatal Inquiry in respect of any death
- b) defending in any Court of Summary Jurisdiction any proceedings in respect of any act or omission causing or relating to any event

which may be the subject of indemnity under this Policy.

### 3 Personal Representatives

In the event of the death of the Insured the indemnity provided by this Section shall apply to any personal representative of the Insured in respect of liability incurred by the Insured.

Provided always that such personal representative shall, as though he were the Insured observe, fulfil and be subject to the terms, limitations and conditions of this Policy.

### 4 Indemnity to Directors and Employees

In the event of any claim in respect of which the Insured named in the Schedule hereto would be entitled to receive indemnity under this Section being brought or made against:

- a) any director or Employee of the Insured
- b) any officer, member or Employee of the Insured's social, sports or welfare organisations or first aid, fire or ambulance services.

The Insurers will indemnify such person if the Insured so requests against such claim and/or any costs, charges and expenses in respect thereof.

Provided always that:

- i) such person is not entitled to indemnity under any other insurance
- ii) such person shall as though he were the Insured observe, fulfil and be subject to the terms, limitations and conditions of this Policy
- iii) the Insurers shall not be liable under this Extension unless the Insurers have the sole conduct and control of all claims
- iv) the total liability of the Insurers under this Extension to pay compensation shall not exceed the Limit(s) of Indemnity.

### 5 Health and Safety at Work Act 1974 – Legal Defence Costs

The Insurers will indemnify the Insured or at the request of the Insured any director or Employee of the Insured against legal costs and expenses incurred in the defence of any criminal proceedings brought for a breach of the Health and Safety at Work Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 or any regulations made thereunder committed or alleged to have been committed during the period of insurance including legal costs and expenses incurred with the consent of the Insurers in an appeal against conviction arising from such proceedings.

Provided always that the Insurers shall not be liable under this Extension for the payment of fines or penalties.

## **6 Indemnity to Principal**

In the event of any claim in respect of which the Insured would be entitled to receive indemnity under this Section being brought or made against any Public or Local Authority or other Principal the Insurers will indemnify the said Public or Local Authority or other Principal against such claim and/or any costs, charges and expenses in respect thereof.

Provided always that the Insurers shall not be liable under this Extension unless the Insurers have the sole conduct and control of all claims.

## **7 Defective Premises Act 1972**

The Insurers will indemnify the Insured against liability at law incurred by the Insured under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in connection with premises which have been disposed of by the Insured.

Provided always that the Insurers shall not be liable under this Extension:

- a) for the cost of remedying any defect or alleged defect in the said premises
- b) in respect of liability more specifically insured under any other insurance.

## **8 Contingent Motor Liability (Non-Owned Vehicles)**

The Insurers will indemnify the Insured named in the Schedule and no other for the purpose of this Extension in respect of legal liability for accidental death of or accidental Personal Injury to any person and/or accidental loss of or accidental damage to material property as within defined arising out of the use of any motor vehicle not the property of nor provided by the Insured and being used in connection with the Business.

Provided always that the Insurers shall not be liable under this Extension:

- a) in respect of loss of or damage to such vehicle or to goods conveyed therein or thereon
- b) for accidental death of or accidental Personal Injury to any person and/or accidental loss of or accidental damage to material property arising while such vehicle is being driven by the Insured or by any person who to the knowledge of the Insured or his representative does not hold a licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence
- c) in respect of liability more specifically insured under any other insurance
- d) in respect of liability arising outside The Territorial Limits.

## **9 Cross Liabilities**

Where this Policy is issued in the joint names of more than one party it will indemnify each party in the same manner as if a separate policy had been issued to each of them.

Provided always that the total liability of the Insurers under this Extension to pay compensation shall not exceed the Limit(s) of Indemnity.

## **10 Personal Liability Overseas**

This Section applies to the personal liability of any director or Employee of the Insured or any member of the family of such director or Employee whilst accompanying such director or Employee during temporary visits anywhere in the world in connection with the Business of the Insured.

Provided always that:

- 1 this Extension shall not apply to:
  - a) legal liability arising directly or indirectly from:
    - i) any agreement or contract unless liability would have existed otherwise
    - ii) the ownership or occupation of land or buildings
    - iii) the carrying on of any trade or profession
    - iv) the ownership, possession or use of fire arms (other than sporting guns), mechanically propelled vehicles, craft designed to travel through air or space, hovercraft, watercraft or animals of a dangerous species
  - b) damage to property owned or held in trust by any director or Employee or any member of the family of such director or Employee
  - c) liability more specifically insured under any other insurance
  - d) legal liability for accidental death or accidental Personal Injury to any member of the family of any director or Employee or to any Employee of any director or Employee or any member of the family of such director or Employee
- 2 any person indemnified under this Extension shall as though he were the Insured observe, fulfil and be subject to the terms, limitations and conditions of this Policy
- 3 the Insurers shall not be liable under this Extension unless the Insurers have the sole conduct and control of all claims
- 4 the total liability of the Insurers under this Extension to pay compensation shall not exceed the Limit(s) of Indemnity.

### **11 Consumer Protection Act 1987 and Food Safety Act 1990 – Legal Defence Costs**

The Insurers will indemnify the Insured or at the request of the Insured any director or Employee of the Insured against legal costs and expenses incurred in the defence of any criminal proceedings brought for a breach of Part II of the Consumer Protection Act 1987 or Food Safety Act 1990 or any regulations made thereunder committed or alleged to have been committed during the Period of Insurance including legal costs and expenses incurred with the consent of the Insurers in an appeal against conviction arising from such proceedings.

Provided always that:

- 1 the criminal proceedings relate to an offence committed in the course of the Insured's Business as within defined
- 2 this extension shall apply only to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- 3 the Insurers shall not be liable under this Extension:
  - a) where the Insured, director or Employee is insured by any other policy of Insurance
  - b) where the criminal proceedings are in respect of any deliberate or intentional criminal act or omission of the Insured, director or Employee
  - c) in respect of legal costs and expenses which the Insured, director or Employee may be ordered to pay by a Court of Criminal Jurisdiction in respect of the deliberate or intentional criminal act or omission of the Insured, director or Employee
  - d) in respect of fines or penalties
  - e) for the cost of any investigation or inquiry other than a solicitor's investigation restricted to criminal proceedings as above defined
  - f) unless the Insurers have the sole conduct and control of all claims
- 4 the Insured director or Employee shall give to the Insurers immediate notice of any summons or other process served upon the Insured, director or Employee and of any event that may give rise to proceedings against the Insured, director or Employee

### **12 Court Attendance Costs**

In the event of any of the undermentioned persons attending court as a witness at the request of the Insurers in connection with a claim in respect of which the Insured is entitled to indemnity under this Section the Insurers will 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 | £250 |
| b) any employee                           | £100 |

### **13 Libel and Slander**

The indemnity provided by Section 1 of this Policy extends to indemnify the Insured in respect of legal liability to pay compensation and claimants costs and expenses in respect of claims made against the Insured during the Period of Insurance arising from any act of libel or slander committed or uttered in good faith by the Insured during the Period of Insurance in the course of the Business.

Provided always that:

- a) the indemnity granted by this Extension shall apply solely to the Insured's in-house and trade publications
- b) the liability of the Insurers under this Extension shall not exceed £250,000 in any one Period of Insurance.

#### **14 Data Protection Act**

The Insurers will indemnify the Insured against liability at law incurred by the Insured under Sections 22 and 23 of the Data Protection Act 1984 in connection with personal data as defined by Section 1 in the said Act held by the Insured.

Provided always that the Insurers shall not be liable for:

- a) the payment of fines and penalties
- b) the cost of replacing, reinstating, rectifying or erasing any personal data.

Provided always that these Extensions are subject to the terms, limitations and conditions of the policy in so far as they can apply.

### **Definitions**

#### **The Business**

The Business shall include in addition to those activities specified in the Schedule:

- a) maintenance of property and premises owned or occupied by the Insured
- b) the provision and management of canteen, social, sports and welfare organisations for the benefit of Employees of the Insured
- c) first aid, fire and ambulance services
- d) private work carried out within The Territorial Limits by an Employee of the Insured for any director or senior executive of the Insured
- e) participation in exhibitions within The Territorial Limits.

#### **Personal Injury**

Personal Injury shall include illness.

#### **Employee**

Employee shall mean:

- a) any person under a contract of service or apprenticeship with the Insured
- b) any labour master or labour only subcontractor or persons supplied by any of them
- c) any self employed person
- d) any person under a work experience scheme
- e) any person hired or borrowed by the Insured working for the Insured in connection with the Business.

#### **Territorial Limits**

The Territorial Limits shall mean:

#### **Public Liability**

anywhere within the limits of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man and including non manual work carried out during temporary visits anywhere in the world in connection with the Business of the Insured by directors and Employees normally resident in and travelling from Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

#### **Products Liability**

anywhere in the world in respect of Products supplied in or from Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

## Products

Products shall mean any commodities or goods or any thing (including packaging, containers and labels) sold, supplied, hired out, constructed, erected, installed, treated, repaired, serviced, processed, stored, handled, transported or disposed of by or on behalf of the Insured or any structure constructed, erected or installed or contract work executed by or on behalf of the Insured in the course of the Business of the Insured.

## Clauses

### 1 Pollution

This Section excludes all liability in respect of 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 Insurers for all compensation payable in respect of all Pollution or Contamination which is deemed to have occurred during the Period of Insurance shall not exceed the Limits of Indemnity in the aggregate. Provided always that the total liability of the Insurers to pay compensation shall not exceed the Limit(s) of Indemnity specified in the Schedule.

For the purpose of this Memorandum '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 Personal Injury directly or indirectly caused by such Pollution or Contamination.

### 2 Use of Heat

It is a condition precedent to the liability of the Insurers under this Policy that the following precautions are complied with on each occasion of the use or application of heat (as defined below) taking place elsewhere than on the Insured's own premises.

- a) Application of heat by means of electric oxyacetylene or other welding or cutting equipment or angle grinders, blow lamps, blow torches, hot air guns or hot air strippers.
  - i) The area in the immediate vicinity of the work (including in the case of work carried out on one side of a wall or partition, the opposite side of the wall or partition) must be cleared of all loose combustible material; other combustible material must be covered by sand or over-lapping sheets or screens of non-combustible material.
  - ii) At least two adequate and appropriate portable fire extinguishers, in proper working order, must be kept in the immediate area of the work being undertaken and used immediately smoke or smouldering or flames are detected.
  - iii) A fire safety check of the working area must be made approximately 60 minutes after the completion of each period of work and immediate steps taken to extinguish any smouldering or flames discovered.
  - iv) Blow lamps and blow torches must be filled in the open and must not be lit until immediately before use and must be extinguished immediately after use.
  - v) A person must be appointed by the Insured to act as an observer to watch for signs of smoke or smouldering or flames.

Sub-paragraph v) does not apply to the application of heat by means of blow lamps, blow torches, hot air guns or hot air strippers.

- b) Use of asphalt, bitumen, tar, pitch or lead heaters
  - i) The heating must be carried out in the open in a vessel designed for the purpose and, if carried out on a roof, the vessel must be placed on a non-combustible heat insulating base.

