



SME

Insurance Policy Document (UK)

Small Commercial / SME Package





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Useful Information

How to make a claim

Please telephone the dedicated claims line **0333 032 5000**

For emergency out of hours major loss notifications please telephone **0345 073 7187**. Please do not use this number for general claims notifications or queries which should be to **0333 032 5000**

Email: claims@nbsunderwriting.co.uk

How to Complain

Should you wish to make a complaint regarding your claim please contact:

Sedgwick International UK:

2 The Boulevard, City West One Office Park, Gelderd Road, Leeds LS12 6NY

Email: hadronclaims@uk.sedgwick.com

Telephone: **0113 467 2860**

Should you wish to make a complaint about the Policy or the service we offer please contact:

NBS Underwriting

NBS House, Aire Valley Business Park, Wagon Lane, Bingley BD16 1WA

E-mail: info@nbsunderwriting.co.uk

Telephone: **0333 032 5000**

If you remain dissatisfied after your complaint has been considered, or you have not received a final decision within eight weeks, you may be eligible to refer your complaint to the Financial Ombudsman Service:

The Financial Ombudsman Service:

Exchange Tower, Harbour Exchange, London E14 9SR

Telephone: **0800 023 4567**

Fax: **0207 964 1001**

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

Website: www.financial-ombudsman.org.uk

Financial Services Compensation Scheme (FSCS)

You may be entitled to compensation from the Financial Services Compensation Scheme if Hadron UK Insurance Company Limited is unable to meet its obligations to you under this insurance.

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

Making a complaint does not affect your right to take legal action.



Small Commercial / SME Package Cover

This Policy is administered by **NBS Underwriting** and underwritten by **Hadron UK Insurance Company Limited**.

Hadron UK Insurance Company Limited is a company registered in England and Wales (Company number 00011615) with registered office at One Fleet Place, London, EC4M 7WS.

Hadron UK Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Reference number 202146).

Hadron UK Insurance Company Limited (the Insurer) will provide the insurance described in the Policy subject to its terms and conditions for the Period of Insurance stated in the Schedule and any subsequent period for which the **Insured** shall pay and the **Insurer** shall agree to accept the premium.

NBS Underwriting is a trading style of **NBS Underwriting Limited**. Registered in England No. 07566393. Registered Office: One Fleet Place, London EC4M 7WS. **NBS Underwriting Limited** is authorised and regulated by the Financial Conduct Authority, FRN 590034.

The Policy, the Schedule and any endorsements shall be read together as one contract and this is the contract of Insurance between the **Insured** and the **Insurer**.

Fair Presentation

1. Before this insurance contract is entered into, the **Insured** must make a fair presentation of the risk to the **Insurer**, in accordance with Section 3 of the Insurance Act 2015. In summary, the **Insured** must:
 - a) Disclose to the **Insurer** every material circumstance which the **Insured** knows or ought to know. Failing that, the **Insured** must give the **Insurer** sufficient information to put a prudent insurer on notice that it needs to make further enquiries in order to reveal material circumstances. A matter is material if it would influence the judgement of a prudent insurer as to whether to accept the risk, or the terms of the insurance (including premium);
 - b) Make the disclosure in clause (1)(a) above in a reasonably clear and accessible way; and
 - c) Ensure that every material representation of fact is substantially correct, and that every material representation of expectation or belief is made in good faith.
2. For the purposes of clause (1)(a) above, the **Insured** is expected to know the following:
 - a) If the **Insured** is an individual, what is known to the individual and anybody who is responsible for arranging his or her insurance.
 - b) If the **Insured** is not an individual, what is known to anybody who is part of the **Insured's** senior management; or anybody who is responsible for arranging the **Insured's** insurance.



Fair Presentation - continued

2. For the purposes of clause (1)(a) above, the **Insured** is expected to know the following:
 - c) Whether the **Insured** is an individual or not, what should reasonably have been revealed by a reasonable search of information available to the **Insured**. The information may be held within the **Insured's** organisation, or by any third party (including but not limited to subsidiaries, affiliates, the broker, or any other person who will be covered under the insurance). If the **Insured** is insuring subsidiaries, affiliates or other parties, the **Insurer** expects that the **Insured** will have included them in the **Insured's** enquiries, and that the **Insured** will inform the **Insurer** if it has not done so. The reasonable search may be conducted by making enquiries or by any other means.

Remedies for breach of the duty of fair presentation

1. If, prior to entering into this insurance contract, the **Insured** shall breach the duty of fair presentation, the remedies available to the **Insurer** are set out below.
 - a) If the **Insured's** breach of the duty of fair presentation is deliberate or reckless:
 - i) The **Insurer** may avoid the contract, and refuse to pay all claims; and,
 - ii) The **Insurer** need not return any of the premiums paid.
 - b) If the **Insured's** breach of the duty of fair presentation is not deliberate or reckless, the **Insurer's** remedy shall depend upon what the **Insurer** would have done if the **Insured** had complied with the duty of fair presentation:
 - i) If the **Insurer** would not have entered into the contract at all, the **Insurer** may avoid the contract and refuse all claims, but must return the premiums paid.
 - ii) If the **Insurer** would have entered into the contract, but on different terms (other than terms relating to the premium), the contract is to be treated as if it had been entered into on those different terms from the outset, if the **Insurer** so requires.
 - iii) Except in the case where Basis of Settlement Clause Average applies (see below), if the **Insurer** would have entered into the contract, but would have charged a higher premium, the **Insurer** may reduce proportionately the amount to be paid on a claim (and, if applicable, the amount already paid on prior claims) in accordance with the terms under which the **Insurer** would have contracted. In those circumstances, the **Insurer** shall pay only X% of what the **Insurer** would otherwise have been required to pay, where $X = (\text{premium actually charged} / \text{higher premium}) \times 100$.

Please note that in the event of underinsurance, the relevant Basis of Settlement Clause (Average) within the Material Damage Section, Business Interruption Section or Equipment Breakdown Section of this insurance contract will apply to the claim instead of the relevant provision of the Insurance Act 2015.



Keeping the Insurer Informed

The **Insured** must notify the **Insurer**, or the **Insured's** Insurance Advisor:

- a) without delay if the **Insured** becomes aware that information the **Insured** has given the **Insurer** is inaccurate
- b) within fourteen (14) days of the **Insured** becoming aware about any changes in the information the **Insured** has provided to the **Insurer** which happens before or during the Period of Insurance.

When the **Insurer** is notified that information the **Insured** previously provided is inaccurate, or of any changes to that information, the **Insurer** will tell the **Insured** if this affects the **Insured's** insurance. For example, the **Insurer** may amend the terms of the **Insured's** insurance or require the **Insured** to pay more for the **Insured's** insurance or cancel the **Insured's** insurance in accordance with the Cancellation Condition.

If the **Insured** fails to notify the **Insurer** that information the **Insured** has provided is inaccurate, or the **Insured** fails to notify the **Insurer** of any changes, this insurance may become invalid and the **Insurer** may not pay the **Insured's** claim, or any payment could be reduced.

Data Protection Notice

The **Insurer** may store the **Insured's** information on a computer and use it for administration, risk assessment, research and statistical purposes, marketing purposes and for crime prevention (see further details below). The **Insurer** will only disclose the **Insured's** personal details to third parties if it is necessary for the performance of the **Insured's** contract with the **Insurer**.

In order to assess the terms of the insurance contract or administer claims that arise, the **Insurer** will need to collect data that the Data Protection Act defines as sensitive such as medical history or criminal convictions. By proceeding with this contract, the **Insured** will signify their consent to such information being processed by the **Insurer** or their agents.

The **Insurer** will keep the **Insured's** information secure at all times. In certain circumstances, for example for systems administration purposes, the **Insurer** may have to transfer the **Insured's** information to another country, which may be a country outside the European Economic Area ("EEA"). By proceeding with this insurance application, the **Insurer** will assume the **Insured** is agreeable for the **Insurer** to transfer the **Insured's** information to a country outside the EEA.



Definitions

The definitions stated here in **bold** are applicable to all parts of this Policy. Definitions within certain Sections of this Policy shown in *italics* are applicable only to that Section.

Building(s)

The Building or Buildings at the risk address(es) stated in the Schedule including

- a) outbuildings attached to or detached from the main Building
 - b) walls, gates and fences around the Buildings and belonging to them
 - c) landlord's fixtures and fittings
 - d) car parks, yards, paved areas, roads, pavements and footpaths
- all belonging to the **Insured** or for which the **Insured** is legally responsible

Business

The Business specified in the Schedule conducted solely from within the **Territorial Limits** including

- a) the ownership, repair and maintenance of the **Premises**
- b) the provision of first aid, but excluding any first aid provided by any qualified medical practitioner or nurse
- c) private work undertaken by the **Insured's Employees** with the consent of the **Insured** for any director, partner or senior official of the **Insured**
- d) the provision and management of canteen, sports, social and welfare organisations by the **Insured** for the benefit of the **Insured's Employees**

Business Hours

The period during which the **Premises** are actually occupied by the **Insured** and/or their **Employees** for **Business** purposes

Computer Records

All current and backup Computer Records, excluding fixed disks and paper records of any description, incorporating stored programs and information stored on them, belonging to the **Insured** or leased, hired or rented to the **Insured** and for which the **Insured** is legally responsible

Consequential Loss

Loss resulting from interruption or interference with the **Business** carried on by the **Insured** at the **Premises** in consequence of **Damage**



Definitions - continued

Contents

The contents of the **Buildings** within walled/secured building structures forming part of the **Buildings**, used in connection with the **Business** belonging to the **Insured** or for which the **Insured** is legally responsible to insure, including

- a) tenant's fixtures and fittings
- b) patterns, models, moulds, plans and designs
- c) documents, manuscripts and business books for their value as stationery and materials and the cost of labour expended in writing up and/or reinstatement thereof or restoration if more economical, subject to a maximum of £5,000 for any one loss
- d) paintings or other works of art, subject to a maximum of £500 for any one loss
- e) directors', partners' or **Employees'** personal effects, clothing, pedal cycles and tools unless otherwise insured, subject to a maximum of £1,000 per person for any one loss

but excluding **Electronic Equipment & Computers** and any other **Property** more specifically insured

Damage

Direct physical loss, destruction of or damage to the **Property** insured

Denial of Service Attack

Any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems, including but not limited to the generation of excess traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks

Domestic Contents

Comprising household goods within the **Premises**, including audio and visual equipment, clothing, luggage, sports equipment (excluding antiques, works of art, jewellery, gold and silver articles, watches, cups, trophies, furs and pedal cycles) belonging to the **Insured** or their resident manager or any of their family permanently residing with them

Electronic Equipment & Computers

All computer and ancillary electronic business equipment belonging to the **Insured** or for which they are responsible, including associated data carrying materials but excluding programs or information recorded thereon, including interconnected wiring, fixed disks and telecommunications equipment used at the **Premises** for the storage and communication of electronically processed data, but excluding:

- a) mobile devices where the sole or primary function of the item is to make, send and receive telephone calls and SMS messages
- b) any equipment controlling any manufacturing process
- c) **Damage** by theft or attempted theft to tills or cash registers unless they have been left unlocked and empty when the **Premises** are closed for business



Definitions - continued

Employee

- a) Any person under a contract of service or apprenticeship with the **Insured**
- or
- b) any of the following persons whilst working for the **Insured** in connection with the **Business**
 - i. any labour master or labour only subcontractor or person supplied by them
 - ii. any self-employed person providing labour only
 - iii. any trainee or person undergoing work experience
 - iv. any voluntary helper
 - v. any person who is hired to or borrowed by the **Insured**

Excess

The amount for which the **Insured** is responsible for each and every claim or loss as specified in the Schedule or in the Policy

Flood

Damage caused by:

- a) the escape of water from the normal confines of any natural or artificial water course, lake, reservoir, canal, drain or dam
- b) inundation from the sea
- c) inundation by rainwater or rainwater induced run off other than where the inundation is solely caused by or solely results from ingress of rainwater through or via the roof of the building

Fraudulent Claim

A claim by any person under this Policy, which is on the balance of probabilities dishonest, either in whole or in substantial part, by the lay objective standards of ordinary, reasonable and honest people. This definition includes claims that are dishonestly exaggerated or supported by fraudulent documents, means, devices or statements.

Goods in Transit

Stock in connection with the **Business** belonging to or the responsibility of the **Insured** whilst being:

- a) loaded on or in a **Vehicle**
- b) carried by a **Vehicle**
- c) temporarily contained on or in a **Vehicle** whilst parked or stationary or within a secure storage location for a continuous period of no more than 48 hours
- d) unloaded off or from a **Vehicle** but excluding positioning, installation, commissioning or erection once it has been unloaded

Gross Profit

The amount by which the sum of the **Turnover** and the amount of the closing **Stock** shall exceed the sum of the amount of the opening **Stock** and the amount of the **Specified Working Expenses**



Definitions - continued

Hacking

Unauthorised access to any computer or other equipment or component or system or item which processes, stores, transmits or retrieves data whether the property of the **Insured** or not

Increased Cost of Working

The additional expenditure reasonably incurred with the prior written consent of the **Insurer** for the sole purpose of avoiding or diminishing the reduction in **Gross Profit** which, without that expenditure, would have taken place during the **Indemnity Period**

Indemnity Period

The period beginning with the occurrence of the **Damage** and ending not later than the **Maximum Indemnity Period** as stated in the Schedule afterwards, during which the results of the **Business** shall be affected in consequence of the **Damage**

Injury

Bodily injury, sickness, disability or disease. **Injury** shall also mean recognised psychiatric injury or death if directly resulting from bodily injury, sickness, disability or disease

Insured

The person, persons or company named in the Schedule including subsidiary companies notified to and agreed as accepted by the **Insurer**

Insured Perils

Those Insurable Perils which are operative as stated in the Schedule subject always to the terms, Conditions and Exclusions applying to the Insurable Peril and of Section 1 and the Policy

Insurer

Hadron UK Insurance Company Limited

Intruder Alarm System

All the component parts of the alarm and including devices used to transmit or receive signals

Keyholder

The **Insured** or any person or company authorised by the **Insured** who has been fully trained in the operation of the **Intruder Alarm System**, including but not limited to the setting and unsetting of the system, and is available at all times to accept notification of faults or alarm signals relating to the **Intruder Alarm System** and to attend and allow access to the **Premises**

Legal Costs

All costs, expenses, fees and disbursements reasonably incurred with the prior written consent of the **Insurer** in addition to claimant's costs and expenses for which the **Insured** is legally liable



Definitions - continued

Licence

Granted under Part 3 Premises Licences of the Licensing Act 2003 or the Licensing (Scotland) Act 2005 or any subsequent amendment to the Act in respect of **Premises** which have been licensed for the sale by retail of alcohol

Loss of Limbs or of Sight, Speech or Hearing

Physical Injury which solely and directly results in:

- a) permanent and total loss of use of one or more limbs or
- b) total and irrecoverable loss of all sight in one or both eyes
- c) total and irrecoverable loss of speech or hearing

Maximum Indemnity Period

The number of Months stated in the Schedule as applying to the **Indemnity Period**

Money

Cash, bank currency notes, uncrossed cheques, uncrossed postal orders and money orders, unused postage stamps, National Insurance stamps, trading stamps, luncheon vouchers, lottery and other prize scratch cards, utility vouchers, top up cards, mobile phone vouchers and International Phone Cards held in connection with the **Business**, belonging to the **Insured** or for which the **Insured** is legally liable

Non-Negotiable Money

Crossed cheques, crossed girocheques, crossed bankers' drafts, crossed giro drafts, crossed postal and crossed money orders, national savings certificates, premium bonds, unexpired units in franking machines, stamped national insurance cards, credit card sales vouchers, debit card sales vouchers and VAT purchase invoices, held in connection with the **Business**, belonging to the **Insured** or for which the **Insured** is legally liable

Offshore Installation

- a) Any installation in the sea or tidal waters which is intended for underwater exploitation of mineral resources or exploration with a view to such exploitation
- b) any installation in the sea or tidal waters which is intended for the storage or recovery of gas or generation of electricity
- c) any pipe or system of pipes in the sea or tidal waters
- d) any accommodation installation for persons who work on or from the locations specified above

Outstanding Debit Balances

The total amount of the Outstanding Debit Balances in customers' credit accounts, including hire purchase and credit sales accounts, at the date of the **Damage**, adjusted for bad debts



Definitions - continued

Permanent Total Disablement

Physical Injury not resulting in death or **Loss of Limbs or of Sight, Speech or Hearing** which results in the permanent inability of the **Insured** or **Employee** to engage in any gainful employment

Phishing

Any access or attempted access to data or information made by means of misrepresentation or deception

Physical Injury

Bodily injury by external, violent and visible means sustained by the **Insured** or **Employee** in the course of the **Business**, where such injury arises directly from assault during a theft or attempted theft of the **Money** and/or **Non-Negotiable Money** and/or **Property** involving forcible and violent means or an actual or threatened hold up

Pollution or Contamination

- a) All Pollution or Contamination of buildings or other structures or of water, land or the atmosphere and
- b) all **Injury**, loss or damage directly or indirectly caused by such Pollution or Contamination

but only to the extent that the **Insured** can show the **Pollution or Contamination**:

- i. was a direct result of a sudden, specific and identifiable event occurring within the **Territorial Limits**;
- ii. became known to the **Insured** within 72 hours of its commencement and is notified in accordance with the Policy's notification provisions;
- iii. was not the direct result of the **Insured** failing to take reasonable precautions to prevent such **Pollution or Contamination**.

All **Pollution or Contamination** which arises out of one incident shall be deemed to have occurred at the time such incident takes place.

Premises

The **Buildings** and the land inside the boundaries at the risk address(es) stated in the Schedule

Principal

Any person, firm, company, ministry or authority for whom the **Insured** is undertaking work

Products Supplied

Any goods or other property which have left the **Insured's** care, custody or control, including containers, packaging, labelling and instructions for use, sold, supplied, delivered, erected, repaired, serviced, altered, treated, installed, processed, manufactured or tested by the **Insured** for the purposes, and in the exclusive course, of the **Business**



Definitions - continued

Property

- a) **Buildings, Tenants' Improvements, Contents, Electronic Equipment & Computers, Computer Records, Stock, Domestic Contents** and in respect of Section 1 of the Policy such other items to which cover is expressly extended in Section 1 of the Policy or Schedule or
- b) in respect of Section 3 of the Policy *Covered Equipment, Computer Equipment* and such other items to which cover is expressly extended in Section 3 of the Policy

The **Insurer** agrees to accept the classification under which any **Property** has been entered in the books of the **Insured**

Property in the Open

Property of the **Insured** or for which the **Insured** is legally responsible to insure in the open within the boundaries of the **Premises**, including canopies, marquees, outdoor furniture and outdoor heating, but excluding satellite dishes and **signs** attached to or detached from the fabric of the **Buildings** and excluding Playing surfaces, artificial surfaces and floodlights

Rate of Gross Profit

For the purpose of a new business that has not yet been trading 12 months

The Rate of Gross Profit earned on the **Turnover** during the period between the date of commencement of the **Business** and the date of the **Damage**

For all other businesses

The Rate of Gross Profit earned on the **Turnover** during the financial year immediately before the date of the **Damage**

Rent

The money paid or payable by the **Insured** for accommodation and services provided (including service charges unless excluded by Endorsement) at the **Premises**

Safe/Strongroom

An item being of substantial construction with key and/or combination locks and manufactured for the secure storage of **Money** or **Non-Negotiable Money**.

This does not include cash boxes, tills, filing cabinets or any item constructed of sheet metal whether lockable or not

Signs

Signs fixed to the fabric of the **Buildings** or fixed to the ground within the boundaries of the **Premises** belonging to the **Insured** or for which the **Insured** is legally responsible to insure



Definitions - continued

Solicitors' Fees

Solicitors' Fees reasonably incurred with the **Insurer's** prior written consent for the representation of the **Insured** at any Coroner's Inquest or Fatal Accident Inquiry or at proceedings in any court of summary jurisdiction in respect of any occurrence which may be the subject of indemnity under Sections 4 and 5 of this Policy

Specified Working Expenses

The total of:

- a) purchases less discounts received
- b) discounts allowed
- c) carriage, freight and packaging and
- d) bad debts

during the period immediately before the date of the **Damage** which corresponds with the **Indemnity Period**

Standard Turnover

For the purpose of a new business that has not yet been trading 12 months

The proportional equivalent for a period equal to the **Indemnity Period** of the **Turnover** realised during the period between the commencement of the **Business** and the date of the **Damage**

For all other businesses

The **Turnover** during the period immediately before the date of the **Damage** which corresponds with the **Indemnity Period**

Stock

Stock and materials in trade including raw materials, work in progress and finished goods the property of the **Insured** and goods in trust for which the **Insured** is responsible

System Failure

The malfunction or non-function of any mechanical and/or electronic system or loss of control caused by:

- a) the response of a Computer to any date or date change; or
- b) the failure of a Computer to respond to any date or date change; or
- c) the loss of or denial of access to any of the **Insured's** or third party data; or
- d) any loss of or damage to or change or corruption in data or software on a Computer or Computer system; or
- e) any Computer virus, hacking into, degradation of, breach of security in or denial of access to a Computer or Computer system or website.

Computer includes computer hardware, computer software, microchip, microprocessor, any electronic equipment and any device which gives, processes, receives or stores electronic instructions or information.



Definitions - continued

Temporary Total Disablement

Physical Injury which results in the temporary inability of the **Insured** or **Employee** to engage in any gainful employment

Tenants' Improvements

All improvements, alterations and decorations effected by or on behalf of the **Insured** as occupier of the **Premises**, for which the **Insured** is legally responsible to insure, excluding **Property in the Open**, satellite dishes, **Signs** and tenant's fixtures and fittings

Territorial Limits

Great Britain, Northern Ireland, the Isle of Man or the Channel Islands

Terrorism

An activity that:

- a) involves a violent act or the unlawful use of force or an unlawful act dangerous to human life, tangible or intangible property or infrastructure, or a threat thereof and
- b) appears to be intended to:
 - i. intimidate or coerce a civilian population or
 - ii. disrupt any segment of the economy of a government de jure or de facto of a state or country or
 - iii. overthrow, influence or affect the conduct or policy of any government de jure or de facto by intimidation or coercion or
 - iv. affect the conduct of a government de jure or de facto by mass destruction, assassination, kidnapping or hostage taking

Turnover

The money paid or payable to the **Insured** for **Products Supplied** and services rendered in the course of the **Business**, including rent receivable by the **Insured** for accommodation or services provided to third parties

Unoccupied

Any **Building** or part of any **Building** which is empty or not in use by the **Insured** or any tenant of the **Insured** for more than 30 consecutive days

Vehicle

A mechanically driven conveyance with or without attached trailers for conveying the **Goods in Transit**

Virus or Similar Mechanism

Program, code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations whether involving self-replication or not, including but not limited to trojan horses worms and logic bombs



General Conditions

Applicable to all parts of this Policy

1. Fraud Condition

If the **Insured** makes a **Fraudulent Claim** under this Policy, the **Insurer**:

- i) is not liable to pay the claim or any part of it; and
- ii) may recover from the **Insured** any sums paid by the **Insurer** to the **Insured** in respect of the claim or any part of it; and
- iii) may by notice to the **Insured** treat the contract as having been terminated with effect from the time of the fraudulent act.

If the **Insurer** exercises its right under clause (iii) above:

- i) the **Insurer** shall not be liable to the **Insured** in respect of a relevant event occurring after the time of the fraudulent act. A relevant event is whatever gives rise to the **Insurer's** liability under the insurance contract (such as the occurrence of a loss, the making of a claim, or the notification of a potential claim); and,
- ii) the **Insurer** need not return any of the premiums paid.

2. Reasonable Care Condition

The **Insured** shall:

- a) take all reasonable precautions to prevent or diminish loss, destruction, damage or injury
- b) take all reasonable steps to comply with statutory requirements, obligations and regulations imposed by any authority
- c) exercise care in the selection and supervision of **Employees**
- d) maintain all **Buildings**, ways, works, machinery and plant in sound condition and keep the same in good repair.

As soon as reasonably possible after discovery of any defect or danger, the **Insured** shall 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. Alteration Condition

This Policy shall cease to be in force from the date of the alteration if:

- a) any alteration is made either in the **Business** or at the **Premises** or to any **Property** insured after the commencement of the insurance, or if there is any alteration to the facts or matters set out in the Statement of Fact or otherwise comprising the risk presentation made by the **Insured** to the **Insurer** at inception, renewal or variation of the Policy, that increases the risk of loss, destruction, damage or injury or
- b) the **Insured's** interest ceases except by will or operation of law or
- c) the **Business** is wound up or carried on by a liquidator or receiver or permanently discontinued or
- d) the **Premises** become **Unoccupied**

unless the **Insurer** has agreed in writing to accept such alteration.



General Conditions - continued

4. Payment of Premium Condition

It is a condition precedent to the **Insurer's** liability that:

- a) the premium for the Policy or any endorsement attaching to the Policy shall be paid when due
- b) if the premium for the Policy or endorsement is payable by instalments then
 - i. each instalment shall be paid when due or
 - ii. where a notice has been issued requiring the outstanding amount must be paid by a specific date, then such payment is made by that date.

5. Cancellation Condition

- a) Cancellation by the **Insured**

Cooling off cancellation rights –

The **Insured** has the right to cancel the insurance from inception within 14 days of the receipt of the documents at the start of the insurance (“the cooling off period”) if the cover does not meet their requirements by returning all documents and any certificate to the Broker, Intermediary or Agent who arranged the Policy.

The **Insurer** shall return any premium paid in full within 30 days of the receipt of the notice of cancellation from the Broker, Intermediary or Agent if the cover is cancelled either:

- i) before the inception date or
- ii) within the 14-day cooling off period provided that no claim has been made or incident advised that could give rise to a claim (in those circumstances no return of premium will be made).

Where a survey has been carried out, no return of premium will be made.

Cancelling the Policy after the cooling off period –

The **Insured** may cancel the insurance at any other time by contacting the Broker, Intermediary or Agent who arranged the Policy.

On receipt of the notification from the Broker, Intermediary or Agent, the **Insurer** will cancel the Policy and provide a proportionate return of the premium (less any admin fee charged) in respect of the unexpired period of insurance, provided that no claim has been made or incident advised that could give rise to a claim (in those circumstances no return of premium will be made). Where a survey has been carried out within the year of cancellation, no return of premium will be made.