## Special condition

### **Discharge of Liability**

The Insurers may at any time by the payment to or on behalf of the Insured of the maximum sum payable hereunder in respect of any one occurrence, or the balance of such maximum sum should any payments have already been made in respect of claims arising out of the same occurrence, or by the payment as aforesaid of the balance of the maximum sum payable hereunder in any one period of insurance should the same be less than either of the aforesaid amounts by reason of any payments made in connection with any previous claims together with the amount of any legal costs incurred prior to the time of such payment absolve itself from any further liability whatsoever arising out of or in connection with such occurrences and if the sum payable in respect of any claim or claims occurring in connection with or arising out of any one source or original cause exceeds the sum payable under this Section the Insured shall pay the excess and shall also pay such proportion of the law costs payable to any claimants and/or incurred in the defence of any claim or claims in respect of such occurrence as such excess bears to the total sum payable in respect of such occurrence.

# Section D

## Employers' Liability

If any person under a contract of service or apprenticeship with the Insured shall sustain any bodily injury or disease caused during any Period of Insurance and arising out of and in the course of his employment by the Insured in the Business the Insurers will indemnify the Insured against all sums for which the Insured shall be liable in respect of any claim for damages for such injury or disease settled or defended with the consent of the Insurers. The Insurers will in addition pay claimants' costs and expenses and be responsible for all costs and expenses incurred with the consent of the Insurers in defending any such claim for damages.

### **Limit of Liability**

The limit of liability payable under this Section shall not exceed the amount stated in the Schedule in respect of any one claim against or by the Insured or series of claims against or by the Insured arising out of one cause.

The limit of liability shall be inclusive of:

- i) all legal costs and other expenses incurred by any claimant or claimants
- ii) all legal costs and other expenses incurred in defending any claim or claims.

Where the Insurers agree to indemnify more than one party then nothing in this Section shall increase the liability of the Insurers to pay any amount in respect of one claim or series of claims in excess of the amount stated as the limit of liability.

### **Extensions**

#### **1 Work Overseas**

The insurance by this Section shall not apply to nor include liability in respect of any bodily injury or disease caused elsewhere than in Great Britain, Northern Ireland, the Isle of Man, or the Channel Islands but this exclusion shall not apply to employees temporarily employed elsewhere provided that the contract of service or apprenticeship was entered into in the aforesaid countries.

#### **2 Definitions of Employee**

For the purpose of this Section:

- a) any labour master or labour only subcontractor or persons supplied by any of them
- b) self employed persons
- c) persons under work experience schemes
- d) any person hired or borrowed by the Insured from another employer working for the Insured in connection with the Business shall be deemed to be employed by the Insured under a contract of service or apprenticeship.

#### **3 Indemnity to Directors and Employees**

Where specifically requested to do so by the Insured the Insurers will indemnify any director or employee of the Insured in respect of claims made against such director or employee subject to the terms and limitations of the Section.

#### **4 Indemnity to Principal**

In the event of any claim in respect of which the Insured would be entitled to receive indemnity under this Section being brought or made against any Public or Local Authority or other Principal the Insurers will indemnify the said Public or Local Authority or other Principal against such claim and/or any costs, charges and expenses in respect thereof.

## **5 Solicitors' Fees**

The Insurers will also pay solicitors' fees incurred with their consent for:

- a) representation at any Coroners' Inquest or Fatal Inquiry in respect of any death
- b) defending in any Court of Summary Jurisdiction any proceedings in respect of any act or omission causing or relating to any event which may be the subject of indemnity under this Section.

## **6 Additional Activities**

The Business shall include the provision and management of canteen, social, sports and welfare organisations for the benefit of the Insured's employees and fire and ambulance services.

## **7 Private Work**

This Section applies to private work carried out by employees of the Insured for any director and/or executive of the Insured.

## **8 Indemnity to First Aid and Medical Teams**

This Section extends to indemnify any person under a contract of service or apprenticeship with the Insured whilst acting as a member of the Insured's first aid or medical arrangements (but excluding medical practitioners) in respect of liability for damages and legal costs to any other person under a contract of service or apprenticeship with the Insured resulting from treatment given in connection with any bodily injury or disease sustained by such person and arising out of and in the course of the employment of such person by the Insured.

## **9 Health and Safety at Work Act 1974**

This Section subject to its terms and limitations extends to indemnify the Insured or any director or employee of the Insured in respect of legal fees or expenses including the costs of appeal against conviction reasonably incurred by the solicitor or firm of solicitors engaged with the Insurers' consent to act for or on behalf of the Insured or any director or employee in his defence against criminal charges brought under:

- a) Sections 36 or 37 of the Health and Safety at Work Act 1974 in respect of an offence as defined in Section 33 of the said Act
- b) Article 34 of the Health and Safety at Work (Northern Ireland) Order 1978 in respect of an offence as defined in Article 31 of the said Order

committed or alleged to have been committed during the Period of Insurance including costs of prosecution awarded against such director or employee or the Insured arising from such proceedings.

Provided always that:

- a) this Extension shall apply only to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- b) the Insurers will be under no liability:
  - i) where the Insured or any director or employee is insured by any other policy
  - ii) where the criminal charge is in respect of any deliberate or intentional criminal act of the insured or any director or employee
  - iii) in respect of legal fees and expenses which the Insured or any director or employee may be ordered to pay by a court of criminal jurisdiction in respect of the deliberate or intentional criminal act or omission of the director or employee
  - iv) in respect of fines or penalties of any kind or the costs of appeal against improvement or prohibition notices
  - v) for any part of the cost of any investigation or inquiry other than a solicitor's investigation restricted to a criminal charge as above defined

- c) The Insured or any director or employee shall give to the Insurers immediate notice of any summons or other process service upon the Insured or any director or employee and of any event that may give rise to proceedings against the Insured or any director or employee.

### **10 Unsatisfied Court Judgements**

In the event of a judgement for damages being obtained by any employee or the personal representatives of any employee in respect of bodily injury or disease of the employee caused during any Period of Insurance and arising out of and in the course of employment by the Insured in the Business against any company or individual operating from premises within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands in any court situated in the aforesaid territories and remaining unsatisfied in whole or in part six months after the date of such judgement the Insurers will pay to the employee or the personal representative of the employee at the request of the Insured the amount of any such damages and any awarded costs to the extent that they remain unsatisfied.

Provided always that:

- a) there is no appeal outstanding
- b) 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 Insurers.

### **11 Court Attendance Costs**

In the event of any of the undermentioned persons attending court as a witness at the request of the Insurers in connection with a claim in respect of which the Insured is entitled to indemnity under this Section the Insurers will 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 | £100 |
| b) any employee                           | £50  |

Provided always that:

- a) the Insurers shall not be liable unless the Insurers have the sole conduct and control of all claims covered by these Extensions
- b) these Extensions shall not apply to any liability which is covered by any other policy.

### **12 Injury to Partner or Proprietor**

In respect of bodily injury or disease to any partner or proprietor named in the Schedule as the Insured the Insurers will deem such person to fall within the Definitions of Employee.

Provided that:

- a) the bodily injury or disease arises out of and in the course of the Business of the Insured
- b) the bodily injury or disease is caused by another partner or employee working for the Insured in connection with the Business of the Insured
- c) the partner or the proprietor has a valid right of action against the party responsible for such bodily injury or disease.

PROVIDED ALWAYS THAT:

- a) the Insurers shall not be liable unless the Insurers have the sole conduct and control of all claims covered by these Extensions
- b) these Extensions shall not apply to any liability which is covered by any other policy.

## Exclusions

### 1 Work Offshore

It is agreed that this Section does not indemnify the Insured in respect of any claim(s) for damages for bodily injury or disease caused during any Period of Insurance and sustained by any person(s) employed or deemed to be employed by the Insured under a contract of service or apprenticeship:

- a) on any offshore installation or support or accommodation vessel for any offshore installation or
- b) in transit to from or between any offshore installation support or accommodation vessel for any offshore installation.

### 2 Motor

It is agreed that this Section does not provide any 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 any other Compulsory Road Traffic Legislation.

# Section E

## Business Travel

Subject to the Provisions Conditions and Exclusions and to any memoranda endorsed hereon the Insurers will indemnify the Insured in respect of any or all of the contingencies hereinafter mentioned occurring during the Period of Insurance and within the Limits of Cover.

The Insurers hereby agree:

### Sub Section 1

#### Baggage

that if personal baggage (including such baggage sent in advance) wearing apparel and other personal effects belonging to the Person Insured shall be accidentally lost or damaged the Insurers will pay the amount of such loss or damage provided that in no circumstances shall the liability of the Insurers exceed the Sum Insured stated in the Schedule.

Provided that no one item shall be deemed to exceed £250 in value unless specifically declared to and agreed by the Insurers.

#### Exclusions to Sub Section 1

The Insurers shall not be liable for:

- a) loss or damage arising from wear and tear, depreciation or occasioned by moth or vermin or any process of heating, drying, cleaning, dyeing, alteration or repair to which the property is subjected
- b) cracking, scratching or breakage of sports gear while in use or of china, glass, earthenware and the like
- c) breakdown of radios, record players, tape recorders, electrically operated instruments and the like
- d) loss of or damage to coin, bank and currency notes, travellers' cheques, letters of credit, credit cards, travel tickets, vouchers, bonds, negotiable instruments, coupons or securities, passports or documents
- e) loss of or damage to property occurring in the course of a household removal
- f) loss or damage occasioned by or in consequence of confiscation or detention by Customs or other Authorities
- g) the first £10 of each and every loss or damage.

### Sub Section 2

#### Money

that if coins, bank and currency notes, travellers' cheques, letters of credit, travel tickets, vouchers and petrol coupons belonging to the Insured or the Person Insured and taken on a Journey shall be accidentally lost or damaged the Insurers will pay the amount of such loss or damage provided that in no circumstances shall the liability of the Insurers exceed the Sum Insured stated in the Schedule.

#### Exclusions to Sub Section 2

The Insurers shall not be liable for:

- a) any shortages due to error omission or depreciation in value
- b) any loss not reported to the Police within 24 hours of discovery
- c) loss or damage occasioned by or in consequence of confiscation or detention by Customs or other Authorities
- d) the first £10 of each and every loss or damage.

## Sub Section 3

### Losses Incurred by cancellation or curtailment

that if a Journey to which this Policy applies shall necessarily be cancelled or curtailed because of:

- 1) injury to or death or illness of the Person Insured or the husband, wife, father, mother, brother, sister, child or close business associate of the Person Insured or any person with whom the Person Insured intended to travel
- 2) the Person Insured being subject to quarantine or being required for Jury Service or as a witness in a Court of Law
- 3) the home of the Person Insured being rendered uninhabitable by fire, explosion, malicious damage, storm, flood or burst pipes
- 4) the presence at home of the Person Insured being requested by the police following burglary or attempted burglary at the home or place of business of the Person Insured

so that the travel or other accommodation which was booked prior to the start of the Journey is unused the Insurers will reimburse charges made upon the Insured or the Person Insured and not otherwise recoverable in respect of such unused accommodation together with the necessary and reasonable additional travel expenses incurred in the event of the Journey being curtailed provided that in no circumstances shall the liability of the Insurers exceed the Sum Insured stated in the Schedule.

Provided that the Insurers shall not be liable for any loss consequent upon injury to or death or illness of any person aged over 75.

## Sub Section 4

### Medical and Emergency Travel Expenses

that if the Person Insured shall sustain accidental bodily injury or contract illness the Insurers will reimburse up to the limit of the Sum Insured stated in the Schedule expenses reasonably and necessarily incurred as a direct result of the injury or illness for:

- 1) medical surgery or other remedial treatment and hospital nursing home and ambulance services incurred outside the United Kingdom
- 2) additional accommodation or travel arrangements for the Person Insured or any relative or friend travelling to or remaining with the Person Insured
- 3) in the event of death, burial abroad or transporting the body or ashes to the United Kingdom.