General Conditions - continued

5. Cancellation Condition - continued

b) Cancellation by the **Insurer**

i) Non-payment of Premium –

If the **Insurer** has not received the premium in accordance with the terms of General Condition 4. Payment of Premium, the **Insurer** will cancel the Policy by giving 7 days' notice in writing by letter to the **Insured** at the **Insured's** last known address or to their Broker, Intermediary or Agent.

The insurance will end immediately the 7 days' notice runs out.

If the **Insured** has just incepted the Policy or renewed the Policy with the **Insurer** and the premium is unpaid then the **Insurer** will cancel the insurance from the inception or renewal date.

ii) Cancellation for any other reason –

The **Insurer** may cancel the Policy or any section or endorsement by giving 14 days' notice in writing by letter to the **Insured** at the **Insured's** last known address or to their Broker, Intermediary or Agent.

The **Insurer** does not have to give a reason for the cancellation although potential reasons for doing so may include but are not limited to the following:

- the **Insured** has not provided to the Broker, Intermediary or Agent the information or documents the **Insurer** has requested as part of the terms and Conditions in providing the insurance
- the **Insured** has not met the terms and Conditions contained in this document of insurance including those shown on their Schedule
- where the **Insured** does not comply with any of the different Policy terms and Conditions imposed by the **Insurer** as a result of the identification of misrepresentation as detailed in Fair Presentation
- where the survey arranged by the **Insurer** has identified additional risks which were not evident to the **Insurer** prior to the survey, or where the **Insured** has not complied with the **Insurer's** acceptance criteria nor with the timely completion of any risk improvements as detailed in General Condition 9 - Subject to Survey
- the **Insured** has behaved in a manner that makes it inappropriate for the **Insurer** to continue the insurance, e.g. the **Insured** harassing or showing abusive or threatening behaviour towards the **Insurer's** staff or the **Insurer's** appointed representatives.

The insurance will end immediately the 14 days' notice runs out.

If the **Insured** has just incepted the Policy or renewed the Policy with the **Insurer** and the premium is unpaid then the **Insurer** will cancel the insurance from the inception or renewal date.



General Conditions - continued

5. Cancellation Condition - continued

The **Insurer** will provide a proportionate return of premium (less any admin fee charged) in respect of the unexpired period of insurance of the Policy or Section other than in circumstances listed below:

- (a) where the **Insurer** identifies fraud as detailed in General Condition 1) Fraud
- (b) where a claim has been made or incident advised that could give rise to a claim
- (c) where a survey has been conducted in the year of cancellation

in these circumstances no premium shall be returned by the **Insurer**.

6. Choice of Law Condition

The parties agree that English law applies to this contract and they further agree to submit to the exclusive jurisdiction of the English courts.

7. Observance of Terms Condition

It is a condition precedent to the **Insurer's** liability that the **Insured** shall observe the terms of the Policy so far as they relate to anything to be done or complied with.

8. Legal Representatives Condition

In the event of the death of the **Insured**, the **Insurer** 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 to the extent that they can apply.

9. Subject to Survey Condition

If any insurance by the Policy either at inception or subsequent renewal has been granted subject to the completion of a survey of the **Premises**, or if during the Period of Insurance following notification of a claim or an alteration to the **Business** or the **Premises** or to any **Property** under the Policy the **Insurer** requires a survey,

- a) then pending completion of such survey, the terms, Conditions, Exclusions and limits as specified in the Policy and Schedule shall apply
- b) if following completion of the survey and in the opinion of the **Insurer** this has identified additional risks which were not evident to the **Insurer** prior to the survey, then the **Insurer** reserves the right to alter or amend the terms and Conditions of the Policy or to suspend or withdraw cover immediately
- c) the continuation of cover after the survey by the **Insurer** shall be subject to the **Insured** complying with the **Insurer's** acceptance criteria and the completion of any risk improvements required within the time frame agreed with the **Insurer**, otherwise the **Insurer** may at its option invoke the Cancellation Condition.



General Conditions - continued

10. Limit of Indemnity Condition

All the Sums Insured, Limits of Indemnity and any other restrictions on the amount of the **Insurer's** liability stated in the Policy shall apply as maximum limits to the **Insurer's** liability irrespective of the number of persons entitled to indemnity under the Policy.

For the purposes of the Sums Insured, Limits of Indemnity and any other restrictions on the amount of the **Insurer's** liability, the **Insured** and all other persons entitled to be indemnified under the Policy shall be treated as one party or legal entity so that there shall be only a single contract of insurance between the **Insurer** as one party and the **Insured** and all other persons entitled to be indemnified as the other party.

11. Third Party Rights Condition

A person or company who is not a party to the Policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any clause or term of the Policy, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

The **Insured** shall not assign or transfer their rights under the Policy without the written agreement of the **Insurer**.

12. Insured's Contribution Condition

Where stated in the Schedule or in the Policy, the **Insured** shall be responsible for paying an **Excess** in relation to each claim made by the **Insured** under this Policy.

13. Subrogation Condition

The **Insured** shall at the request and at the expense of the **Insurer** do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the **Insurer** for the purpose of enforcing any rights and remedies or obtaining relief or indemnity from other parties to which the **Insurer** shall be or would become entitled or subrogated upon its paying for or making good any damage insured by this Policy, whether such acts and things shall be or become necessary or required before or after their indemnification by the **Insurer**, including the commencement of proceedings.

If a recovery is made from a third party in respect of claims which may be or have been paid wholly or in part under this Policy, the costs of pursuing the recovery shall first be deducted from the recovery proceeds and repaid to the **Insurer**. The balance shall then be distributed as follows:

- a) the **Insured** receives any sum the **Insured** has paid or lost excluding interest, in respect of which the recovery has been made in excess of the deductible (if applicable) and in excess of all amounts recovered and recoverable under this Policy; then
- b) after payment of the amount referred to in sub-clause 13 a), the **Insurer** receives all sums the **Insurer** has paid excluding interest, in respect of the loss which is the subject of the recovery; then



General Conditions - continued

13. Subrogation Condition - continued

- c) after payment of the amounts referred to in sub-clauses 13 a) and 13 b), the **Insured** receives any balance, exclusive of interest
- d) any interest on any recovery made from a third party will be distributed between the **Insured** and the **Insurer** in the same order as outlined in sub-clauses 13 a) – 13 c) above.

14. Lithium-ion Batteries Condition

It is a condition precedent to the **Insurer's** liability that any storage or use of lithium-ion batteries (and products containing such batteries) at the **Premises** complies with the following requirements, otherwise there is no cover under any Section of this Policy (other than **Section 4 - Employers' Liability** to which that exclusion does not apply):

- a) bulk storage of such batteries to be limited to an area no greater than 20m²
- b) maximum storage height for any such batteries to be 1.8m from the ground or floor level
- c) multiple storage areas to be separated by aisles a minimum of 3m wide
- d) manufacturer's instructions for correct storage, usage and charging must be strictly followed
- e) such batteries (whether stored or in use) must never be exposed to high temperatures (above room temperature) or positioned in direct sunlight
- f) only reputable named brands of battery chargers to be used with such batteries, designed specifically for the particular battery in use (and for the product containing such battery) and with such batteries or products removed from the charger (and the charger switched off) immediately that charging has completed to avoid any instance of overcharging the batteries
- g) the **Premises** must never be left unattended when such batteries or products containing such batteries are being charged
- h) all storage of such batteries, and any items containing such batteries in use, to be regularly checked for any signs of physical damage, and the storage suitably disposed of or the items taken out of use (and any such batteries removed and suitably disposed of) if such damage is found
- i) the **Insured** must have a fire risk assessment covering handling, storage, use and charging of such batteries and a clear plan of action to take in the event of a fire; such risk assessment and plan of action to be communicated to all staff working in the areas where such batteries are stored, used or charged
- j) when no longer going to be stored or used, such batteries must be safely disposed of, separate from other waste forms and in a lidded metal container, with the batteries then removed from the **Premises** within one week.



General Exclusions - applicable to all sections

This Policy does not cover:

1. War, Government Action, Radioactive Contamination and Sonic Bangs Exclusion

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) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
- b) nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority
- c) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- d) the radioactive, toxic, explosive or other hazardous properties of any radioactive matter or of any explosive nuclear assembly or nuclear component thereof
- e) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

2. Terrorism and Civil Commotion Exclusion

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:

- a) **Terrorism**
- b) civil commotion in Northern Ireland.

In any action, suit or other proceedings where the **Insurer** alleges that by reason of this Exclusion as far as it relates to **Terrorism**, any **Damage** or resulting loss or expense or **Consequential Loss** is not covered by the Policy, the burden of proving that such **Damage**, loss, expense or **Consequential Loss** is covered shall be upon the **Insured**.

3. Date Recognition Exclusion

Damage or **Consequential Loss** of whatsoever nature or liability for damages attaching to the **Insured** or any associated costs relating thereto, arising directly or indirectly from or consisting of the failure or inability of any:

- a) computer, data processing equipment, microchip, integrated circuit or any similar device or any computer software or computer firmware
- b) media or systems used in connection with any of the above

whether the property of the **Insured** or not

- i) to recognise correctly any date as its true calendar date
- ii) to capture, save or retain and/or correctly to manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date



General Exclusions - continued

3. Date Recognition Exclusion - continued

but

- a) in respect of Section 1 and Section 2, this shall not exclude subsequent **Damage** not otherwise excluded which itself results from the **Insured Perils**
- b) this exclusion shall not apply to **Section 4 – Employers’ Liability**.

4. Marine Policies Exclusion

Damage to Property which at the time of the happening of the **Damage** is insured by or would but for the existence of this Policy be insured by any marine policy or policies, except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this Policy not been effected.

5. Computer Virus and Cyber Liabilities Exclusion

Injury, loss or **Damage** directly or indirectly caused by, resulting from or in connection with:

- a) the alteration, modification, distortion, corruption of or damage to any computer, other equipment, component, system or item which processes, stores, transmits or receives data or any part thereof, whether tangible or intangible (including but without limitation any information or programs or software) or
- b) any alteration, modification, distortion, erasure or corruption of data processed by any such computer, other equipment, component, system or item

whether the property of the **Insured** or not, where such loss is directly or indirectly caused by, contributed to by, arising from, occasioned by or resulting from actual or threat of **Virus or Similar Mechanism** or **Hacking** or **Phishing** or **Denial of Service Attack**

- c) cyber liabilities associated with or caused by an electronic **System Failure** if a **System Failure** forms an identifiable element in the chain of events from which the liability arises, whether or not it is the proximate cause of the liability.

6. Illegal, Deliberate and Criminal Activities Exclusion

Damage or **Consequential Loss** of whatsoever nature or liability for damages attaching to the **Insured** or any associated costs relating thereto, arising directly or indirectly from:

- a) damage or liability caused as a result of the **Premises** being used for illegal activities by the **Insured**
- b) deliberate or criminal acts by the **Insured**.



General Exclusions - continued

7. Sanctions Exclusion

The **Insurer** shall not be deemed to provide cover and shall not be liable to pay any claim or provide any benefit hereunder, to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the **Insurer** to any sanction, prohibition or restriction under the United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

8. Fungus, Moulds and Spores Exclusion

Injury, loss or **Damage** caused by or attributable to:

- a) any Fungus(i), Mould(s), mildew or yeast or
- b) any Spore(s) or toxins created or produced by or emanating from such Fungus(i), Mould(s), mildew or yeast or
- c) any substance, vapour, gas or other emission or organic or inorganic substance produced by or arising out of any Fungus(i), Mould(s), mildew or yeast or
- d) any material, product, building component, building structure or any concentration of moisture, water or other liquid within such material, product, building component or building structure that contains, harbours, nurtures or acts as a medium for any Fungus(i), Mould(s), mildew, yeast or Spore(s) or toxins emanating therefrom

regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that claim, loss, suit, **Injury, Damage**, Costs and Expenses.

For the purpose of this Exclusion the following Definitions are added:

Fungus(i) includes but is not limited to any plants or organisms belonging to the major group Fungi lacking chlorophyll, and including moulds, rusts, mildews and mushrooms.

Mould(s) includes but is not limited to any superficial growth produced on damp or decaying organic matter or on living organisms and Fungi that produced moulds.

Spore(s) means any dormant or reproductive body produced by or arising or emanating out of any Fungus(i), Mould(s), mildew, plants, organisms or micro-organisms.

9. Electronic Data Exclusion

- a) The insurance by this Policy does not cover loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.



General Exclusions - continued

9. Electronic Data Exclusion- continued

Electronic Data means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Computer Virus means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to "trojan horses", "worms" and "time or logic bombs".

- b) However, in the event that a Peril listed below results from any matters described in paragraph (a) above, this insurance, subject to all its terms, Conditions and Exclusions, will cover physical **Damage** occurring during the Policy Period of Insurance to the **Property** insured by this Policy directly caused by such listed Peril.

Listed Perils:

Fire, Explosion

Electronic Data Processing Media Valuation

Should electronic data processing media insured by this Policy suffer physical loss or **Damage** insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the Electronic Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such Electronic Data. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However, this insurance does not insure any amount pertaining to the value of such Electronic Data to the **Insured** or any other party, even if such Electronic Data cannot be recreated, gathered or assembled.