### Exclusions to Sub Section 4

The Insurers shall not be liable for:

- a) dental or optical expenses unless required in consequence of accidental bodily injury
- b) the first £10 of each and every claim.

### Exclusions to Sub Sections 3 & 4

The Insurers shall not be liable for:

- a) any expense or claim of a nature which could reasonably have been foreseen by the Insured or the Person Insured from circumstances known or details available at the time of booking the Journey or before the Journey is commenced
- b) any expense or claim in respect of any Person Insured aged 65 years or over who has not provided satisfactory medical evidence of fitness to travel to the Insurers before undertaking the journey involved
- c) any claim arising from travel arrangements made or undertaken against the advice of any Medical Practitioner
- d) expenses arising from acute or chronic medical condition or physical infirmities affecting mobility existing at the commencement of the Period of Insurance and not disclosed to the Insurers before such commencement

- e) expenses caused prolonged or complicated by pregnancy known at the time the Journey is commenced
- f) expenses caused by the Person Insured motor cycling, hunting, mountaineering, pot-holing, playing football, polo or ice hockey, skiing, tobogganing, racing or flying (except as a passenger and not as a member of the crew or for the purpose of engaging in any trade or technical operation therein, in any properly certified or licensed power-driven aircraft constructed to carry passengers)
- g) expenses caused by the Person Insured being insane, under the influence of drink or drugs, contracting venereal disease, committing suicide or any act of intentional self-injury.

## Sub Section 5

### Personal Public Liability

that if the Person Insured in his or her private capacity shall become legally liable for:

- a) accidental bodily injury (fatal or non-fatal) to any person other than a person in the service of the Person Insured or any member of the family or household of the Person Insured
- b) accidental loss of or damage to property not belonging to nor held in trust by or in the custody or control of the Person Insured or any servant or member of the family or household of the Person Insured

occurring during the Period of Insurance then, in respect of such injury loss or damage, the Insurers will at the request of the Insured indemnify the Person Insured or, in the event of his or her death, the legal personal representatives against all sums which the Person Insured shall become legally liable to pay as compensation and all law costs awarded to any claimant or incurred in the defence of any claim that is contested by or with the consent of the Insurers.

The total liability of the Insurers under this Section in respect of any one claimant or any number of claimants arising out of any one occurrence or in respect of or arising out of all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the sum of £500,000.

### Exclusions to Sub Section 5

The Insurers shall not be liable for:

- a) liability which attaches by virtue of an agreement but would not have attached in the absence of such agreement
- b) claims for injury loss or damage arising from:
  - i) ownership or use of aircraft, mechanically propelled vehicles, waterborne craft, animal (other than horses, domestic dogs or cats) or firearms other than sporting guns
  - ii) the occupation or ownership of any land or building
  - iii) racing or the pursuit or exercise of any trade or profession
  - iv) wilful or malicious acts.

### General exclusions to Section E

The Insurers shall not be liable for:

- a) loss, damage, death, injury, illness, disablement or expense resulting from manual work of any kind engaged in during the period of the Journey
- b) loss, destruction or damage directly occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
- c) loss, damage, death, injury, illness, disablement or expenses caused by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, or taking part in civil commotion or riot of any kind

- d) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from:
  - i) ionising radiations or contamination by radioactivity from any nuclear waste from the combustion of nuclear fuel
  - ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- e) any injury, illness, death, loss, expense or other liability attributable to HIV (Human Immunodeficiency Virus) and/or HIV related illness including AIDS (Acquired Immune Deficiency Syndrome) and/or any mutant, derivative or variations thereof howsoever caused.

### **Europ Assistance Medical Emergency Service (available only if Section 4 is operative)**

All persons resident in the United Kingdom who are travelling abroad and are covered by this Policy can call on the emergency service facilities of Europ Assistance Ltd.

REPATRIATION OF PATIENTS – If in the opinion of Europ Assistance’s Medical Advisers it would be preferable to repatriate a patient to the UK the transfer will be undertaken by normal passenger air services or road ambulance. However, if a patient’s condition warrants urgent treatment Europ Assistance will utilise an air ambulance subject to consultations between the doctor in attendance and the Europ Assistance Medical Advisers. (Kindly note that in respect of any journey beyond Europe (including Eastern Europe, countries bordering the Mediterranean, Madeira and the Canary Islands) it would only be possible for the repatriation of a patient to be undertaken by regular airline services). Remember that in the case of a patient requiring repatriation the attending doctor must provide a certificate confirming that the patient is fit to travel since without this the airline ferry company operators reserve the right to refuse to carry any sick or injured person.

CONFIRMATION OF PAYMENT – Hospitals or doctors abroad will be contacted and their appropriate fees guaranteed thus eliminating the necessity for the patient to make payment out of his or her own funds.

Expenses incurred by providing the above facilities will be met up to the limits specified in this Policy. The operation and availability of the Service will be governed by the same general terms, Conditions and Exclusions that appear in the main policy.

SPECIAL NOTE – If an emergency situation arises requiring an air ambulance repatriation it may be that the cost of such facility would exceed the Sum Insured under the Medical Expenses Section of this Policy. In these circumstances the full cost of such air ambulances will be borne by the Eagle Star Insurance Company Limited.

You can contact Europ Assistance’s constantly-manned customer assistance centre at any time of day or night. The call will be answered by an experienced assistance co-ordinator to whom you should give all relevant information, including your scheme code.

FIRST DIAL THE UK CODE, THEN

**1444 442800**

Please note:

If you are travelling in the USA or Canada you may call the following toll-free number for a referral to a medical practitioner or hospital

**1-800-852-7747 (1-800-UK-ASSIST)**

**TELEFAX 1444 410164/TELEX 947736 EURA G**

**e-mail: [brief@europ-assistance.com](mailto:brief@europ-assistance.com)**

# Section F

## Personal Accident

If at any time during the Period of Insurance the Assured shall sustain accidental bodily injury by violent, external and visible means (which expression shall include exposure resulting from a mishap to an aircraft vehicle or vessel in or on which the Assured is travelling) which occurs within the Limits of Cover then subject to the Provisions, Conditions and Exclusions and to any memoranda endorsed hereon the Insurers will reimburse the Insured in respect of payment to the Assured or the Assured's legal personal representatives as the case may require of the sum or sums set out in the Table of Benefits.

In the event of the disappearance of the Assured the Insurers will, after a reasonable time has elapsed and upon production of evidence to the satisfaction of the Insurers that the death of the Assured as the sole and direct result of bodily injury as defined in this Section may reasonably be presumed, pay the amount of benefit subject to an undertaking in writing to refund the sum so paid if such death is subsequently found not to have occurred.

### Exclusions to Section F

This policy does not apply to death, injury, loss or disablement

- a) caused
  - i) prolonged or complicated by any pre-existing physical weakness, defect or disease or by any injury sustained prior to that in respect of which a claim is made hereunder
  - ii) by the Assured motor-cycling, hunting, mountaineering, racing (other than foot), playing football, ice-hockey or polo, skiing, tobogganing, parachuting, hang-gliding, pot-holing, using power-driven woodworking machinery
  - iii) by the Assured flying (except as a passenger and not as a member of the crew or for the purpose of engaging in any trade or technical operation therein in any properly certificated or licensed power-driven aircraft constructed to carry passengers)
  - iv) by the Assured being insane or under the influence of drink or drugs, committing suicide or any act of intentional self-injury, being or having been pregnant, or taking part in civil commotion or riot of any kind
  - v) by war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.
- b) sustained by an Assured before such person has attained the Lower Age Limit or after the expiry of the Period of Insurance during which such person attained the Upper Age Limit.

### Provisions

- 1 Benefit 5 shall be payable:
  - a) at the end of the period of disability but the Insurers will on request make interim payments at not less than four-weekly intervals
  - b) for not more than 104 weeks in respect of any one injury.
- 2 The Insurers shall not in respect of the same accident be liable to pay in respect of any one Assured more than one on the Benefits 1 – 4 nor shall more than one Benefit be payable in respect of the same period of time.
- 3 Benefit shall only be payable provided death or loss occurs or disablement commences within twelve months of the date of the injury.
- 4 'Loss of limb' shall mean total loss by physical separation at or above the wrist or ankle or permanent total loss of use of an entire hand arm foot or leg.
- 5 'Usual occupation or business' shall mean the occupation of the Assured as stated in the Insured's books at the date of the injury.
- 6 The total amount payable by the Insurers under this Policy in respect of all Assured travelling in any one aircraft shall not exceed £250,000.

## Conditions Applicable to Section F

Notice shall be given to the Insurers as soon as reasonably possible, but in any event within three calendar months, of any accident likely to give rise to a claim. No benefit shall be payable in respect of any period prior to within seven days of the receipt of such notice. All certificates, information and evidence in such form and of such nature and within such time as the Insurers may reasonably require shall be furnished without expense to the Insurers. The Insurers shall be entitled in the case of non-fatal injury to call for examination by a medical referee appointed by the Insurers whenever required by the Insurers and in the event of death to have a post-mortem examination.

# Section G

## Computers

### Sub Section 1

#### **Computer Material Damage**

The insurance by this Sub-Section is in respect of:

- a) damage to Computer Equipment or Auxiliary Equipment at the Premises specified in the Schedule caused by its own Breakdown for which the Insured is responsible under the terms of an Approved Maintenance Agreement
- b) loss of or damage to Computer Media at any situation or in transit anywhere in the world.

### Sub Section 2

#### **Computer Additional Expenditure**

The insurance by this Sub-Section is in respect of additional expenditure necessarily and reasonably incurred by the Insured to:

- a) prevent or minimise the interruption of or interference with the work normally carried out by or on the Computer Equipment excluding additional expenditure more specifically described under Sub-Section 2b
- b) recompile or restore data or software or replace third party proprietary software

in consequence of an Accident which manifests itself during the Period of Insurance.

### Definitions

#### **Computer Equipment**

Computer equipment (including fixed disks and interconnecting wiring) used for electronic processing communication and storage of data the property of the Insured or leased hired or rented to the Insured excluding equipment more specifically described under Auxiliary Equipment and Computer Media.

#### **Auxiliary Equipment**

Auxiliary equipment comprising temperature and environmental control power supply and voltage regulating equipment and protective devices exclusively for use with the Computer Equipment the property of the Insured or leased hired or rented to the Insured.

#### **Computer Media**

Computer media of all types (other than paper records) the property of the Insured or leased hired or licensed to the Insured.

#### **Breakdown**

The actual breaking or failure of any part of the equipment whilst in ordinary use arising from either mechanical or electrical defect causing stoppage of the function thereof which necessitates repair or replacement in order to continue normal working.

### **Accident**

- a) damage to Computer Equipment or Auxiliary Equipment at the Premises caused by its own breakdown
- b) physical loss of or damage to property in the vicinity of the Computer Equipment or the Situation specified or the exercise by any public or police authority of its powers for the sole purpose of safeguarding life or property which prevents access to or use of the Computer Equipment by the Insured
- c) erasure, destruction corruption or distortion of software contained or data stored on fixed disks or Computer Media.
- d) damage to Computer Media at the Premises or at any other premises or in transit anywhere in the world
- e) the failure or fluctuation of the supply of electricity to the Computer Equipment
- f) the failure of any telecommunications system linked to the Computer Equipment

### **Approved Maintenance Agreement**

An agreement which provides on-call remedial maintenance encompassing free repair or replacement in the event of breakdown arising out of normal use. The Insured shall supply to the Insurers a copy of any such agreement on request.