10. Biological, Chemical, Radiological and Nuclear Materials Exclusion

Injury, loss or **Damage** or costs or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of, or pollution or contamination arising from, pathogenic or poisonous biological, chemical, radiological or nuclear materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

11. Asbestos Exclusion

Damage or **Consequential Loss** of whatsoever nature or any liability of whatsoever nature arising from or caused by any work involving the manufacture, mining, processing, use, installation, storage, removal, stripping out, demolition, disposal, distribution, inspection or testing of or exposure to asbestos, asbestos fibres, asbestos dust or asbestos-containing materials.



General Exclusions - continued

12. Indirect Loss Exclusion

Damage or **Consequential Loss** of whatsoever nature or liability for any loss or damage that is not directly associated with the incident that caused the **Insured** to claim.

13. Existing Damage Exclusion

Damage or **Consequential Loss** of whatsoever nature or liability for any loss or damage occurring before or arising from an event before the beginning of the Period of Insurance.

14. Loss of Value Exclusion

Damage or **Consequential Loss** of whatsoever nature for any reduction in value of the **Property** insured following repair or replacement paid for under this Policy.

15. Virus, Disease and Pandemic Exclusion

(not applicable to **Section 4 - Employers' Liability**)

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

- a) Coronaviruses
- b) Coronavirus disease (COVID-19);
- c) Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2);
- d) any mutation of or variation of a), b) or c) above;
- e) any infectious disease that is designated or treated as a pandemic by the World Health Organisation
- f) any fear or anticipation of a), b), c), d) or e) above
- g) Government regulation, advice or restriction(s) as a result of the aforesaid matters

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

16. Bullying or Harassment Exclusion

The **Insurer** will not indemnify the **Insured** in respect of legal liability for claims arising from bullying or harassment unless the condition complained of is accompanied by and arises directly from actual physical bodily injury.



Section 1 - Material Damage

In the event of **Damage** to **Property** insured at the **Premises** from an **Insured Peril** during the Period of Insurance the **Insurer** will indemnify the **Insured** for the loss or amount of **Damage** or at its option replace or reinstate such **Property** in accordance with the provisions of the Policy and provided that during the Period of Insurance the liability of the **Insurer** under this Section shall not exceed the lesser of:

- a) in respect of any item its Sum Insured or Limit stated in the Policy or the Schedule at the time of the **Damage**
- b) the Sum Insured or Limit remaining after deduction for any other **Damage** in the same Period of Insurance unless the **Insurer** has agreed to reinstate any such Sum Insured or Limit.

In addition, the **Insurer** will indemnify the **Insured** in respect of loss of **Rent** as a result of **Damage** to the **Premises** from an **Insured Peril** during the Period of Insurance rendering the **Buildings** uninhabitable provided that the liability of the **Insurer** shall not exceed the lesser of:

- a) the **Rent** Sum Insured stated in the Schedule at the time of **Damage**
- b) the **Rent** payable for the period the **Buildings** are uninhabitable.

Insurable Perils

The following are the Insurable Perils operative as **Insured Perils** if stated in the Schedule:

1. Fire

Excluding damage caused by:

- a) its own spontaneous combustion or heating or its undergoing any heating process or any process involving the application of heat
- b) explosion resulting from fire.

2. Lightning

3. Explosion

Excluding damage caused by the bursting by steam pressure of a boiler, economiser or other vessel, machine or apparatus in which internal pressure is due to steam only, belonging to or under the control of the **Insured**.

However, this exclusion does not apply to **Damage** caused by the explosion of any boiler or gas used only for domestic purposes.

4. Aircraft or other aerial devices or articles dropped from them

5. Earthquake and subterranean fire



Section 1 - Material Damage - continued

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

Excluding damage:

- a) arising from cessation of work or due to confiscation, nationalisation, seizure, requisition or destruction by order of the government or any public authority
- b) by Theft or attempted theft
- c) whilst any **Building** is **Unoccupied**.

7. Theft or attempted theft

Involving entry to or exit from the **Buildings** at the **Premises** by forcible and violent means or actual or threatened hold up assault or violence, excluding:

- a) loss from any structure which is incapable of being locked
- b) damage
 - i) in respect of **Property in the Open**
 - ii) whilst any **Building** is **Unoccupied**
 - iii) in respect of **Stock** at exhibitions that is not contained in an indoor exhibition hall which is locked and/or guarded outside business hours
- c) Theft or attempted theft by **Employees**
- d) loss in respect of electronic equipment designed for mobile or portable use.

8. Storm

Excluding damage:

- a) caused by frost, Subsidence, ground heave or landslip
- b) attributable solely to a change in the water table level
- c) to fences, gates and **Property in the Open** or in open fronted or open sided **Buildings**
- d) by Flood whether resulting from Storm or otherwise.

9. Flood

Excluding damage:

- a) caused by frost, Subsidence, ground heave or landslip
- b) attributable solely to a change in the water table level
- c) to fences, gates, playing surfaces, artificial surfaces and floodlights and moveable **Property in the Open** or in open fronted or open sided **Buildings**.

10. Impact by:

- a) any road vehicles or animals
 - b) falling trees or boughs
 - c) breakage or collapse of aerials or satellite dishes
- excluding damage by lopping, pruning or felling of trees.



Section 1 - Material Damage - continued

11. Escape of water from any tank, apparatus or pipe or escape of oil from any fixed oil-fired heating installation or leakage of beverages from storage containers or connected apparatus

Excluding damage:

- a) by water discharged or leaking from any automatic sprinkler installation
- b) whilst any **Building** is **Unoccupied**
- c) by leakage of bottled **Stock** or the cost of replacing the beverages
- d) caused by Subsidence, ground heave or landslip
- e) for Subsidence, ground heave or landslip caused by the escape of water.

12. Accidental escape of water from any automatic sprinkler installation

Excluding damage occasioned by or attributable to:

- a) heat caused by fire
- b) freezing whilst any **Building** is **Unoccupied**
- c) repairs, alterations or extensions to the **Buildings** and/or sprinkler installations.

13. Accidental damage

Excluding damage:

- a) caused by any other Insurable Peril
- b) to a **Building** or structure caused by its own collapse or cracking
- c) to **Property** insured caused by **Pollution or Contamination** other than **Damage** caused by **Pollution or Contamination** which itself results from Fire or Explosion
- d) to **Property** resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing, adjustment or repair
- e) to **Property** insured caused by or consisting of:
 - i. inherent vice, latent defect, gradual deterioration, wear and tear, erosion, corrosion, frost or a change in the water table level
 - ii. its own faulty or defective design or materials
 - iii. faulty or defective workmanship, operational error or omissionbut this shall not exclude subsequent **Damage** which results from a cause not otherwise excluded
- f) caused by:
 - i. rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring or scratching
 - ii. any gradually operating cause
 - iii. scratching, tearing or fouling by pets or domesticated animals
 - iv. vermin or insects
 - v. change in temperature, colour, flavour, texture or finish
 - vi. joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping connected to them



Section 1 - Material Damage - continued

13. Accidental damage, excluding damage - continued

- vii. mechanical or electrical breakdown or derangement in respect of the particular machines, apparatus or equipment in which the breakdown or derangement originates, overrunning or electrical surges or spikes in electricity
but this shall not exclude subsequent **Damage** which itself results from a cause not otherwise excluded
- g) caused by disappearance, unexplained or inventory shortage, misfiling or misplacing of information
- h) caused by acts of fraud or dishonesty
- i) occasioned by delay, embargo, nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority
- j) caused by electrical or magnetic disturbance or erasure of electronic records.

14. Subsidence, ground heave and landslip

Excluding damage:

- a) to outbuildings, yards, pipes, cables, wires, ducting, car parks, roads, pavements, walls, gates, fences, swimming pools, tennis courts, tanks and children's play areas unless the structure of the main building or buildings at the risk address stated in the Schedule is also affected at the same time by the same cause
- b) to solid floor slabs or damage resulting from their movement, unless the foundations beneath the outside walls of the main building or buildings at the risk address stated in the Schedule are also affected at the same time by the same cause
- c) arising from the settlement or movement of made-up ground or by coastal or river erosion
- d) occurring as a result of the construction, demolition, structural alteration or structural repair of any property at the **Premises**
- e) arising from normal settlement or bedding down of new structures
- f) which originated prior to the granting of this cover
- g) caused by faulty or defective workmanship, materials or design
- h) caused by Fire, Subterranean Fire, Explosion or Earthquake
- i) recoverable under any warranty or guarantee including NHBC guarantee.



Section 1 - Material Damage - continued

Additional Covers

All terms, Exclusions and Conditions of Section 1 apply to these Additional Covers in addition to those shown below as applying to each of the Additional Covers.

Glass, Blinds & Signs

The **Insurer** will indemnify the **Insured** in respect of **Damage** to fixed glass for which the **Insured** is responsible at the **Premises** occurring during the Period of Insurance.

Following **Damage** to fixed glass at the **Premises** the **Insurer** will also indemnify the **Insured** in respect of:

- a) the cost of reinstating **Intruder Alarm Systems** damaged as a result of glass breakage
- b) any boarding up costs incurred
- c) **Damage** to framework and goods on display in windows caused by the impact of falling glass

the **Insurer** will also indemnify the **Insured** for **Damage** at the **Premises** to:

- d) neon and illuminated signs and electric light fittings
- e) external blinds and signs
- f) sanitaryware (fixed baths, wash basins, pedestals, bidets, shower trays, sinks, lavatory pans and cisterns) where such **Damage** renders such article completely unserviceable
- g) lettering or other ornamental work and alarm foil on fixed glass.

The liability of the **Insurer** under c), d), e), f) and g) shall be restricted to £2,500 for any one loss.

Exclusions

The **Insurer** shall not be liable for damage:

- a) to glass:
 - i. caused by repairs or alterations to the **Premises**
 - ii. caused by alteration, installation or removal
 - iii. in any **Building** which is **Unoccupied**
- b) to neon and illuminated signs and electric light fittings
 - i. caused by or traceable to wear and tear or gradual deterioration, mechanical or electrical breakdown or removal from the fixed position other than by Theft or attempted theft
 - ii. of bulbs or tubes unless consequent upon **Damage** to signs or fittings
- c) caused by or arising from:
 - i. superficial **Damage**, scratching or cracking which does not result in the complete breakage of the glass
 - ii. inherent or latent defect or its own faulty or defective design or materials
 - iii. gradual deterioration or gradually operating cause, wear and tear, change in colour or finish
 - iv. changes in temperature or atmospheric or climatic conditions
 - v. defects in frames framework or any fitting.



Section 1 - Material Damage - continued

Money

This Additional Cover is only operative if shown in the Schedule.

The **Insurer** will indemnify the **Insured** in respect of loss of or damage to **Money** and **Non-Negotiable Money** held in connection with the **Business** as detailed below occurring during the Period of Insurance:

- a) in the *Premises* during **Business Hours** or whilst in a bank night safe
- b) in transit to and from the *Premises* whilst in the custody of the **Insured** or an authorised person acting on behalf of the **Insured**
- c) in the **Insured's** or any authorised person's private dwelling house subject to a limit of £500 for any one loss
- d) in the *Premises* whilst left unattended or outside **Business Hours** and not secured in a locked **Safe**, subject to a limit of £500 for any one loss
- e) in the *Premises* whilst left unattended or outside **Business Hours** and secured in a locked unspecified **Safe**, subject to a limit of £5,000 for any one loss
- f) in the *Premises* whilst left unattended or outside **Business Hours** and secured in a specified **Safe** if stated in the Schedule.

For the purposes of this Additional Cover *Premises* shall mean the main building(s) occupied by the **Insured** at the risk address stated in the Schedule.

The liability of the **Insurer** under this Additional Cover shall be restricted to the Limits as shown above and as stated in the Schedule for any one loss; however, the limits for **Money** on the *Premises* during **Business Hours** and **Money** on the *Premises* outside **Business Hours** within a locked **Safe** are increased by 50% for a period of 7 days preceding and including any Bank Holiday or Public Holiday.

The **Insurer** will also indemnify the **Insured** in respect of **Damage** to:

- i. any **Strongroom, Safe**, till or postal franking machine belonging to the **Insured** or for which the **Insured** is legally responsible, up to an amount not exceeding the cost of repair or replacement
- ii. cash carrying devices, clothing and personal effects belonging to the **Insured** or any partner, director or **Employee** of the **Insured** resulting from Theft or attempted theft of **Money** or **Non-Negotiable Money**, subject to a maximum of £500 for any one loss
- iii. **Money** in locked, coin operated machines in the *Premises* during or outside **Business Hours** or whilst the *Premises* are left unattended, subject to a maximum limit of £250 any one machine and £1,000 any one *Premises*.

Exclusions

The **Insurer** shall not be liable for loss from:

- a) shortage due to error or omission
- b) forgery, deception or the use of counterfeit **Money** or **Non-Negotiable Money**
- c) the use of any form of payment which proves to be counterfeit, false, fraudulent, invalid, uncollectible or irrecoverable for any reason



Section 1 - Material Damage - continued

Money - continued

Exclusions - continued

- d) Theft or attempted theft from the *Premises* as stated in the Schedule or any authorised person's private dwelling, unless involving entry to or exit from such *Premises* or private dwelling by forcible and violent means or actual or threatened hold up assault or violence
- e) fraud, dishonesty, Theft or attempted theft by any **Employee** except as more specifically insured under the optional Sub-Section Employee Dishonesty of the Management Protector Section
- f) an unattended vehicle
- g) damage not within the **Territorial Limits**
- h) any business or other activity not connected with the **Business** conducted from the *Premises* as stated in the Schedule

Conditions

1. It is a condition precedent to the **Insurer's** liability under this Additional Cover that the **Insured** shall maintain the following minimum standards of precaution for the safety of **Money** in transit (other than by specialist security carrier) at all times:
 - a) the times of transits, routes and conveyances used shall be varied as far as is possible
 - b) all persons engaged in the transit of **Money** shall be at least 18 years of age
 - c) transits of amounts of:
 - i. up to £3,000 shall be accompanied by at least one person
 - ii. £3,001 to £6,000 shall be accompanied by at least two people
 - iii. £6,001 to £10,000 shall be accompanied by at least three people or two people travelling by motor car or using an approved security case
 - iv. amounts exceeding £10,000 shall be transported by specialist security carrier.
2. It is a condition precedent to the **Insurer's** liability that when the *Premises* as stated in the Schedule or any authorised person's private dwelling in which **Money** is kept are left unattended:
 - a) all locks, bolts and other protective devices are in full operation
 - b) all keys must be held in the personal custody of an authorised person and removed from
 - i. the unattended *Premises* as stated in the Schedule or
 - ii. from the final exit door of any authorised person's unattended private dwelling.

Personal Accident (Assault)

This Additional Cover is only operative if shown in the Schedule.

The **Insurer** will indemnify the **Insured** and any **Employee** for compensation in accordance with the Schedule of Benefits in respect of **Physical Injury**.



Section 1 - Material Damage - continued

Money - continued

Personal Accident (Assault) - continued

Schedule of Benefits

1. Death
2. **Loss of Limbs or of Sight, Speech or Hearing**
3. **Permanent Total Disablement**
4. **Temporary Total Disablement**

The liability of the **Insurer** under this Additional Cover shall be restricted to the Limits stated below for any one loss:

Table of Compensations		Limit
1. Death	Caused by and occurring within 2 years of sustaining the Physical Injury	£25,000
2. Total loss or permanent and total loss of use of one or more limbs or total and irrecoverable loss of all sight in one or both eyes or of speech or hearing		£25,000
3. Permanent Total Disablement		£25,000
4. Temporary Total Disablement for any period up to a maximum of 2 years of total disablement from engaging in usual occupation		£100 per week (payable monthly)

Exclusions

The **Insurer** shall not be liable for:

- a) more than one of the Benefits 1 to 3 inclusive in respect of any one person arising out of the same **Physical Injury**
- b) Benefits 1 to 4 inclusive in respect of any person under 16 years of age at the time of sustaining the **Physical Injury**
- c) Benefits 1 to 4 inclusive consequent upon any pre-existing physical or mental defect or infirmity
- d) **Physical Injury** due to any gradually operating cause
- e) any death or disablement arising from or attributable to intentional self-injury provoked assault or wilful exposure to needless peril (except in an attempt to save human life)
- f) any death or disablement contributed to or accelerated by the influence of intoxicating liquor or drugs taken by the person insured (other than drugs taken under medical supervision unless for the treatment of drug or alcohol addiction) or insanity (whether temporary or otherwise).

Conditions

1. All sums paid under Benefit 4 shall be deducted from any sum which may subsequently be paid under any of Benefits 1 to 3 inclusive in respect of the same **Physical Injury**.
2. Payment under Benefit 3 is not payable before 104 weeks from the date of the **Physical Injury**.
3. Benefit 4 is payable for a maximum of 104 weeks from the date of the **Physical Injury**.



Section 1 - Material Damage - continued

All Risks on Portable Business Property

This Additional Cover is only operative if shown in the Schedule.

The **Insurer** will indemnify the **Insured** against **Damage** from the **Insured Perils** to portable business property anywhere in the world if Electronic Equipment and Computers is shown as insured in the Schedule.

The liability of the **Insurer** under this Additional Cover shall be restricted to £2,500 or the Sums Insured stated in the Schedule for any one loss, whichever is the lesser.

Exclusions

The **Insurer** shall not be liable for:

- a) **Damage** to portable property left unattended unless contained in:
 - i. a securely locked building or
 - ii. a vehicle which has been securely locked at all points of access and any security alarms and immobilisers fitted to the vehicle are in full operation and the portable property is concealed from view
- b) depreciation or electrical or mechanical breakdown
- c) **Damage** arising from wear and tear, gradual deterioration, vermin, insects, fungus, condensation, any gradually operating cause or from any process of cleaning, restoring, adjusting or repairing
- d) **Damage** by official confiscation or detention
- e) mobile electronic devices such as phones, tablets etc. unless they are registered to the **Insured** under a business contract

Goods in Transit

This Additional Cover is only operative if shown in the Schedule.

1. The **Insurer** will indemnify the **Insured** for **Damage** to **Goods in Transit** within the **Territorial Limits** during the Period of Insurance:
 - a) whilst being carried on any **Vehicle** owned or operated by the **Insured**
 - b) as Sendings by a carrier other than the **Insured** by means of road, rail or inland air freight.
2. The **Insurer** will indemnify the **Insured** whilst **Goods in Transit** are being carried on any **Vehicle** owned or operated by the **Insured** for:
 - a) **Damage** to packing materials, protective sheeting, ropes, chains and toggles belonging to the **Insured** while being carried on the **Vehicle**, subject to a maximum of £2,000 for any one loss
 - b) **Damage** to clothing and personal effects belonging to the driver or attendant while carried by any **Vehicle** in the course of the employment of the driver or attendant with the **Insured**, subject to a maximum of £500 for any one loss
 - c) the removal of debris and site clearance of **Goods in Transit** damaged from the immediate area of the site where the **Damage** occurred, subject to a maximum of £2,000 for any one loss



Section 1 - Material Damage - continued

Goods in Transit - continued

- d) the additional costs incurred in transferring **Goods in Transit** to any other vehicle following fire, collision, overturning or impact of the **Vehicle** including carrying the **Goods in Transit** to the original destination or place of collection, subject to a maximum of £2,000 for any one loss
- e) the additional costs incurred in reloading onto the **Vehicle** any **Goods in Transit** which have fallen from the **Vehicle**, subject to a maximum of £2,000 for any one loss
- f) the additional costs incurred in re-securing the **Goods in Transit** where there is dangerous movement of the load, subject to a maximum of £2,000 for any one loss.

Other than for the limits stated in paragraph 2) above, the liability of the **Insurer** under this Additional Cover shall be restricted to the Limit stated in the Policy or the Schedule for any one loss.

Exclusions

The **Insurer** shall not be liable under this Additional Cover for **Damage** to any **Goods in Transit** arising out of or attributable to:

- a) theft or attempted theft from open-backed, curtain sided, soft sided or soft topped **Vehicle(s)**
- b) defective or inadequate packing or insufficient addressing
- c) breakdown of refrigeration or insufficient insulation
- d) vibration, denting, scratching, bruising, spillage, leakage, evaporation, loss of weight or shrinkage
- e) depreciation, loss of market, delay, disappearance or unexplained or inventory shortage or inadequate documentation
- f) any erection, dismantling or installation
- g) loss of sheets, ropes, chains, toggles or packing materials as a result of disappearance or shortage unless such loss is the result of an incident recorded by the **Insured**
- h) wear and tear, vermin, insects, mildew, rust, inherent vice, gradual deterioration or any other deterioration not directly caused by **Damage**
- i) mechanical or electrical breakdown, failure or derangement unless exterior **Damage** first occurred to the **Goods in Transit**
- j) pollution or contamination
- k) **Damage** to:
 - i. jewellery, precious stones, watches, clocks, gold and silver articles, furs, curios
 - ii. wines, spirits, perfumes and tobacco products
 - iii. audio visual equipment
 - iv. computer hardware and software
 - v. rare books and works of art
 - vi. **Money** and bullion
 - vii. non-ferrous metals
 - viii. living creatures
 - ix. explosives



Section 1 - Material Damage - continued

Goods in Transit - continued

Exclusions - continued

Unless such **Goods in Transit** are specifically stated in the Schedule as insured and the **Damage** is not otherwise excluded

- l) **Goods in Transit** for hire or reward.

Conditions

1. It is a condition precedent to the **Insurer's** liability for theft or attempted theft from any *Unattended Vehicle* that whenever a **Vehicle** operated by the **Insured** and carrying **Goods in Transit** is *Unattended* it shall be protected:
 - a) between the hours of 9:00am and 6:00pm by all doors and windows and other means of access being securely fastened and locked with the keys to the **Vehicle** removed
 - b) between the hours of 6:00pm and 9:00am by all doors and windows and other means of access being securely fastened and locked, with the keys to the **Vehicle** removed and the alarm and/or immobiliser approved by the **Insurer** being switched on and made fully operational and either garaged in a securely locked building of substantial construction or placed in a compound which has secure walls and/or fences and securely locked gates or in a guarded security park
 - c) at all times in respect of unattached trailers by having anti-hitching devices fitted and put into effect.

For the purposes of this Condition, *Unattended* shall mean any **Vehicle** with no person in charge or keeping the **Vehicle** under observation and able to observe or prevent any attempt by any person to interfere with the **Vehicle**.

2. The valuation of **Stock** shall be at invoice cost. If an invoice has not been raised the basis of valuation shall be the value of the **Stock** at the time of the commencement of the transit.
3. It is a condition precedent to the **Insurer's** liability that the **Insured** will:
 - a) take all reasonable measures to
 - i. prevent **Damage**
 - ii. secure loads properly
 - iii. maintain any **Vehicle** in accordance with current law
 - iv. ensure any **Vehicle** is suitable for the purpose for which it is to be used
 - b) allow the **Insurer** access to examine any **Vehicle** or **Premises** in use by the **Insured**.



Section 1 - Material Damage - continued

Domestic Contents, Personal Money and Alternative Accommodation

This Additional Cover is operative only if a Sum Insured is shown for Domestic Contents in the Schedule.

The **Insurer** will indemnify the **Insured** for **Damage** from the **Insured Perils** to:

A) Domestic Contents at the Premises

Provided that:

- i. the **Premises** are the permanent place of residence of the **Insured** or resident manager
- ii. the liability of the **Insurer** under this Additional Cover shall not exceed the Sum Insured for **Domestic Contents** stated in the Schedule for any one loss, with a maximum limit of £2,500 any one single item unless otherwise stated in the Schedule
- iii. the **Insurer** shall not be liable for the cost of replacing any undamaged item or part of any item which forms a part of a matching set or suite.

Exclusions to A)

The **Insurer** shall not be liable for **Damage**:

- a) to hearing aids, contact or corneal lenses
- b) to motor vehicles
- c) to property more specifically insured
- d) to sporting equipment while in use
- e) to property used in connection with the **Business**
- f) caused by depreciation or electrical or mechanical breakdown
- g) arising from wear and tear or from any process of cleaning, restoring, adjusting or repairing.

Conditions to A)

It is a condition precedent to the **Insurer's** liability for **Damage** caused by the **Insured Perils** that the **Insured** shall have in place in full working order and in operation the following minimum level of security (or such level as specified in the Schedule) whenever any part of the **Buildings** occupied by the **Insured** for residential purposes is left unattended:

- a) the final exit door is to be fitted with either:
 - i) for timber or steel framed doors a mortice deadlock that has 5 or more levers and matching box striking plate which conform to BS 3621 or
 - ii) for timber or steel framed doors a rim latch deadlock that conforms to BS 3621
- b) all other external doors and internal doors giving access to any part of the **Building** are to be fitted with either:
 - i) as described in a) i. and ii. above or
 - ii) 2 key-operated security bolts for doors fitted approximately 30cm from the top and bottom of the doors respectively
- c) aluminium or UPVC framed doors are to be fitted with integral cylinder key operated mortice deadlocks.



Section 1 - Material Damage - continued

Domestic Contents, Personal Money and Alternative Accommodation - continued

B) Insured's Personal Money

In addition, the **Insurer** will indemnify the **Insured** or their resident manager or any of their family permanently residing with them at the **Premises** against:

- a) accidental loss of personal money
- b) liability under the terms of issue of the credit card for loss following fraudulent use thereof by any unauthorised person

subject to a maximum of £500 in any one Period of Insurance.

Exclusions to B)

The **Insurer** will not be liable for:

- a) losses arising from unauthorised use of a credit card by any member of the **Insured's** family or their resident manager's family
- b) loss due to confiscation or detention
- c) losses caused by depreciation or shortages caused by errors or omissions
- d) **Money** held in connection with the **Business**
- e) losses arising outside the **Territorial Limits**.

Conditions to B)

It is a condition precedent to the **Insurer's** liability under this Additional Cover that:

- a) any loss of money or credit cards has been reported to the Police within 24 hours of discovering the loss
- b) any loss of credit cards has been reported to the issuing company immediately
- c) the Conditions of Issue of the Credit Card have been complied with.

C) Alternative Accommodation

Following **Damage** from the **Insured Perils** resulting in the **Premises** being declared uninhabitable by a competent public authority, the **Insurer** will indemnify the **Insured**:

- a) in respect of any necessary and reasonable expenditure incurred in the provision of comparable accommodation for the **Insured** or resident manager or any member of their family permanently residing at the **Premises** at the time of the **Damage** including any incidental removal costs and expenses
- b) for a period up to 12 months from the date of the **Damage**

subject to a maximum of £25,000 for any one loss.