### **Limit of Liability**

The amount of liability under this Section shall not exceed in addition to the amounts stated in the Extensions the Sums Insured stated in the Schedule.

Payment of a claim made under this Section shall not reduce the Sums Insured except upon written notice by the Insurers to the contrary. Provided that the Insured shall where the payment exceeds £10,000 pay such additional premium as may be required by the Insurers.

### **Extensions**

The insurance by Sub-Section 1 is extended to cover:

#### **1 Transit**

loss of or damage to Computer Equipment whilst in transit and whilst at any situation in the world other than the Premises specified in the Schedule Provided that the amount payable under

Sub-Section 1 shall not exceed:

- a) £5,000 in respect of each occurrence of theft
- b) £25,000 in respect of any other occurrence

#### **2 Investigation**

the costs (including cost of consultant's fees) incurred with the prior consent of the Insurers of conducting investigations and tests in respect of possible repair, replacement or restoration following loss or damage covered by Sub-Section 1. Provided that the amount payable in respect of any one occurrence shall not exceed £25,000

### **3 Incompatibility of Computer Media**

the costs of:

- a) modification of the Computer Equipment or Media
- b) replacement of Computer Media together with the restoration of data or software on such media whichever is the lesser amount to achieve compatibility in the event that the loss of Computer Equipment covered by Sub-Section 1 has resulted in undamaged Computer Media being incompatible with the replacement Computer Equipment. Provided that the amount payable shall not exceed in respect of any one occurrence twenty five percent (25%) of the Sums Insured in respect of Sub-Sections 1 and 2 in the aggregate or £50,000 whichever is the lesser amount

### **4 Recharging of Gas Cylinders**

the cost of recharging gas cylinders installed solely for the protection of the property covered by Sub-Section 1 following accidental discharge.

But excluding discharge arising:

- a) during repairs or alterations to the building in which the cylinders are situated
  - b) during installation, repair, removal, alteration, extension or testing of all or part of the gas flooding system
  - c) during the operation of the gas flooding system with the intention of preventing or extinguishing fire
- Provided that the amount payable in respect of any one occurrence shall not exceed £10,000

The insurance by Sub-Section 2 is extended to cover:

#### **1 Additional Lease Charges**

additional lease or hire charges arising out of the replacement of a lease or hire agreement in respect of the Computer Equipment by a new agreement for similar equipment in consequence of loss or damage covered by Sub-Section 1.

Provided that:

- a) the period in respect of which such charges shall be paid shall not extend beyond the expiry date of the original agreement
- b) the total additional charges payable in respect of any one occurrence shall not exceed £25,000

#### **2 Accountants Fees**

professional accountants fees necessarily and reasonably incurred for producing any particulars or any other proofs, information or evidence as maybe required under the Claims Procedure condition and reporting that such particulars are in accordance with the Insureds books of accounts or other business books or documents.

Provided that the amount payable in respect of any one occurrence shall not exceed £25,000.

## **Conditions**

### **Duplicate Records**

1 The Insured shall:

- a) back-up data records no less frequently than once every seven days and store such back-up records away from the Premises
- b) retain duplicate records of software and store such duplicate records away from the Premises
- c) store all Computer Media in accordance with the manufacturers' recommendations.

## Exclusions

### 1 Breakdown

The Insurers shall not be liable under Sub-Section 1 in respect of:

loss of or damage to any item of Computer Equipment or Auxiliary Equipment occasioned by its own breakdown unless there is in force an Approved Maintenance Agreement in respect of the item

### 2 Guarantee or Maintenance

loss or damage for which:

- a) any manufacturer, supplier, agent or maintenance undertaking is responsible under the terms of a guarantee or maintenance agreement
- b) the Insured is relieved of responsibility under any rental hire or lease agreement

The Insurers shall not be liable under Sub-Section 2 in respect of:

### 1 Unproven Software

any additional expenditure in consequence of the use by the Insured of software in respect of which development has not been finalised or which has not passed all testing procedures or which has not been successfully proven

### 2 Incorrect Storage

any additional expenditure in consequence of failure to comply with manufacturers' recommendations relating to storage of Computer Media

### 3 Time Limitation

any additional expenditure commencing more than twelve (12) months after the date on which the Accident manifests itself.

The Insurers shall not be liable under this Section in respect of:

### 1 Excess

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

### 2 Fire and other Covers

loss or damage or any additional expenditure resulting from:

- a) any of the Covers
- b) any of the causes expressly excluded from the Covers (other than in respect of cover specifically provided by this Section)

specified under Sections A, B1 and B2 of this Policy (whether insured or not).

### 3 Property in Vehicles

loss of or damage to the property insured and any additional expenditure in consequence thereof whilst such property is in a vehicle unless:

- a) the property is securely mounted or kept in a suitable container in the vehicle
- b) the vehicle is in a locked garage when left unattended overnight
- c) the doors of the vehicle are locked and all its windows and other openings fully closed and properly fastened when unattended
- d) the property is concealed from view in a locked boot in any unattended motor car

#### **4 Programming Errors or Design Defects**

- a) the costs of rectifying programming errors or design defects in software
- b) in respect of third party proprietary software only any additional expenditure in consequence of programming errors or design defects but this Exclusion shall not apply to additional expenditure consequent upon erasure, destruction, corruption or distortion of other software caused by programming errors or design defects in third party proprietary software

#### **5 Value of Data**

the value to the Insured of data stored on Computer Equipment or Computer Media

#### **6 Wear and Tear**

wear and tear, gradual deterioration due to atmospheric conditions or otherwise rust corrosion or oxidisation or scratching of painted or polished surfaces and any additional expenditure in consequence thereof

#### **7 Wilful Act**

loss, damage or additional expenditure caused by the wilful act or wilful neglect of the Insured

#### **8 Consequential loss**

liquidated damages penalties for delay or detention or in connection with guarantees of performance or efficiency or consequential loss or damage not specifically provided for herein.

# Section H

## Breakdown and Explosion of Machinery

### Cover

#### 1 Breakdown

Damage to any item of Machinery at the Premises caused by its Breakdown.

#### 2 Pressure Plant Damage

Sudden and Unforeseen Damage to any item of Pressure Plant at the Premises.

#### 3 Steam Explosion

Damage caused by Steam Explosion to any item of Pressure Plant and other property belonging to the Insured or held by the Insured in trust for which the Insured is responsible.

### Definitions

#### Breakdown

- a) The actual breaking distortion or burning out of any part of an item of Machinery whilst in ordinary use arising from either mechanical or electrical defect in the item causing its sudden stoppage including any resultant loss of cooling, lubricating or insulating oil or refrigerant or brine
- b) The fracturing of any part of an item of Machinery by frost when such fracture renders the item inoperative

#### Steam Explosion

The sudden and violent rending of pressure plant by force of internal steam or other fluid pressure (other than pressure of chemical action or of ignition of the contents or of ignited flue gases) causing bodily displacement of any part of the pressure plant together with forcible ejection of its contents.

#### Machinery

All machinery and plant owned by or leased to the Insured for the purpose of the Business but excluding:

- a) office machinery and data processing equipment
- b) vehicles or self-propelled machinery other than purpose built lifting and handling machinery
- c) machinery and plant which is prototype or experimental
- d) machinery and plant located underground
- e) stock in trade and products of the Business.

#### Business

The business described in the Schedule carried on by the Insured at the Premises specified in the Schedule.

#### Pressure Plant

Plant forming part of the Machinery consisting of boilers economisers and all other plant subject to steam pressure.

#### Sudden and Unforeseen Damage

Sudden and unforeseen damage (excluding Steam Explosion) which in the opinion of the Insurers necessitates immediate repair or replacement to enable normal working to resume.

#### Limit of Liability

The amount of liability under this Section shall not exceed in respect of any one occurrence the Sum Insured or Limit of Liability stated in the Schedule.

## Extensions

The insurance by this Section is extended to cover:

### 1 Expediting Expenses

Expenses necessarily and reasonably incurred by the Insured in making temporary repairs and expediting permanent repair including overtime working and the use of rapid transport in consequence of damage for which the Insured is indemnified by this Section Provided that the amount payable in respect of any one occurrence shall not exceed 50% of the normal cost of repair or £2,500 whichever is the lower.

## Conditions

### 1 Restricted Life

The indemnity provided in respect of conveyor belts, refractory materials and other parts of the property insured which have a limited working life shall be restricted to the value of such part or parts at the time of the indemnifiable occurrence due allowance having been made for the length of the time the part or parts have been in service.

## Exclusions

The Insurers shall not be liable in respect of:

### 1 Excess

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

### 2 Fire and other Covers

loss or damage or any additional expenditure resulting from:

- a) any of the Covers
- b) any of the causes expressly excluded from the Covers (other than in respect of cover specifically provided by this Section)

specified under Sections A, B1 and B2 of this Policy (whether insured or not).

### 3 Application of Tools

damage caused by the application of any tool or process to any item of Machinery in the course of maintenance inspection repair alteration modification or overhaul

### 4 Testing

damage to any item of Machinery which at the time of the occurrence of such damage is undergoing an hydraulic test or any form of testing involving abnormal stresses or intentional overloading

### 5 Breakdown of New Machinery

damage to any item of Machinery due to its own breakdown or explosion occurring within 30 days of its initial installation at the Situation Machinery specified in the Schedule

### 6 Renewable Parts

damage to tools, dies, moulds and parts requiring periodical renewal

## **7 Wear and Tear**

the cost of rectification or making good:

- a) wear and tear gradual deterioration due to atmospheric conditions or otherwise rust, corrosion or oxidisation or scratching of painted or polished surfaces
- b) gradually developing defects, flaws, deformation, distortion, cracks or partial fractures but insured damage resulting therefrom is not excluded

## **8 Wilful Act**

damage caused by the wilful act or wilful neglect of the Insured

## **9 Consequential Loss**

liquidated damages, penalties for delay or detention or in connection with guarantees of performance or efficiency or consequential loss or damage not specifically provided for herein.

# Section I

## Legal Expenses

This is to certify that in accordance with the authorisation granted under the contract by certain Underwriters at Lloyd's (hereinafter referred to as the Underwriters whose names and proportions underwritten by them which will be supplied on application, can be ascertained by reference to the said Contract which bears the Seal of Lloyd's Signing Office and in consideration of the premium specified in the Schedule having been paid and declared to the Underwriters the Underwriters are hereby bound each for his own part and not one for another their Heirs Executors and Administrators to insure in accordance with the terms conditions and exclusions contained or endorsed herein)

Now we the underwriters hereby agree to the extent and in the manner hereinafter provided to indemnify:

- a) the Insured
- b) the Insured Employee
- c) the Insured Director

up to the Limit of Indemnity for the Professional Costs and Expenses of Proceedings within the Territorial Limits incurred in respect of the Subject Matter of Insurance when the Insured Event occurs within the Period of Insurance and within the Territorial Limits.