Exclusions to C)

The **Insurer** will not be liable for:

- a) any costs incurred without the written consent of the **Insurer**
- b) any costs that will be incurred once the **Premises** become habitable again.



Section 1 - Material Damage - continued

Extensions to Section 1

All terms, Exclusions and Conditions of the **Insured Perils** under Section 1 apply to these Extensions in addition to those shown below as applying to each Extension.

1. Underground Services Extension

The **Insurer** will indemnify the **Insured** for **Damage** from the **Insured Perils** to underground water pipes, gas pipes, electricity and telephone cables extending from the **Premises** to the public mains, but only to the extent of the **Insured's** responsibility, subject to an aggregate maximum of £5,000 in any one Period of Insurance.

2. Theft of Keys and Lock Replacement Extension

The **Insurer** will indemnify the **Insured** for the cost of replacing locks and keys to the **Buildings, Safes, Strongrooms** or tills, subject to a maximum of £1,500 for any one loss, provided that:

- a) the original keys were forcibly stolen from the **Buildings** or the private residence of the **Insured** or any authorised **Employee**
- b) **Damage** by Theft is not excluded in its entirety.

3. Theft Damage to Buildings Extension

The **Insurer** will indemnify the **Insured** against the cost of repairing **Damage** to the **Buildings** for which the **Insured** is legally responsible and are not otherwise insured which directly results from **Insured Peril** Theft or attempted theft, provided that if the **Buildings** of the **Premises** are not insured by this Section, the liability of the **Insurer** under this Extension shall not exceed an aggregate maximum of £25,000 in any one Period of Insurance. There is no cover under this Extension if **Damage** by Theft is excluded in its entirety.

4. Temporary Removal Extension

The **Insurer** will indemnify the **Insured** for **Damage** from the **Insured Perils** to **Contents** whilst temporarily removed for cleaning, renovation, repair or similar purposes and to documents whilst temporarily removed elsewhere and in transit within the **Territorial Limits**, subject to a maximum for any one loss of 10% of the Sum Insured shown for **Contents** in the Schedule or £100,000 whichever is the lesser amount.

This Extension shall not apply to:

- a) motor vehicles and motor chassis licensed for normal road use
- b) **Property** more specifically insured.



Section 1 - Material Damage - continued

Extensions to Section 1 - continued

5. Exhibitions Extension

The **Insurer** will indemnify the **Insured** for **Damage** to **Contents** and **Stock** from the **Insured Perils** whilst in any building (not being of a temporary nature) and being used for an exhibition anywhere within the **Territorial Limits** and whilst in transit to and from the exhibition premises, subject to a maximum of £5,000 for any one loss.

6. Other Locations Extension

The **Insurer** will indemnify the **Insured** for **Damage** from the **Insured Perils** to **Contents** and **Stock**:

- a) whilst within the main building of the private residential home of a director or **Employee** anywhere within the **Territorial Limits** and
- b) whilst in transit to and from the main building of such private residential home and the **Premises**

subject to a maximum of £2,500 for any one loss and an aggregate maximum of £10,000 in any one Period of Insurance.

7. Third Party Storage Locations Extension

The **Insurer** will indemnify the **Insured** for **Damage** from the **Insured Perils** to **Contents** or **Stock** whilst at third party storage locations within the **Territorial Limits**, subject to aggregate maximums of £5,000 at any one location and £20,000 in any one Period of Insurance.

8. Landscaped Gardens Extension

The **Insurer** will indemnify the **Insured** for costs and expenses incurred by the **Insured** with the consent of the **Insurer** in making good **Damage** to landscaped gardens and grounds caused by the emergency services in the course of combating or reducing **Damage** from the **Insured Perils** at the **Premises**, subject to an aggregate maximum of £10,000 in any one Period of Insurance.

9. Loss of Metered Water Extension

The **Insurer** will indemnify the **Insured** for the unit cost of metered water calculated at the current rate per cubic metre consumed as a direct result of **Damage** from the **Insured Perils** to any tank, apparatus or pipe (not being automatic sprinkler installations) at the **Premises**, subject to an aggregate maximum of £10,000 in any one Period of Insurance.

10. Trace and Access Extension

The **Insurer** will indemnify the **Insured** for costs incurred in locating the source of an escape of water or fuel from any tank, apparatus or pipe on the **Premises** and subsequent making good of **Damage** caused as a consequence of locating such source, subject to an aggregate maximum of £10,000 in any one Period of Insurance.



Section 1 - Material Damage - continued

Extensions to Section 1 - continued

11. Clearing of Drains Extension

The **Insurer** will indemnify the **Insured** for the costs and expenses incurred in cleaning, clearing or repairing drains, gutters or sewers at the **Premises** as a consequence of **Damage** from the **Insured Perils**, but only to the extent of the **Insured's** responsibility, subject to a maximum of £5,000 for any one loss.

12. Fire Extinguishment Expenses Extension

The **Insurer** will indemnify the **Insured** for costs and expenses incurred in refilling fire extinguishment appliances, replacing used sprinkler heads and refilling sprinkler tanks in the event of **Damage** to insured **Property** caused by Fire, subject to a maximum of £10,000 for any one loss.

13. Guests' Personal Effects Extension

The **Insurer** will indemnify the **Insured** for **Damage** from the **Insured Perils** to guests' personal effects at the **Premises**, subject to a maximum of £1,000 any one guest's personal effects and £50,000 for any one loss.

14. Property in the Open Extension

The **Insurer** will indemnify the **Insured** for **Damage** from the **Insured Perils** to **Property in the Open** or in any structure which is open sided or incapable of being locked, within the boundaries of the **Premises** for the Sum Insured stated on the Schedule, excluding **Damage** caused by or consisting of any of the following:

- a) Storm
- b) Theft or attempted theft
- c) **Flood** damage to moveable **Property in the Open**
- d) whilst the **Premises** are **Unoccupied**, vacant, disused or not in use for their intended purpose.

15. Outside Catering Extension

The **Insurer** will indemnify the **Insured** for **Damage** from the **Insured Perils** to **Contents** and **Stock** where the **Insured** is providing outside catering and whilst in transit to and from such events from the **Premises**, subject to a maximum of £2,000 for any one loss



Section 1 - Material Damage - continued

Extensions to Section 1 - continued

16. Computer Records Extension

The **Insurer** will indemnify the **Insured** for the cost of the materials together with the cost of clerical labour and computer time expended in reproducing **Computer Records** and not for the value to the **Insured** for the information contained therein, but excluding any expenses in connection with the production of information to be recorded in such **Computer Records**, for a maximum of £25,000 for any one loss.

17. Theft of Building Fabric Extension

The **Insurer** will indemnify the **Insured** for **Damage** to:

- a) the external fabric of the **Buildings** as a result of Theft or attempted theft
- b) **Property** as a result of rainwater entry following Theft or attempted theft of the external fabric of the **Buildings**

for which the **Insured** is legally responsible to insure and is not otherwise insured, subject to an aggregate maximum of £5,000 in any one Period of Insurance.

This Extension shall not apply:

- a) to any **Buildings** which are **Unoccupied**
- b) when scaffolding is erected at the **Buildings**
- c) where **Insured Peril** Theft or attempted theft is not operative.

18. Signs Extension

The **Insurer** will indemnify the **Insured** for **Damage** from the **Insured Perils** to **Signs** in the open within the boundaries of the **Premises** for the Sum Insured stated on the Schedule, excluding **Damage** whilst the **Premises** are **Unoccupied**, vacant, disused or not in use for their intended purpose.

19. Playing Surfaces, Artificial Surfaces and Floodlights Extension

This Extension is operative only if a Sum Insured is shown for the item on the Schedule.

The **Insurer** will indemnify the **Insured** for costs and expenses incurred in rectifying **Damage** from the **Insured Perils** except as otherwise excluded in a) iii. below to playing surfaces including artificial surfaces and greens including any irrigation or heating systems that have been installed.

The liability of the **Insurer** shall not exceed the limit shown in the Schedule in the aggregate in respect of all claims during any one Period of Insurance.



Section 1 - Material Damage - continued

Extensions to Section 1 - continued

19. Playing Surfaces, Artificial Surfaces and Floodlights Extension - continued

Basis of Settlement under this Extension –

In the event of **Damage** to any playing surface, artificial surface or green, the basis upon which the **Insurer** will pay any claims will be as follows:

- a) repair or replacement
- b) re-seeding or re-turfing
- c) the replacement of any trees or plants will be by saplings of the same or similar type.

For floodlights, the liability of the **Insurer** shall not exceed a maximum of £15,000 for any one loss and in the aggregate in any one Period of Insurance.

Exclusions to this Extension –

The **Insurer** shall not be liable for damage:

- a) caused by or consisting of:
 - i. the application of fertiliser or chemicals
 - ii. the failure of fertilisers or chemicals
 - iii. Storm, **Flood** and other effects of weather
 - iv. wear and tear or in the course of play
 - v. maintenance work at the **Premises**
 - vi. the failure of the re-turfing or re-seeding to bind, take or germinate
- b) caused to irrigation systems during the period 1 October each year to the 30 April in the following year unless the system is drained
- c) to newly seeded or constructed surfaces until they are suitable for play and in use
- d) caused by or attributable to the **Insured's Employees**, contractors or sub-contractors.

Clauses to Section 1

1. Reinstatement of Losses Clause

Unless written notice to the contrary be given by either the **Insurer** or the **Insured**, the insurance by this Section shall not be reduced by the amount of any loss and the **Insured** shall pay the appropriate additional premium from the date of the **Damage** to the date of expiry of the Period of Insurance.

2. Mortgagees Clause

The interest of any mortgagee shall not be prejudiced by any act or neglect of the mortgagor which may increase the risk of **Damage** to any **Buildings** insured by this Section, provided the mortgagee immediately upon becoming aware of such increase in risk shall give notice to the **Insurer** and pay an appropriate additional premium if required.



Section 1 - Material Damage - continued

Clauses to Section 1 - continued

3. Property More Specifically Insured Clause

The **Insurer** shall not be liable for **Damage** to any **Property** insured more specifically by or on behalf of the **Insured**.

4. Minor Repairs and Alterations Clause

The insurance by this Section shall not be invalidated if the **Insured** has contracted workmen for the purpose of minor repairs, decorating or cosmetic works including periodical maintenance at the **Premises**.

Any works of a construction nature to the roof or fabric of the **Buildings** must be notified to the **Insurer** before the works commence and then agreed by the **Insurer** in writing.

5. Seventy-Two Hour Period Clause

Where shown on the Schedule as insured under **Section 1 – Material Damage**, all losses arising separately out of one event of the following **Insured Perils**:

- i. Storm
- ii. **Flood**
- iii. Earthquake

occurring within each and every separate period of 72 hours during the Period of Insurance will be deemed to be one loss in determining the application of the **Excess**.

Basis of Settlement Clauses

1. Average

If the reinstatement cost of the **Property** covered by this Policy shall at the time of the **Damage** be collectively of greater value than the Sums Insured, then the **Insured** shall be considered as being their own insurer for the difference and shall bear a rateable share of their **Damage** accordingly.

2. Reinstatement – all items other than Buildings, Tenants Improvements, Contents, Electronic Equipment & Computers and Stock

In the event of **Damage** to any **Property** insured other than **Buildings, Tenants Improvements, Contents, Electronic Equipment & Computers** and **Stock**, the basis of settlement shall be the cost of reinstatement, meaning the rebuilding, replacement, repair or restoration of such **Property** to a condition substantially the same as but not better or more extensive than its condition when new.

Special Provisions –

- a) the rebuilding, replacement, repair or restoration must be carried out without undue delay and no payment beyond the amount which would have been paid in the absence of this clause will be made until the cost of reinstatement has been incurred



Section 1 - Material Damage - continued

Basis of settlement clauses - continued

2. Reinstatement – all items other than Buildings, Tenants Improvements, Contents, Electronic Equipment & Computers and Stock - continued

Special Provisions – continued

- b) where **Damage** occurs to only part of the **Property**, the liability of the **Insurer** shall not exceed the amount which the **Insurer** would have been liable to pay had such **Property** been wholly destroyed
- c) if at the time of reinstatement of any item, the sum representing 85% of the cost which would have been incurred in reinstating the whole of the **Property** covered by such item exceeds its Sum Insured at the time of the **Damage**, the liability of the **Insurer** shall not exceed that proportion of the amount of the **Damage** which the said Sum Insured shall bear to the sum representing the total cost of reinstating the whole of such **Property** at that time.

3. Stock

In respect of **Stock**, the **Insurer** will pay the **Insured** the value of the **Stock** at the time of its **Damage**, with adjustment for wear and tear.

If at the time of any **Damage**, the value of the **Stock** insured under any item is greater than its Sum Insured, the **Insured** shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly.

4. Day One (Non-Adjustable) – Buildings, Tenants Improvements, Contents and Electronic Equipment & Computers items only

Any item specified on the Schedule as **Buildings, Tenants Improvements, Contents** or **Electronic Equipment & Computers** shall be deemed to be subject to this Day One (Non-Adjustable) Basis of Settlement and in the event of **Damage** to such property, other than to **Computers**, the basis of settlement shall be the *Cost of Reinstatement*, provided that the liability of the **Insurer** shall in no case exceed 115% of the Sum Insured shown on the Schedule in respect of each item.