### Definitions

- 1** a) Insured means the company, firm, individual or other body named in the Schedule and shall include wholly owned subsidiary companies whose names appear in the Schedule  
b) Insured Employee means any employee of the Insured  
c) Insured Director means any director of the Insured and shall include executive officers of the Insured
- 2** Professional Adviser means the solicitor or accountant or other appropriately qualified person firm or company nominated pursuant to General Conditions 5 to act for the Insured.
- 3** Professional Costs and Expenses means reasonable unrecovered fees costs and disbursements reasonably properly and necessarily incurred by the Professional Adviser and the costs on the standard basis of any civil proceedings incurred by a third party for which the Insured may be made liable by order of a court or by agreement.
- 4** Proceedings means civil criminal tribunal or arbitration proceedings or appeals arising therefrom.
- 5** Limit of Indemnity means the amount specified in the legal expenses section of the Schedule being the maximum sum payable by the Underwriters after aggregation of all Professional Costs and Expenses in respect of an Insured Event.
- 6** Insured Event means the incident or the start of a transaction or series of incidents which may lead to a claim or claims being made under this Certificate. In employment disputes arising from a Dismissal the Insured Event shall be construed as the effective date of termination of employment in respect of unfair wrongful or constructive Dismissal Proceedings. In accountancy matters the Insured Event is defined in the appropriate Section of Cover. For the purposes of the Limit of Indemnity only one Insured Event shall be deemed to have arisen from all causes or by action incidents or events which are related by cause or by time.
- 7** Dismissal has the meaning given to it by SS55 and 56 of the Employment Protection (Consolidation) Act 1978 as amended.

- 8** Attendance Expenses means the salary or wages of any employee director or other officer of the Insured for the periods he is absent from work to attend at any court or tribunal hearing either:
- a) as a witness on behalf of the Insured and at the request of the Professional Adviser in respect of a matter involving a valid claim under this Certificate
  - b) as a party to the proceedings and at the request of the Professional Adviser in respect of a matter involving a valid claim under this Certificate
  - c) as a juror
- for each half or full day of such attendance and shall be calculated on the basis that:
- i) the period of absence from work shall include the time taken to travel to and from the hearing
  - ii) the period of absence from work shall be calculated to the nearest half day taking an eight hour day to be a whole day for this purpose and the maximum period for which a claim can be made in respect of any one day
  - iii) for full-time employees one whose day's salary or wages equals 1/250th of the employee's annual salary or wages at the time of such attendance
  - iv) for part-time employees the salary or wages for the period of absence from work shall bear the same proportion of their weekly salary or wages as the period of absence from work bears to their normal working week for the Insured
  - v) the maximum payable in respect of one eight hour period shall be £100 per person.
- 9** VAT Dispute means a disagreement with H M Customs & Excise regarding the amount of VAT payable by the Insured.
- 10** In-depth Investigation means the Inland Revenue system introduced in 1977 for examining accounts. It consists of a detailed examination of the latest accounts of the Insured submitted to the Inland Revenue involving enquiries into the records and underlying information from which they were constructed.
- 11** PAYE Audit Inspection means an inspection of the Insured's PAYE and NI records and returns of expenses payments by the PAYE audit unit of the Inland Revenue or a compliance visit by the Inland Revenue.
- 12** EA means Eastgate Assistance.
- 13** Awards of Compensation means basic and compensatory awards made against the Insured under the legislation defined in the Sections of Cover by Industrial Tribunals Employment Appeal Tribunals or superior courts or settlement to which EA's prior approval has been given. The term does not include awards made under Ss58, 59(a) and 71 of the Employment Protection (Consolidation) Act 1978 as amended nor does it include settlement of Proceedings thereunder Awards of Pay redundancy payments notice entitlements of pay in lieu thereof or fines or penalties imposed by a court of criminal jurisdiction.
- 14** Reinstatements/Re-engagement awards means awards made against the Insured when an Industrial Tribunal Employment Appeal Tribunal or superior court makes an order for reinstatement or re-engagement under S69 of the Employment Protection (Consolidation) Act 1978.
- 15** Awards of Pay means awards made under S53 of the Employment Protection (Consolidation) Act 1978 when an Industrial Tribunal declares the 'written statement' to have been inadequate or untrue. It does not include awards made when the Insured has unreasonably refused to supply the written statement.
- 16** Statutory Licence means a licence issued under statute or statutory instrument or by government or local authority to the Insured where such licence is necessary to engage in the business or trade specified in the legal expenses section of the Schedule listed as current in the proposal.

## Sub Sections of Cover

The Sub-Sections of Cover available are shown on the following pages of this Section. The Sub-Sections of Cover Operative under this Section are those stated as operative in the Legal Expenses Section of the Schedule.

### Sub Section 1

#### Lease Cover

Professional Costs and Expenses and Attendance Expenses incurred by the Insured in the pursuit or defence of proceedings between the Insured and his/her tenant under the terms of a lease or tenancy agreement and applying to premises owned by or in the control of the Insured following an alleged breach of the lease or tenancy agreement provided the premises to which the dispute relates are insured under the policy to which this certificate is attached.

#### Exceptions

The Underwriter will not be liable in respect of:

- a) any claim arising from or relating to negotiations regarding the renewal of the lease or tenancy agreement
- b) any claim arising from or relating to a rent review
- c) any claim arising from or relating to the supply of services by or through the landlord
- d) the recovery of undisputed debts
- e) any claim where the Insured Event occurs within 90 days of the start of the first Period of Insurance
- f) any claim where the amount in dispute is less than the minimum amount shown in the Schedule excluding VAT and (where the Insured is Defendant) the fixed costs on the issue of the summons writ or other originating process.

### Sub Section 2

#### A. Property Protection Cover

Professional Costs and Expenses and Attendance Expenses incurred by the Insured in pursuit of Proceedings against a third party (other than an employee or former employee of the Insured) following an act or omission relating to property owned by the Insured which results in or is likely to result in:

- i) physical damage to that property and/or
- ii) pecuniary loss to the Insured.

#### Exceptions

The Underwriters will not be liable in respect of:

- a) any claim arising from a contract made between the Insured and a third party other than a contract for the repair renovation re-instatement or decoration of real property
- b) any claim arising from a lease or licence to occupy land or property and disputes relating to the occupation of land or property owned by the Insured by a party or parties whose licence to occupy such property has been determined or revoked or which was never granted by or on behalf of the Insured
- c) any claim involving goods in transit or goods hired or lent to third parties or goods at premises other than those occupied by the Insured unless they are at such premises for the purpose of installation or use in work carried out by the Insured
- d) any claim involving a motor vehicle belonging to or in the possession of the Insured except whilst on the business premises of the Insured
- e) any claim arising from an appeal against refusal of planning permission.

## **B. Tenancy Disputes Cover**

Professional Costs and Expenses and Attendance Expenses incurred by the Insured in the pursuit or defence of Proceedings between the Insured and his landlord under the terms of the lease of tenancy agreement applying to the business premises of the Insured specified in the Schedule.

The Underwriters will not be liable in respect of:

- a) any claim arising from or relating to the amount payment or non-payment of rent
- b) any claim arising from or relating to the renewal of the lease or tenancy agreement.

## **C. Statutory Licence Protection Cover**

Professional Costs and Expenses and Attendance Expenses incurred by the Insured in an appeal to the relevant statutory body court or tribunal where the relevant authority suspends revokes alters the terms of or refuses to renew the Insured's licence(s) specified in the Schedule.

### **Condition**

Details of any new licence effected by the Insured during the Period of Insurance must be notified to EA.

## **Sub Section 3**

### **Contract Cover**

Professional Costs and Expenses and Attendance Expenses incurred by the Insured arising from any dispute between the Insured and a customer or supplier in respect of:

- i) Products. A contract for the sale purchase hire purchase or lease of goods entered into after the start of the First Period of Insurance
- ii) Services. A contract for the supply or receipt of services entered into after the start of the First Period of Insurance.

### **Exceptions**

The Underwriters will not be liable in respect of:

- a) any claim arising from a lease or licence to occupy land or property including claims relating to the supply of services by or through the landlord
- b) the defence of any Proceedings relating to professional negligence or alleged professional negligence
- c) any claim arising from the sale purchase hire purchase lease service repair or test of a motor vehicle
- d) any claim where the Insured Event occurs within 90 days of the start of the first period of insurance
- e) the recovery of undisputed debts
- f) any claim where the amount in dispute is less than the minimum amount shown in the Schedule excluding VAT and (where the Insured is Defendant) the fixed costs on the Issue of the summons writ or other originating process.

## Sub Section 4

### Employment Cover

Professional Costs and Expenses and Attendance Expenses incurred by the Insured:

- A In defending civil proceedings under the following Acts and any amending legislation (the Acts):
- i) Employment Protection Act 1975
  - ii) Sex Discrimination Acts 1975 and 1986
  - iii) Health and Safety at Work etc. Act 1974
  - iv) Race Relations Act 1976
  - v) Employment Protection (Consolidation) Act 1978
  - vi) Wages Act 1986
  - vii) Trade Union and Labour Relations (Consolidation) Act 1992
  - viii) Trade Union Reform and Employment Rights Act 1993
  - ix) Fair Employment (Northern Ireland) Act 1976.

Awards of Compensation Reinstatement/Re-engagement Awards and Awards of Pay made against the Insured and arising from any matter described in this Section.

- B In defending any Civil Proceedings:
- i) for wrongful Dismissal made against the Insured by a former employee
  - ii) brought by an employee or former employee relating to his contract of employment with the Insured
- C In respect of civil proceedings by the Insured against an employee or former employee for breach of a restrictive covenant contained in his contract of employment with the Insured.

### Exceptions

The Underwriters will not be liable in respect of:

- a) any claim which is incurred by deliberately avoiding liability for a redundancy payment or for monies or benefits due under a contract of employment
- b) any claim under Article 119 EEC treaty or under the Equal Pay Act 1970 and any amending legislation
- c) protective awards as defined in S189 (3) Trade Union and Labour Relations (Consolidation) Act 1992 or settlements in respect of such awards
- d) redundancy payments
- e) any claim arising from the Dismissal of any employee unless such dismissal is handled in accordance with the advice provided and procedures laid down by EA as required by this Section
- f) any claim arising where the Insured Event was within 30 days of the start of the First Period of Insurance or within 180 days of the start of the First Period of Insurance if the employee was at that time subject to disciplinary proceedings or any verbal or written warning
- g) any claim alleging a breach of a restrictive covenant:
  - i) where the termination of the contract of employment was outside the Period of Insurance or
  - ii) when the breach is alleged to have occurred within 90 days of the start of the First Period of Insurance.

## Sub Section 5

### Data Protection Cover

Professional Costs and Expenses and Attendance Expenses incurred by the Insured in the defence of civil proceedings arising under the Data Protection Act 1984 and appeals against:

- i) the refusal of the Data Protection Registrar to register the Insured or to alter the Insured's registered particulars
- ii) any enforcement de-registration or transfer prohibition notice served upon the Insured.

### **Exceptions**

The Underwriters will not be liable in respect of:

- a) claims arising where the Insured is required to be registered pursuant to Section 4 of the Data Protection Act 1984 but has not applied for registration
- b) Proceedings alleging contempt of the Data Protection Tribunal or Registrar by the Insured.

## **Sub Section 6**

### **Prosecution Defence for Employers**

Professional Costs and Expenses and Attendance Expenses incurred by the Insured arising from any act or omission or alleged act or omission which leads to the prosecution of the Insured in a court of criminal jurisdiction and appeals by the Insured against the service of Improvement and Prohibition Notices under the Health and Safety at Work etc. Act 1974 before an Industrial Tribunal.