The *Cost of Reinstatement*, other than to **Computers**, shall mean the rebuilding, replacement, repair or restoration of such property insured under this clause to a condition substantially the same as but not better or more extensive than its condition when new.

Special Provisions (relating to any item subject to this Day One (Non-Adjustable) Basis of Settlement, other than **Computers**) –

- a) at the inception of each Period of Insurance the **Insured** shall notify the **Insurer** of the up-to-date reinstatement value of the property insured for each item that is subject to this Day One (Non-Adjustable) Basis of Settlement
- b) if at the time of **Damage**, the Sum Insured shown on the Schedule of the property insured by each item is less than the cost of reinstatement at the inception of the Period of Insurance, the liability of the **Insurer** shall not exceed the proportion which the Sum Insured bears to the cost of such reinstatement



Section 1 - Material Damage - continued

Basis of settlement clauses - continued

4. Day One (Non-Adjustable) – Buildings, Tenants Improvements, Contents and Electronic Equipment & Computers items only - continued

- c) where **Damage** occurs to only part of the property, the liability of the **Insurer** shall not exceed the amount which the **Insurer** would have been liable to pay had such property been wholly destroyed
- d) the rebuilding, replacement, repair or restoration of such property insured under this clause must be carried out without undue delay and no payment beyond the amount which would have been paid in the absence of this clause will be made until the *Cost of Reinstatement* has been incurred
- e) no payment will be made beyond the amount the **Insurer** would have paid where property insured at the time of **Damage** is covered by any other insurance effected by the **Insured** or on behalf of the **Insured** which is not on the same basis of settlement.

In the event of **Damage** to **Computers**, the basis of settlement shall be the *Cost of Reinstatement* for **Computers** meaning:

- a) where any **Computer** item suffers **Damage** beyond economic repair, replacement by a new item of equal performance and/or capacity, or if such be impossible, replacement by an item having the nearest higher performance and/or capacity to the item damaged; or
- b) where the **Computer** item suffers **Damage** within economic repair, the repair of the **Damage** and the restoration of the damaged portions to a working condition substantially the same as but not better or more extensive than its condition when new.

Special Provisions relating to **Computers** –

- a) if at the time of reinstatement of any **Computer** item, the sum representing 85% of the cost which would have been incurred in reinstating the whole of the property covered by such item exceeds its Sum Insured at the time of the **Damage**, the liability of the **Insurer** shall not exceed that proportion of the amount of the **Damage** which the said Sum Insured shall bear to the sum representing the total cost of reinstating the whole of such property at such time
- b) where **Damage** occurs to only part of the property, the liability of the **Insurer** shall not exceed the amount which the **Insurer** would have been liable to pay had the property been wholly destroyed
- c) the replacement or repair must be carried out without undue delay and no payment beyond the amount which would have been paid in the absence of this clause will be made until the *Cost of Reinstatement* has been incurred
- d) no payment will be made beyond the amount the **Insurer** would have paid where such property insured at the time of **Damage** is covered by any other insurance effected by the **Insured** or on behalf of the **Insured** which is not on the same basis of settlement.



Section 1 - Material Damage - continued

Basis of settlement clauses - continued

4. Day One (Non-Adjustable) – Buildings, Tenants Improvements, Contents and Electronic Equipment & Computers items only - continued

For the purposes of this clause, the Sum Insured shall mean the **Insured's** assessment of the *Cost of Reinstatement* of the items specified on the Schedule that are subject to this Day One (Non-Adjustable) Basis of Settlement, at the level of costs applying at the inception of the Period of Insurance including the extent to which indemnity is provided for:

- a) the additional *Cost of Reinstatement* to comply with European Union and Public Authority requirements
 - b) Professional Fees
 - c) Removal of Debris Costs
- ignoring inflationary factors which may operate subsequently.

5. Seasonal Increases

The **Stock** Sums Insured as shown on the Schedule will be deemed to have been increased by 30%:

- a) during the months of July and August each year
- b) during the period 1st November each year until 5th January the following year
- c) for a period of 31 days immediately before, on and 5 days after Easter Day each year
- d) for a period of 31 days immediately before, on and 5 days after cultural festivals observed by the **Business**.

6. European Union and Public Authorities

The **Insurer** will indemnify the **Insured** for the additional cost of:

- a) reinstating the damaged parts of the **Buildings**
- b) upgrading any undamaged parts of the **Buildings**

for an amount not exceeding 15% of the amount that would have been payable if the **Buildings** had been totally destroyed, incurred solely by the necessity to comply with any building or other statutory regulations or Public Authority Bylaw or European Community Legislation in force at the time of such **Damage**, excluding:

- i. any cost resulting from any such requirement first imposed upon the **Insured** before the date of the **Damage**
- ii. the amount of any rate, tax, duty, development or other charge arising out of capital appreciation as a result of complying with any such requirements which may be payable in respect of the **Buildings**.

Conditions applying to this Clause –

- a) the work of reinstatement must be completed within 12 months of the date of the **Damage** or such further period as the **Insurer** may in writing allow
- b) the liability of the **Insurer** for **Damage** to such **Property** including such costs and expenses shall not exceed the Sum Insured stated in the Schedule.



Section 1 - Material Damage - continued

Basis of settlement clauses - continued

7. Removal of Debris

This insurance includes the necessary and reasonable costs incurred in respect of removal of debris from, dismantling or demolishing of, and shoring up or propping of **Property** insured resulting from **Damage** from an **Insured Peril**. In addition, the insurance on **Contents** includes the costs and expenses necessarily incurred in the re-erection and fixing of such items following **Damage**, excluding:

- a) costs incurred in removing debris except from the site of such **Damage** and the area immediately adjacent to such site
- b) costs arising from **Pollution or Contamination** of property not insured by this Section.

The liability of the **Insurer** for **Damage** to such **Property** including such costs and expenses shall not exceed the Sums Insured stated in the Schedule.

8. Capital Additions

To the extent that they are not otherwise insured, the insurance of **Buildings, Tenants' Improvements** and **Contents** shall extend to cover:

- a) alterations, additions and improvements to **Buildings, Tenants' Improvements** and **Contents** but not appreciation of the value of such property
- b) any newly erected or acquired **Buildings, Tenants' Improvements** and **Contents** within the **Territorial Limits** from the commencement date of the legal responsibility of the **Insured**

subject to:

- i. the **Insured** advising the **Insurer** of the amendments as soon as practicable, but no later than 30 days on becoming aware of the increase in the extent of cover required and paying the appropriate additional premium
- ii. the Sums Insured for **Buildings, Tenants' Improvements** and **Contents** at each location only being increased by the value of the additional property up to no more than 10% of the existing Sums Insured or £250,000 whichever is the lesser at any one location.

9. Professional Fees

The insurance by each item on **Buildings, Tenants' Improvements** and **Contents** includes an amount for architects', surveyors', consulting engineers' and legal fees incurred in the reinstatement or repair of such property consequent upon its **Damage**, but not for preparing any claim. The total liability of the **Insurer** for **Damage** to such **Property** including such fees shall not exceed the Sums Insured stated in the Schedule.



Section 1 - Material Damage - continued

Basis of settlement clauses - continued

10. Contracting Purchaser

Where the **Insured** at the time of **Damage** has contracted to sell their interest in any insured **Building** and the purchase is subsequently completed, the contracting purchaser shall be entitled to benefit under the Policy provided that the **Building** is not otherwise insured in respect of such **Damage**.

11. Contract Price

In respect only of **Stock** sold but not delivered for which the **Insured** is responsible under the terms of a sale contract, which following **Damage** is cancelled due to the contract conditions wholly or to the extent of the **Damage**, the liability of the **Insurer** shall be based on the contract price.

12. Subrogation Waiver

In the event of a claim arising under this Section, the **Insurer** agrees to waive any rights, remedies or relief to which it might become entitled by subrogation against:

- a) any company standing in the relation of parent or subsidiary to the **Insured**, or
- b) any company which is a subsidiary of or a parent company of which the **Insured** themselves are subsidiary, in each case within the meaning of the Companies Act or Companies (Northern Ireland) Order current at the time of the **Damage**.

13. Other Interests

Interests of third parties which the **Insured** is required to include herein under the terms of any mortgage, property lease, hiring, leasing or hire purchase agreement will automatically be deemed to be noted on the Policy, subject to notification by the **Insured** to the **Insurer** at the time of the **Damage**.

14. Business Books

The basis of settlement of any claim for business books shall be their value as stationery together with the cost of clerical labour expended in their reproduction.



Section 1 - Material Damage - continued

Exclusions to Section 1

The **Insurer** shall not be liable for:

1. **Damage** to:
 - a) vehicles licensed for road use (including accessories on them), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft
 - b) property or structures in the course of construction or erection and materials or supplies in connection with all such property or structures in the course of construction or erection
 - c) land, water, dams, piers, jetties, bridges, culverts or excavations
 - d) live animals, livestock, growing crops or trees
 - e) **Money** and **Non-Negotiable Money**, jewellery, precious stones, precious metals, bullion or furs (other than as provided for under Additional Cover Money or Domestic Contents, Personal Money and Alternative Accommodation if operative).
2. Any claim arising directly or indirectly from the burning of waste either at or away from the **Insured's Premises**.
3. Any claim arising directly or indirectly from or in consequence of any firework displays or bonfires either at or away from the **Insured's Premises**.
4. Any claim arising directly or indirectly from cooking in any rooms at the **Premises** that are not designated kitchen areas.

Conditions to Section 1

1. Stillage Condition

It is a condition precedent to the **Insurer's** liability for **Damage** by **Insured Perils** Storm, **Flood** and Escape of water that **Property** in the ground floor, basement or sub-basement of the **Premises** be kept at least 10cm above floor level.

2. Intruder Alarm System Condition

This Condition only applies where an Intruder Alarm is stated in the Schedule as being applicable under Section 1 – Material Damage.

It is a condition precedent to the **Insurer's** liability for **Damage** by **Insured Peril** Theft or attempted theft that in respect of the **Intruder Alarm System** installed at the **Premises**:

- a) the **Intruder Alarm System** is maintained in full and effective working order under a contract to provide corrective and preventive maintenance with the installer or such other contractor agreed by the **Insurer** in writing



Section 1 - Material Damage - continued

Conditions to Section 1- continued

2. Intruder Alarm System Condition - continued

- b) the **Premises** are not left unattended:
 - i) unless the **Intruder Alarm System** is tested and set in its entirety and is together with the means of communication used to transmit or receive signals in full and effective operation
 - ii) where the Police have withdrawn their response to alarm activation
- c) the **Intruder Alarm System**
 - i) is installed in accordance with a specification agreed in writing by the **Insurer**
 - ii) must not be altered or amended in any way unless such amendment or alteration has been approved by the **Insurer** and no alteration or substitution of the structure of the **Premises** or changes to the layout of the **Premises** which would affect the effectiveness of the **Intruder Alarm System** shall be made without the written consent of the **Insurer**
 - iii) maintenance contract must not be altered or substituted without the written consent of the **Insurer**
 - iv) procedures agreed by the **Insured** for the Police or any other response to any activation of or other warning signal pertaining to the **Intruder Alarm System** must not be altered or substituted without the written consent of the **Insurer**
- d) the **Insured** must
 - i. maintain secrecy of the codes for the operation of the **Intruder Alarm System** and no details of such codes shall be left on the **Premises** when the **Premises** are left unattended
 - ii. immediately notify the **Insurer** upon receipt of any communication giving notice that the level response to the **Intruder Alarm System** has been or will be reduced
 - iii. appoint at least two **Keyholders** and lodge written details with the alarm company
- e) in the event of notification of:
 - i. any alarm fault
 - ii. activation of the **Intruder Alarm System**
 - iii. interruption of the means to transmit or receive signals to or from the **Intruder Alarm System** during the period that the **Intruder Alarm System** is set

a **Keyholder** must attend the **Premises** as soon as possible in order to confirm the security of the **Premises** and reset the **Intruder Alarm System** in its entirety.

If the **Intruder Alarm System** cannot be reset in its entirety or all means of communication used to transmit signals are not in full operation, a **Keyholder** must remain at the **Premises** unless otherwise agreed in writing by the **Insurer**.



Section 1 - Material Damage - continued

Conditions to Section 1- continued

3. Fire Extinguishing Appliances Condition

It is a condition precedent to the **Insurer's** liability that the fire extinguishing appliances at the **Premises** whether installed at the commencement of this insurance or subsequently at the request of or with the knowledge of the **Insurer**, shall be maintained in good working order.

Subject to observance of this undertaking, **Section 1 – Material Damage** of this Policy shall not be invalidated by any defect in any of the said appliances due to any circumstances unknown or beyond the control of the **Insured**.

4. Fire Detectors Maintenance Condition

It is a condition precedent to the **Insurer's** liability that:

- a) all fire detectors contained in the **Premises** shall be maintained in full working order during the Period of Insurance, and
- b) the **Insured** shall notify the **Insurer** immediately of any disconnection or failure of the automatic fire alarm installation which is likely to leave any area within the **Buildings** without protection for 12 hours or more.

Subject to observance of this undertaking, **Section 1 – Material Damage** of this Policy shall not be invalidated by any defect in any of the said detectors due to circumstances unknown to or beyond the control of the **Insured**.