### **Exceptions**

The Underwriters will not be liable in respect of:

- a) any claim arising from deliberate discrimination by an Insured amounting to an act of unlawful discrimination
- b) fines or other penalties that the Insured is ordered to pay by a court of criminal jurisdiction
- c) any claim arising from a motor prosecution
- d) any claim arising from a prosecution of the Insured alleging:
  - i) intentional obstruction by an Insured of a person in the execution of a warrant issued under Schedule 4 of the Data Protection Act 1984
  - ii) failure by an Insured to give a person executing such a warrant such assistance as he reasonably requires for its execution.

## **Sub Section 7**

### **Prosecution Defence for Employees**

Professional Costs and Expenses and Attendance Expenses incurred by an Insured Employee (including directors and officers) arising from any act or omission or alleged act or omission which leads to the prosecution of the Insured Employee in a court of criminal jurisdiction in respect of any matter arising out of his duties as an employee of the Insured.

### **Exceptions**

The Underwriters will not be liable in respect of:

- a) any claim arising from deliberate discrimination by an Insured Employee (including directors and officers) amounting to an act of unlawful discrimination
- b) fines or other penalties that the Insured is ordered to pay by a court of criminal jurisdiction
- c) any claim arising from a motor prosecution
- d) any claim arising from a prosecution of the Insured alleging:
  - i) intentional obstruction by an Insured of a person in the execution of a warrant issued under Schedule 4 of the Data Protection Act 1984
  - ii) failure by an Insured to give a person executing such a warrant such assistance as he reasonably requires for its execution.

## Sub Section 8 – Tax Disputes

Professional Costs and Expenses and Attendance Expenses incurred by the Insured and arising directly from a VAT Dispute with H M Customs & Excise. The Insured Event in respect of VAT Disputes is the earliest of:

- i) the date on which H M Customs & Excise requests a meeting with the Insured or enters the Insured's premises or expresses dissatisfaction with any VAT returns of the Insured or
- ii) the time at which the Insured or the Insured's Professional Adviser was first aware or could reasonably have been aware that a VAT dispute was likely to arise with HM Customs & Excise or
- iii) the date upon which the Notice of Assessment was served.

### Conditions

- a) the Insured must have maintained and must continue to maintain accurate truthful and up-to-date records in accordance with statute and accounting conventions acceptable to HM Customs & Excise and have made all returns and payments except those that are disputed and provided information to HM Customs & Excise in due time
- b) the Insured must contact EA on (0990) 234674 as soon as possible after the Insured Event and must comply with the advice given
- c) EA shall be notified in writing by the Insured or the Professional Adviser of any invitation by HM Customs & Excise to make an offer in settlement.

### Exceptions

The Underwriters will not be liable in respect of:

- a) any claim where deliberate mis-statements have been made in respect of accounts returns or any other submissions made to the relevant authorities with intent to deceive
- b) any claim where the Insured has failed to notify his business status to the relevant authorities within a statutory period
- c) any claim where a false representation had been made either knowingly or without belief in its truth and such representations has resulted in a mis-statement of VAT payable
- d) Professional Costs and Expenses and Attendance Expenses incurred in dealing with routine VAT matters or VAT investigations by H M Customs & Excise.

## Sub Section 9

### In-depth Investigations

Professional Costs and Expenses and Attendance Expenses incurred by the Insured and arising directly from an In-depth Investigation of the Insured's accounts. The Insured Event in respect of In-depth investigations shall be the commencement of the investigation.

### Conditions

- a) upon presentation of a claim the Insured's Professional Adviser must confirm that an In-depth Investigation has commenced
- b) the Insured must have maintained and must continue to maintain accurate truthful and up-to-date records and make returns all in accordance with statute and accounting conventions acceptable to Inland Revenue and have made all returns and payments except those that are disputed and provided information to Inland Revenue in due time
- c) the Underwriters shall be under no liability if at the conclusion of the Investigation the Insured is:
  - i) assessed to tax on profits in any year which are more than 15% greater than the profit he had declared prior to the investigation commencing
  - ii) discovered to have overstated losses by more than 15% greater than the loss he had declared before the Investigation began

- d) the term In-depth investigation shall have the meaning assigned to it by the custom and practice of the accountancy profession. If EA disputes then an In-depth Investigation has commenced the dispute shall be settled in accordance with the provisions of this Section
- e) EA shall be notified in writing by the Insured or the Professional Adviser of any invitation by the Inland Revenue to make an offer in settlement.

### **Exceptions**

The Underwriters will not be liable in respect of:

- a) any claim where deliberate mis-statements have been made in respect of accounts returns or any other submissions made to the relevant authorities with intent to deceive
- b) any claim where the Insured has failed to notify his business status to the relevant authorities within a statutory period
- c) any claim where a false representation has been made either knowingly or without belief in its truth and such representation has resulted in a mis-statement of expenses payments made or of profits chargeable to tax or losses allowable for tax purposes
- d) Professional Costs and Expenses incurred because following an In-depth Investigation adjustments are required because of the technical treatment of any item or because the validity of the tax or accounting treatment of any item is challenged. Professional Adviser's fees incurred in dealing with any such challenge or adjustment shall be covered only to the extent that they relate wholly and exclusively to the In-depth Investigation. Where appropriate Professional Adviser's fees shall be apportioned.

## **Sub Section 10**

### **PAYE Audit Inspections**

Professional Costs and Expenses and Attendance Expenses incurred by the Insured and directly arising from a dispute with the Inland Revenue following a PAYE Audit Inspection. For this Sub-Section of cover the Insured Event is the earliest of the dates on which:

- i) the Inland Revenue expresses dissatisfaction with the amounts of PAYE or NIC paid or the returns of expenses payments made  
or
- ii) the Inland Revenue expresses dissatisfaction with the amounts of income tax paid by the Insured in respect of payments to sub-contractors not in possession of 5714 Certificates  
or
- iii) The Inland Revenue commences an investigation into the accuracy of forms P9d or P11d or into the liability of employees or directors to pay additional tax because of alleged inaccuracies in such forms and The Inland Revenue indicates that it intends to collect additional amounts of tax.

### **Conditions**

- a) the Insured must have maintained and must continue to maintain accurate truthful and up-to-date records and made all returns in accordance with statute and accounting conventions acceptable to the Inland Revenue and have made all returns and payments except those which are disputed and provided information to the Inland Revenue in due time.
- b) EA shall be notified in writing by the Insured or the Professional Adviser of any invitation by the Inland Revenue to make an offer in settlement.

## Exclusions

The Underwriters will not be liable in respect of:

- a) any claim where deliberate mis-statements have been made in respect of accounts returns or any other submissions made to the relevant authorities with intent to deceive
- b) any claim where the Insured has failed to notify his business status to the relevant authorities within a statutory period
- c) any claim where a false representation has been made either knowingly or without belief in its truth and such representation has resulted in a mis-statement of PAYE or NIC payable or of expenses payments made
- d) Professional Costs and Expenses incurred:
  - i) in dealing with routine PAYE matters of the PAYE Audit Inspection
  - ii) because the technical validity of the tax or accounting treatment of any item is challenged.

## Sub Section 11

### Director's Protection Cover

- i) Professional Costs and Expenses and Attendance Expenses incurred by an Insured Director arising from the defence of any Proceedings alleging a wrongful act committed in his capacity as a Director of the Insured. Subject otherwise to the terms hereof this Sub-Section shall also cover claims made against the estate heirs legal representatives or assignees of a deceased Insured Director and the legal representatives or assignees or receiver of an Insured Director in the event of his bankruptcy or his becoming of unsound mind.
- ii) settlement of loss sustained by a third party other than the Insured and/or an Insured Employee arising during the Period of Insurance within the Territorial Limits by reason of any wrongful act committed during the Period of Insurance by a director in his capacity as a director the Insured and for which the director is made liable following Proceedings within the Territorial Limits.

### Conditions

- a) notwithstanding the following Exceptions where Proceedings are brought against several directors one or some of whom is or are not entitled to Indemnity because of the application of the Exceptions those directors who are not so disentitled shall continue to be indemnified in the terms of the Sub-Section.
- b) the director shall only be covered under this Sub-Section when the Insured shall be required or permitted to indemnify the director pursuant to the law or in the Memorandum and Articles of Association of the Insured.

### Exceptions

The Underwriters will not be liable in respect of:

- a) any claim arising from Proceedings alleging seepage pollution or contamination or the breach of any statute regulation or ordinance prohibiting or controlling emissions or effluent of any kind or arising from any enforcement action or proceedings brought under or pursuant to any such statutes regulations or ordinances
- b) any claim arising from proceedings brought about or contributed to by any dishonesty fraud or deliberate or reckless act of the Insured Director provided however that this Exception shall not operate to the prejudice of any Insured Director who is not guilty of nor party to any such dishonesty fraudulent or deliberate or reckless act
- c) any claim arising from Proceedings based upon or attributable to the Insured Director gaining any profit or advantage or receiving any profit or advantage or receiving any remuneration to which he was not legally entitled
- d) any claim arising from Proceedings by the Insured or any parent or subsidiary of the Insured or any director or employee of the Insured
- e) fines penalties or punitive damages awarded against any Insured Director.

## General exceptions

- 1 There is no cover in respect of any claim:
  - a) where the Insured Event had commenced or occurred before the First Period of Insurance
  - b) where at or prior to the start of the First Period of Insurance the Insured in the reasonable judgement of EA should have realised that a claim might occur
  - c) prior to written confirmation from EA that the claim has been accepted or Professional Costs and Expenses beyond those for which EA has given its prior approval in accordance with the terms and conditions of this Certificate
  - d) where the Insured fails to instruct or give proper instructions in due time to EA or to the Professional Adviser
  - e) where the Insured is responsible for anything which in the reasonable opinion of EA prejudices his prospects of success in the prosecution defence or settlement of the Proceedings
  - f) where the Insured fails to provide evidence or information reasonably required by EA to establish whether support can be provided for an Insured under this Section
  - g) where the Insured is responsible for anything which in the reasonable opinion of EA prejudices Underwriters' position in respect of the Proceedings
  - h) arising from any deliberate criminal act or omission of the Insured
    - i) which is false or fraudulent
    - j) involving prosecutions which allege dishonesty or intentional violence
  - k) arising from:
    - i) ionising radiations or contamination by radioactivity from an irradiated nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
    - ii) the radioactive toxic explosive or other hazardous properties of any nuclear assembly or nuclear component thereof
    - iii) war invasion acts of foreign enemies hostilities (whether war be declared or not) civil war riot rebellion revolution insurrection military or usurped power or confiscation or nationalisation or compulsory purchase requisition or destruction of or restrictions or controls placed on or damage to property by or under the order of any government or public or local authority
  - l) notified to EA more than 180 days after the Insured Event
  - m) for an application for a Judicial Review
  - n) made by or against an Insured against or by the Underwriters or EA
  - o) arising from:
    - i) subsidence or mining or quarrying activities
    - ii) patents copyrights trademarks merchandise marks service marks registered designs intellectual or artistic property secrecy or confidentiality agreements (other than claims under Sub-Section 1) and passing off
    - iii) computer software except operating systems and packaged software that have not been tailored by the supplier to the customer's own requirements
    - iv) actual planned or proposed works by or under the order of any government or public or local authority
    - v) planning law including the Town and Country Planning Legislation
    - vi) a contract for the sale or purchase of buildings or parts of buildings
    - vii) the construction of or structural alteration to building or parts of buildings
    - viii) libel or slander or malicious falsehood
  - p) where the Insured acts without the consent of EA or contrary to or in a manner different from the advice of EA or the Professional Adviser
  - q) made under this Section which does not arise from and relate to the normal business activities of the Insured as shown on the Schedule
  - r) relating to prosecutions arising out of deliberate discrimination amounting to an act of unlawful discrimination.

- 2 There is no cover for Professional Costs and Expenses:
  - a) incurred in avoidable correspondence
  - b) which are recoverable from a court tribunal or elsewhere
  - c) incurred in respect of any claim where the Insured is or but for the existence of this Section would be entitled to indemnity under any other policy or Section or would be so entitled but for a breach or alleged breach by the Insured of the terms of such other policy or Section.
- 3 There is no cover for damages interest fines or other penalties which the Insured is ordered to pay unless otherwise provided for in this Section.
- 4 The costs of an appeal are excluded unless EA have given their prior written consent to such costs being incurred.
- 5 The Underwriters will not be liable in respect of any excess or self insured proportion specified in the Schedule.

## General conditions

### 1 Notices and Communications

All notices and communications by or to Underwriters will be considered to have been duly sent or received if sent or received by EA.

### 2 Cancellation

This Section may be cancelled at any time by either EA or the Insured's representative giving 14 days notice in writing to the other. If no claims have been made or notified a pro rata return of premium will be made. There shall be no return of premium in respect of a Period of Insurance in which a claim has been made or notified and claim notifications will not be accepted after cancellation of the Section.

### 3 Renewal

The Underwriters of EA are not bound to give notice when the Section becomes due for renewal.

### 4 Appointment of Professional Adviser

- a) EA reserves the right to take over and conduct the Proceedings in the name of the Insured. In any claim where the appointment of a Professional Adviser is appropriate and legal proceedings are required the Insured may notify EA of the person or firm whom he wishes to act for him. EA may accept such nomination provided that the Professional Adviser confirms in writing that he will co-operate with the Insured to enable the Insured to comply with the terms of this Section and provided that EA and the Professional Adviser agree the hourly rate which will apply to his fees. The fees must be based on EA's published scales and the hourly rate will depend upon the complexity of the case the financial amount at stake and the client's location. If it is not possible to reach an agreement with the Insured's nominated Professional Adviser the Insured shall be invited to nominate an alternative Professional Adviser.

If the Professional Adviser nominated refuses to continue acting for the Insured or if the Insured withdraws his instructions then EA's liability will cease forthwith unless in their absolute discretion they agree to the appointment of another Professional Adviser to continue acting under the terms of this Section.

- b) Any excess shown in the Legal Expenses Section of the Schedule as operative shall be paid by the Insured to the Professional Adviser immediately upon his appointment.

## **5 Conduct of the Proceedings**

The Insured shall instruct the Professional Adviser nominated:

- 1 To provide EA immediately with:
  - a) his views on prospects of success of the Insured's Proceedings and
  - b) an estimate of the total costs likely to be incurred in the Proceedings with details of his charging rate:
- 2 To keep EA advised fully and promptly on the progress of the case of any change in his view of prospects of success and/or his estimate of costs during the Proceedings. If the Professional Adviser does not comply with these requirements all liability under this Section shall cease.

EA will meet the Professional Advisor's costs and expenses of dealing with the Proceedings:

- a) which have been agreed in advance by EA as to both amount and purpose and
- b) while prospects of success in the Proceedings remain reasonable and not otherwise.

If prospects of success are reasonable but EA and the Professional Adviser cannot agree on estimates of costs or on incurred costs either at the start of the Proceedings or subsequently EA may transfer the conduct of the Proceedings to another Professional Adviser of their choice.

## **6 Right to Information**

- a) EA shall have direct access to the Professional Adviser at all times and the Insured shall co-operate fully with EA in all respects and shall keep EA fully and continually informed of all material developments in the matter.
- b) EA shall be entitled to obtain from the Professional Adviser any information from or report copy of document advice computation account or correspondence relating to the Proceedings whether or not privileged and the Insured shall if so requested forthwith give any instructions to the Professional Adviser which maybe required for this purpose.
- c) EA shall be notified immediately in writing by the Insured or the Professional Adviser of any offer or payment into court made with a view to settlement and if any offer or payment into court is not accepted by the Insured but the outcome of the Proceedings is considered by EA to be equally or less favourable to the Insured than the offer or payment into court the Underwriters shall have no liability in respect of any further Professional Costs and Expenses unless after being notified of the offer or payment into court EA shall have given its agreement for Proceedings to continue.

## **7 Co-operation**

The Insured will co-operate with EA at all times and reply promptly to any correspondence connected with the claim.

## **8 Investigation of the Claim**

EA may themselves or through their servant agents solicitors or accountants made their own investigations into the claim and may subject to the approval of the Insured which shall not be unreasonably withheld attempt to reach a settlement of the Proceedings.

## **9 Information to be given to Professional Adviser**

The Insured shall give promptly to the Professional Adviser all information requested and will meet with him whenever requested.

## **10 Taxation of Bills**

The Insured shall if so requested by EA instruct the Professional Adviser to submit his bill of costs for taxation by the court or certification by the appropriate professional body.

### **11 Withdrawal and Discontinuance**

If the Insured withdraws from or discontinues the Proceedings without the prior agreement of EA then any Professional Costs and Expenses incurred and third party costs will become the responsibility of and payable by the Insured. The Underwriters will be entitled to be reimbursed by the Insured for any costs paid or incurred during the course of the Proceedings including any Professional Costs and Expenses which the Underwriters are obliged to pay on the Insured withdrawing or discontinuing.

### **12 Recovery of Costs from Third Parties**

The Insured shall whenever reasonably possible attempt to recover costs from a third party and shall instruct the Professional Adviser accordingly.

### **13 Agreement**

Underwriters shall not be bound by any agreement to which they or EA are not a party.

### **14 Disputes**

In the event of any dispute arising hereunder between the Insured and the Underwriters and/or EA for which provision is not otherwise made such dispute must be referred promptly by the Insured to the arbitration of a single arbitrator who shall be either a solicitor or barrister nominated by the parties or failing agreement nominated by the Law Society. Such arbitration shall be in accordance with the provisions of the Arbitration Acts then in force and shall be binding on the parties.

### **15 Prospect of Success**

If at any time EA considers that the Insured's prospects of success in the Proceedings are insufficient or that the interests of the Insured can be better achieved by other means EA shall provide the Insured with a written explanation of their decision. The Underwriters shall then be under no further liability to indemnify the Insured in respect of the case. If the Insured disagrees with this decision the dispute must be resolved in accordance with Condition 14 of this Section.

### **16 Notification of Alteration in Risk**

The Insured shall notify EA immediately of any alteration in risk which materially affects this Section. The Insured shall also declare information to EA in the form and at the intervals required by EA at its discretion and shall pay additional premium to or receive a refund of premium from the Underwriters as the case may be.

### **17 Claims Procedure (All Sub-Sections except Employment Cover)**

- a) Potential claims must be notified to EA as soon as possible by telephone (08705) 234500 (0141 332 2887 in Scotland) and the Insured must follow the advice given by EA. Should the Insured incur Professional Costs and Expenses prior to EA accepting a claim then details of the action taken with details of costs to date must be produced to EA at the Insured's expense.
- b) EA will send the Insured a claim form which the Insured must complete giving a complete and truthful report of the facts of his claim indicating any potential witnesses and any documentary or other evidence of which he is aware and return it to EA at the address shown in the schedule at the earliest opportunity.

## 18 Claims Procedure for Employment Cover

The Insured shall give to EA immediate notice in writing of any Proceedings or suit made or brought against the Insured or believed by the Insured to be contemplated against him and of any summons or other process served or threatened to be served upon the Insured and of any event that may give rise to Proceedings against the Insured.

Without prejudice to the generality of this Condition:

- a) Immediately a dismissal is contemplated the Insured must contact EA by telephone on (08705) 234500 (0141 332 2887 in Scotland) and must comply with the advice given.  
**No employee is to be dismissed without the prior approval of EA.**
- b) An Insured who receives a form IT1 (Originating Application) from an Industrial Tribunal and who wishes to obtain indemnity under this Section should immediately telephone EA on (08705) 234500 (0141 332 2887 in Scotland) to notify receipt of the IT1. **This must be done immediately because of the statutory 14 days time limit for entering a notice of appearance.** The Notice of Appearance (IT3) should be left blank for completion by the Insured's Professional Adviser. Upon request the Insured must subsequently complete a claim form and forward it to EA at the appropriate address shown on the Schedule
- c) An Insured who receives a notice of intended prosecution or summons and who wishes to claim indemnity must complete a claim form and forward it to EA by recorded delivery post together with a copy of the notice or summons
- d) If a former employee requests a written statement of reason for dismissal the Insured must contact EA forthwith and in any event not later than seven days after such request and prior to such statement being given
- e) An Insured who wishes to obtain indemnity against any other claims under this Sub-Section must immediately complete a claim form and forward it by recorded delivery post to EA.

## 19 Confirmation of Wageroll and Turnover

EA shall be entitled to inspect the Insured's records to confirm the Insured's wageroll turnover and number of employees.

## Guidance Notes

This cover provides advice plus insurance as shown in the Section.

## 24-Hour Advisory Service

Telephone EA on (08705) 234500 (0141 332 2887 in Scotland) at any time day or night. EA will provide confidential advice on any business legal problem and they can follow up the advice in writing if necessary. EA are happy to talk over problems of all kinds and they really do try to help clients in any way they can.

It is particularly important that you contact EA as soon as you become aware of any problem which may give rise to a claim under the insurance because legal fees are only covered once they have given their support.

Remember that you **MUST** contact EA prior to dismissals so that they can guide you through this difficult area.

## How to make a Claim

If you think that your problem is covered by the insurance please telephone on the above number. EA will take details of your problem and check that it falls within the scope of the insurance. If it does EA will then ask you to nominate a solicitor or other representative to act for you and they will write to him confirming support.

EA will monitor your case and at the end they will pay your solicitor's/representative's fees and other expenses for you.

Make sure that you contact EA as soon as you become aware of any problem which you think may be covered.

These notes are for guidance only and are not a statement of the full terms of the insurance cover for this please refer to the Section.

# General exclusions applicable to all insurances other than Employers' Liability and Legal Expenses

This Policy does not cover:

- 1 loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or 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
  - c) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, nationalisation confiscation requisition seizure or destruction by the government or any public authority
  - d) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
- 2
  - a) DAMAGE or CONSEQUENTIAL LOSS in England and Wales and Scotland but not the territorial seas adjacent thereto (as defined by the Territorial Sea Act 1987) nor the Channel Islands nor the Isle of Man by fire or explosion occasioned by or happening through or in consequence directly or indirectly of TERRORISM except to the extent stated in the SPECIAL PROVISION – TERRORISM
  - b) DAMAGE or CONSEQUENTIAL LOSS in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of:
    - i) Civil Commotion
    - ii) TERRORISM

## Definition

For the purpose of this Policy, TERRORISM shall mean an act of any person acting on behalf of or in connection with any organisation with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence.

In any action suit or other proceedings where the Insurers allege that by reason of this exclusion any DAMAGE or CONSEQUENTIAL LOSS is not covered by this Policy (or is covered only up to a specified limit of liability) the burden of proving that such DAMAGE or CONSEQUENTIAL LOSS is covered (or is covered beyond that limit of liability) shall be upon the Insured.

## Special provision – Terrorism

Subject otherwise to the terms DEFINITIONS exclusions provisions and conditions of the Policy this insurance includes DAMAGE or CONSEQUENTIAL LOSS in England and Wales and Scotland but not the territorial seas adjacent thereto (as defined by the Territorial Sea Act 1987) nor the Channel Islands nor the Isle of Man, by fire or explosion if insured hereby occasioned by or happening through or in consequence of TERRORISM as defined above provided that the liability of the Insurers in respect of DAMAGE or CONSEQUENTIAL LOSS shall not exceed in respect of any one occurrence or in the aggregate in any one Period of Insurance.

a) the limits shown against the undernoted (where insured by the Policy) after the application of all provisions of the insurance including any Insured's contribution:

i) Buildings	£100,000
ii) All Other Property	£100,000
iii) Consequential Loss	£100,000
iv) Outstanding Debit Balances	£100,000
v) Buildings occupied solely as private dwellings and Buildings of blocks of flats not insured in the name of a private individual (other than trustees of sole traders)	£2,500,000
vi) Lessors' Contents in the said Buildings	£2,500,000
vii) The cost of alternative accommodation and Rent Receivable in respect of Buildings occupied solely as private dwellings and buildings of flats not insured in the name of a private individual (other than trustees of sole traders)	£2,500,000

or

b) any limit of liability or sum insured stated in the policy or policy section whichever is the lower

For the purpose of this Special provision where a block of flats is partly used for retail or other commercial purposes provided at least 80% is occupied residentially, a limit of £2,500,000 shall apply to the residential portion and a limit of £100,000 shall apply to the remainder.

Any provision in this policy:

- a) relating to an aggregate limit upon the amount borne by the Insured as a result of the operation of a deductible
- b) which provides for any sum insured or limit of liability to be automatically reinstated following a loss shall not apply to losses covered under this special provision.

# General exclusion applicable to all insurances other than Employers' Liability and Personal Accident

## Date Related Performance and Functionality

This Policy does not cover any:

- i) loss destruction or damage
- ii) consequential loss additional expenditure or extra expenses
- iii) legal liability
- iv) other fees costs disbursements awards or other expenses of whatsoever nature

directly or indirectly caused by or contributed to by or consisting of or arising in whole or in part from:

- a) the way in which any DATA PROCESSING SYSTEM responds to or deals with or fails to respond to or fails to deal with any true calendar date
- b) any DATA PROCESSING SYSTEM responding to or dealing in any way with:
  - i) any data denoting a calendar date or dates as if such data did not denote a calendar date or dates
  - ii) any data not denoting a calendar date or dates as if such data denoted a calendar date or dates

whether such data processing system is the property of the Insured or not and whether operating before, during or after the year 2000

but in respect of all insurances other than Public Liability or Products' Liability or Contractors' Joint Indemnity or Legal Expenses this shall not exclude subsequent loss destruction or damage or consequential loss additional expenditure or extra expenses (not otherwise excluded) which itself results from a defined peril otherwise covered by this Policy.

## Definitions (for the purpose of this Exclusion, the following special meanings shall apply)

### Data Processing System

shall mean any computer or data processing equipment or media or microchip or integrated circuit or any similar device or any computer software or computer firmware.

### Defined Perils

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 or attempted theft, earthquake, subterranean fire, storm, tempest, flood, escape of water from any tank apparatus or pipe, impact by any vehicle or by goods falling therefrom or animal.

Subject otherwise to the terms, conditions and limitations of the Policy.

# General conditions applicable to all sections other than Legal Expenses

## **1 Policy Voidable**

This Policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure in any material particular.

## **2 Reasonable Care**

The Insured shall take all reasonable steps to:

- a) protect the Property Insured
- b) comply with statutory enactments Bye-Laws and any other obligations and Regulations imposed by any authority
- c) employ only competent employees
- d) prevent accidents
- e) maintain all ways, works machinery and plant in sound condition.

In the event of the discovery of any defect or danger the Insured shall forthwith cause such defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require.

## **3 Warranties**

Every warranty to which this Policy or any item thereof is or may be made subject shall from the time the warranty attaches apply and continue to be in force during the whole currency of this Policy. Non-compliance with any such warranty in so far as it increases the risk of loss destruction or damage shall be a bar to any claim in respect of such loss destruction or damage provided that whenever this Policy is renewed a claim in respect of loss destruction or damage occurring during the renewal period shall not be barred by reason of a warranty not having been complied with at any time before the commencement of such period.

## **4 Alteration**

If a change of circumstance after the commencement of the insurance increases the risk of loss injury or damage or the Insured's interest ceases except by will or operation of law this Policy will be voidable unless the Insurers have agreed in writing to accept such alteration.

## **5 Fraud**

If any claim under this Policy is in any respect fraudulent or if any fraudulent means be used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy or if any loss or damage be occasioned by the wilful act or with the connivance of the Insured all benefit under this Policy shall be forfeited.

## **6 Cancellation**

The Insurers may cancel this Policy or any section or part thereof by giving fourteen days notice in writing by registered letter to the Insured at the Insured's last known address and in such event the Insured will be entitled to a return of premium in respect of the unexpired portion of the Period of Insurance.

## **7 Arbitration**

Provided that liability for a claim has been admitted any dispute as to the amount to be paid shall be referred to an arbitrator who shall be appointed by the parties in accordance with the statutory provisions in force at the time and the making of an award shall be a condition precedent to any right of action against the Insurers.

## **8 Legal Representatives**

In the event of the death of the Insured the Insurers will indemnify the Insured's legal personal representatives in respect of liability at law previously incurred by the Insured provided they observe, fulfil and be subject to the Terms, Conditions and Limitations of the Policy in so far as they can apply.

## **9 Claims Procedure**

- a) On the happening of any event which could give rise to a claim or on receiving verbal or written notice of any claim the Insured shall:
  - i) as soon as reasonably possible give notice to the Insurers
  - ii) as soon as reasonably possible notify the Police in respect of any loss or damage by theft or attempted theft or by riot civil commotion strikers locked-out workers persons taking part in labour disturbances and malicious persons
  - iii) as soon as reasonably possible forward to the Insurers any writ or summons issued against the Insured by a third party
  - iv) take action to minimise the loss or damage and to avoid interruption or interference with the Business and to prevent further damage or injury
  - v) at his own expense and within:
    - a) seven days of loss or damage caused by riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons
    - b) thirty days of expiry of the Indemnity Period in respect of Section B1
    - c) thirty days of any other loss or damage interruption or interference with the Business or injury or disease supply full details of the claim in writing to the Insurers together with any evidence and information that may be reasonably required by the Insurers for the purpose of investigating or verifying the claim and (if demanded) a statutory declaration of the truth of the claim and any matters connected therewith
- b) No settlement, admission of liability, payment or promise of payment shall be made to a third party without the consent of the Insurers.

## **10 Insurers' Rights**

The Insurers shall:

- a) be entitled to take over the defence or settlement of any claim made upon the Insured by any other party and the Insured shall give all assistance as may be reasonably required by the Insurers
- b) have the right to enter the premises where the loss or damage has occurred and to keep possession of any of the Property Insured and to deal with the salvage in a reasonable manner but the Insured shall not be entitled to abandon any property to the Insurers
- c) be entitled to take benefit of any rights of the Insured against any other party before or after the Insured has received indemnification under this Policy and the Insured shall give all assistance as may be reasonably required by the Insurers
- d) at its option indemnify the Insured by payment, reinstatement, replacement or repair in respect of any property lost or damaged or part thereof. If the Insurers elect to reinstate or replace any property they shall not be bound to reinstate or replace exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the Items insured more than the sum insured thereon.

## **11 Contribution**

If in the event of a loss damage or liability under this Policy there shall be in force any other insurance providing cover against such claim:

- a) the liability of the Insurers shall be limited to its rateable proportion of such claims
- b) but which is subject to any provision excluding it from ranking concurrently with this Policy either in whole or part or from contributing rateably to the claim then the liability of the Insurers shall be limited to such proportion of the claim as the sum insured bears to the value of the property.

## **12 Premium Adjustment**

If any part of the premium is calculated on estimates furnished by the Insured the Insured shall keep an accurate record containing all particulars relative thereto and shall at all times allow the Insurers to inspect such record. The Insured shall within one month from the expiry of each Period of Insurance furnish to the Insurers such particulars and information as the Insurers may require. The Premium for such period shall thereupon be adjusted and the difference paid by or allowed to the Insured as the case may be subject always to the minimum premium stipulated.

## **13 Payment by Instalments**

Reference to the payment of premium includes payment by monthly instalments. If the Insured pays by this method the Policy remains a three year contract and the date of the payment and the amount of instalments are governed by the terms of the credit agreement. If an instalment is not received by the due date then subject to the Consumer Credit Act 1974 (if applicable) the credit agreement and the Policy will be cancelled immediately.

## **14 Contractual right of renewal (Tacit)**

If the Insured pays the premium to the Insurer using the Insurer's Direct Debit instalment scheme, the Insurer will have the right (which the Insurer may choose not to exercise) to renew the policy each year and continue to collect premiums using this method. The Insurer may vary the terms of the policy (including the premium) at renewal. If the Insured decide that he does not want the Insurer to renew the policy, provided the Insured tells us (or his insurance intermediary) before the next renewal date, the Insurer will not renew it.

## **15 Terms and Conditions**

It is understood that:

- 1 the Insurers reserve the right to vary the terms and conditions of this Insurance (other than the rates of premium) in the event of:
  - a) such variation being made to other similar policies for this class of business
  - or
  - b) there being any changes in legislation which have a material effect on the scope and the extent of the risk
- 2 any mid term imposition of or increase in tax on premiums will be borne by the Insured
- 3 premiums or terms may be amended in respect of Terrorism cover.

# Complaints procedure

**We** want to provide a first class standard of service. If **you** have any cause for complaint **you** should, in the first instance, contact either the intermediary who arranged the policy for **you**, or the branch that issued **your** policy. Please quote the details of **your** policy (**your** surname and initials, policy number, departmental reference, etc).

If the matter is not resolved to **your** satisfaction, please write to the Manager of the branch concerned. If **you** are still not satisfied with the action taken, please write to the Chief Executive at:

The Grange  
Bishops Cleeve  
Cheltenham  
Glos  
GL52 8XX

Telephone: 0845 601 4937  
Email: [chiefexecutive@uk.zurich.com](mailto:chiefexecutive@uk.zurich.com)

A member of the Chief Executive's office will respond to **your** complaint and offer resolution where possible.

If **we** are unable to resolve **your** complaint to **your** satisfaction within 8 weeks, or if **we** have provided **you** with a final decision letter, **you** may be able to refer **your** complaint to the Financial Ombudsman Service (FOS). This is a free and impartial service.

Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR

Telephone: 0845 080 1800  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

The FOS will only consider **your** complaint if, at the time of notification, **you** are a business with a group annual turnover of less than £1 million, a charity with an annual income of less than £1 million or a trustee of a trust with a net asset value of less than £1 million.

Following the Complaints Procedure does not affect **your** legal rights.







**Zurich Insurance Company**

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