5. Fireproof Doors and Shutters Condition

It is a condition precedent to the **Insurer's** liability that all fireproof doors and shutters are kept closed except during working hours and will be kept in efficient working order.

6. Minimum Level of Security Condition

It is a condition precedent to the **Insurer's** liability for loss or **Damage** by **Insured Peril** Theft or attempted theft, that the **Insured** shall have in place in full working order and in operation whenever the **Premises** are closed for business or left unattended, the following minimum level of security or such level as is specified in the Schedule:

- a) the final exit door of the **Insured's** portion of the **Buildings** is to be fitted with either:
 - i. for timber or steel framed doors a mortice deadlock that has 5 or more levers and matching box striking plate which conform to BS 3621 or
 - ii. for timber or steel framed doors a rim latch deadlock that conforms to BS 3621
- b) all other external doors and internal doors giving access to any part of the buildings not occupied by the **Insured** are to be fitted with either:
 - i. as described in a) i. and ii. above or
 - ii. 2 key-operated security bolts for doors, fitted approximately 30cm from the top and bottom of the doors respectively



Section 1 - Material Damage - continued

Conditions to Section 1- continued

6. Minimum Level of Security Condition - continued

- c) aluminium or UPVC framed doors are to be fitted with integral cylinder key operated mortice deadlocks
- d) all ground floor and basement opening windows/skylights and other opening windows/skylights accessible from roofs, decks, balconies, fire escapes, canopies or down pipes are to be fitted with key operated window locks, but this requirement does not apply to windows/skylights which are protected by solid steel bars, grilles, gates, expanded metal or weld-mesh securely fixed to the brickwork surrounding the window
- e) all manually operated roller shutters are to be secured by either:
 - i. two key operated security shutter locks with the locking mechanisms positioned as close as possible to the bottom of the shutter to prevent the door from being prised up to allow entry; or
 - ii. with a close shackle padlock conforming to Security Grade 4 of BS EN 12320; or
 - iii. as e) i. above together with the roller shutter manufacturer's corresponding locking bar
- f) all electrically operated doors must be secured by either:
 - i. an internal opening switch locked in the off position by means of an integral lock and/or padlock; or
 - ii. such doors are to have the power supply to the operating switch isolated at a suitable electrical power distribution board which is secured against unauthorised use; and/or
 - iii. the security level as detailed in e) above.

Any door or window officially designated a fire exit by the fire authority is excluded from these requirements. These are to be secured internally by panic bolts or fire exit bolts. Any additional devices are to be approved by the local Fire Prevention Officer.

7. Electrical Inspection and Testing Programme Condition

It is a condition precedent to the **Insurer's** liability that:

- a) the electrical installation at the **Premises** is periodically inspected and tested in accordance with BS7671: 2008 Requirements for Electrical Installations (as amended) – or as stipulated by the **Insurer** – by an Approved Contractor or a Registered Member appropriate for the type of installation
- b) on completion, a recognised Electrical Installation Condition Report is to be issued, a copy of which must be provided to the **Insurer** upon request
- c) all reported defects coded C1 ('Danger present') are to be remedied immediately or the offending component or circuit taken out of service until suitable repairs are carried out, and all C1 and C2 reported defects remedied within a maximum of 45 days of the inspection or as agreed with the **Insurer** in writing



Section 1 - Material Damage - continued

Conditions to Section 1- continued

7. Electrical Inspection and Testing Programme Condition - continued

- d) further periodic inspection and testing should be undertaken in accordance with the recommendations of the electrical installation condition report or within five years whichever is the less, or as stipulated by the **Insurer**
- e) additional inspection and testing should be undertaken and all reported defects remedied in accordance with item c) above:
 - i. immediately following refurbishment or structural renovation work at the **Premises**
 - ii. immediately following any water damage affecting the **Premises**
- f) all portable electrical devices are the subject of an annual PAT test by a suitably qualified electrician and any devices failing such test are immediately put out of use and removed from the **Premises**.

8. Kitchen Duct Condition

Where the **Insured** carries out cooking on the **Premises** as part of its **Business**, it is a condition precedent to the **Insurer's** liability that all cooking fume extraction canopies and the entire length of ductwork are cleaned at least once a year. Filters, traps or other grease removal devices therein must be cleaned at least fortnightly by the **Insured**. A record of such cleaning must be retained by the **Insured**. Where access to the entire ducting is difficult, hatches or access panels must be fitted to the ducting to facilitate a complete clean.

Where the ducting exceeds two metres in length or cannot be accessed by the **Insured**, this must be carried out by an independent professional contractor who specialises in such cleaning. A Certificate or Confirmation must be issued by the contractor together with an invoice, which sets out the extent of the works carried out. The documents must be retained by the **Insured** and a copy provided to the **Insurer** on request and only the Certificate, Confirmation and invoice will be regarded as proof of compliance with this Condition.

It is the **Insured's** responsibility to check with the contractor that the work required in accordance with this Condition has been carried out.

9. Operation of Deep Fat Frying and Cooking Equipment Condition

It is a condition precedent to the **Insurer's** liability in respect of any deep fat frying range, frying or cooking equipment in use at the **Premises** that:

- a) a flame failure device is fitted if a range is gas or oil fired (not applicable to shallow pan frying in woks or pans)
- b) it is installed and operated in accordance with the manufacturer's instructions
- c) a thermostat is fitted which prevents the temperature of the fat or oil exceeding 205 degrees centigrade or the supplier's recommended temperature if that is less



Section 1 - Material Damage - continued

Conditions to Section 1- continued

9. Operation of Deep Fat Frying and Cooking Equipment Condition - continued

- d) a high temperature limit control (of a non-self-resetting type) is fitted to shut off the heat source if the temperature of the fat or oil exceeds 230 degrees centigrade
- e) the extraction of heat, fumes and/or combustion products is via an integral duct, or an overhead canopy and duct system, vented directly to the open
- f) all ducts are constructed of and supported by galvanized or stainless steel
- g) the grease trap, filter and other grease removal devices are cleaned at least once a week
- h) the grease extract ducting is cleaned at least once each year
- i) a service of the range or equipment is carried out by the manufacturer or installer (or an independent specialist contractor as recommended by them as a competent company or person) at least once a year
- j) any frying range is serviced on an annual basis by a competent independent engineer. The period of time between services must not exceed 12 months. The service must extend to a compulsory full cleaning of the entire range and full length of all ducting including:
 - i. ducting through the sump/drip tray
 - ii. an inspection and cleaning of all the ducting through to the extractor motor
 - iii. cleaning of the extractor motor impeller and its housing
 - iv. inspection / cleaning of the ducting beyond the extractor motor (with hatches and access panels made if necessary into the ducting to facilitate the complete service and clean of the entire ducting).

In the case of gas fired ranges, the range service engineer must be registered with the Gas Safe Register. For electric powered ranges the engineer must be approved by The National Inspection Council for Electrical Contractors (NICEIC) or other recognised contractor scheme.

The ductwork cleaners and range servicing contractors must be competent specialists in that field.

The full service record must not be kept on the **Premises** unless in a secure safe. It is the **Insured's** responsibility to ensure by checking with the contractor that the work detailed in this Condition has been carried out as required. Such record (or duplicate) must be available for inspection by the **Insurer** at any time.

- k) all frying and cooking equipment (including hot plates) is attended, the operator to be in the immediate proximity and alongside at all times so that they retain close control when the heat source is in operation. In the case of fryers, an operator must be in attendance for one hour after completion of any period of use in connection with frying equipment.
- l) a fire blanket (of an adequate size) is kept at all times in the vicinity of the frying equipment and range



Section 1 - Material Damage - continued

Conditions to Section 1- continued

9. Operation of Deep Fat Frying and Cooking Equipment Condition - continued

- m) a minimum of two of the specified types of fire extinguishing appliances are kept at all times in the vicinity of the range and they are regularly maintained to ensure that they are in proper working order: CO2, halogenated, hydrocarbon, dry powder, foam
- n) all oily or greasy waste and cloths are kept in metal bins with metal lids and removed from the **Premises** at the end of each day
- o) a written record of all cleaning and servicing activities are kept at a location other than the **Premises**
- p) the frying range, cooking equipment and ducting systems are at least 300mm away from any combustible materials unless suitably protected by a fire resistant substance or material; this includes any part of the building's structure including wall partitions, floors and ceilings
- q) pans in the frying range or deep fat fryer contain an adequate amount of frying or cooking medium at all times
- r) to prevent injury from contact with hot oil or any other cooking medium used for frying, such oil or other medium must be allowed to cool before being removed from the cooking equipment

10. Flat Roof and Guttering Condition

It is a condition precedent to the **Insurer's** liability that:

- a) any flat roof, or part thereof of the **Premises** is in a good state of repair and has been inspected at least once every two years by a competent builder or qualified property surveyor and any defect identified by that inspection is repaired immediately
- b) any guttering is checked for blockages and defects by a competent person at six monthly intervals commencing at inception or renewal of this Policy, with any remedial action required to be implemented immediately
- c) a record of all inspections must be kept by the **Insured** and must be available for inspection by the **Insurer** at any time
- d) the **Excess** payable in respect of **Damage** caused as a result of water ingress involving flat felted timber roofs is £500 or the **Excess** as shown in the Schedule, whichever is higher.



Section 1 - Material Damage - continued

Conditions to Section 1- continued

11. Removal of Waste Condition

It is a condition precedent to the **Insurer's** liability that:

- a) all waste and refuse is swept up daily and removed completely from the **Premises** at least once a week and a record of removal is kept
- b) all combustible storage/waste in the open on the **Premises** is to be kept at least 2 metres from any of the **Insured's Buildings** at the **Premises** at any time.

12. Chimney Sweeping, Woodburning and Open Fires Condition

Where the **Premises** includes an open fire, woodburning or multifuel stove, it is a condition precedent to the **Insurer's** liability that it is operated and cleaned in accordance with the manufacturer's instructions and all:

- a) chimneys are swept by a professional chimney sweep at least every 12 months
- b) open fires are fitted with a spark guard and extinguished at the end of each working day and checked 30 minutes thereafter
- c) woodburners are fully extinguished before the **Premises** are left unattended, with guards left in a protective position
- d) fire lighters, logs or coal not in use are kept in fire resistant metal containers
- e) at least two fire extinguishers, one water and one powder are easily accessible and annually maintained

13. Portable Heater Condition

It is a condition precedent to the **Insurer's** liability that portable heaters (other than oil filled radiators or electric fan heaters) are not used on the **Premises** unless specifically agreed by the **Insurer** and noted as such on the Schedule.

14. Smoking Condition

It is a condition precedent to the **Insurer's** liability for **Damage** caused by **Insured Perils** Fire and Explosion that:

- a) the **Insured** enforces a no smoking policy at the **Premises** which complies with current legislation
- b) smoking is only allowed in clearly marked specifically designated smoking areas which comply with current legislation
- c) in all designated smoking areas, metal receptacles with metal lids are provided for the safe disposal of waste smoking materials
- a) waste smoking materials being removed from the designated smoking areas are kept separate from other combustible waste material and are stored in metal receptacles with metal lids whilst awaiting final removal from the **Premises**.



Section 1 - Material Damage - continued

Conditions to Section 1- continued

15. Walk-In Chiller/Freezer Condition

It is a condition precedent to the **Insurer's** liability that in respect of all **Buildings** which contain a walk-in chiller or freezer with composite panels, the following apply to the composite panels of such chillers or freezers:

- a) any damaged composite panels must be replaced or repaired without delay
- b) battery chargers and other items with a potential to generate heat, or whose weight could cause damage to composite panels, must not be suspended from such panels
- c) a hot work permit system must be in operation whenever heat work is to be carried out on the **Premises**
- d) all ductwork passing through composite panels must be sleeved in non-combustible material
- e) all wiring passing through composite panels must be encased in metal conduit and sealed with rubber grommets
- f) all composite panels do not have polystyrene core

16. Tumble Dryer Condition

It is a condition precedent to the **Insurer's** liability that with regards to tumble dryers at the **Premises** for which the **Insured** is responsible, that the **Insured** ensures the following procedures are adhered to:

- a) all oily and/or greasy fabric materials intended for tumble drying must first have been suitably washed using an appropriate degreasing agent
- b) the **Premises** are not to be left unattended whilst the dryers are in operation
- c) dryers are to be cleaned of waste materials such as lint after each cycle or in accordance with the manufacturer's recommendations. The waste materials must be removed and suitably disposed of and not be allowed to accumulate around the machines or laundry.
- d) all fabric materials after drying are then cooled by either of the following methods:
 - i. the drying machine cooling cycle
 - ii. by the items being removed and separated into individual, unstacked items to cool naturally on a non-combustible surface and to be aired for a minimum of 60 minutes before being folded
- e) dryers are not to be used immediately prior to any daily closure of the **Business**. Dryers should be completely unloaded and allowed to cool for at least 60 minutes prior to such daily closure.



Section 2 - Business Interruption

This Section of the Policy is operative only if stated in the Schedule.

In the event of **Damage** to the **Property** used by the **Insured** for the purposes of the **Business** carried on by the **Insured** at the **Premises** during the Period of Insurance caused solely by the **Insured Perils** under Section 1:

- a) resulting in interruption or interference with the **Business**, loss of rent receivable or
- b) which prevents the **Insured** from tracing or establishing customers' **Outstanding Debit Balances** in whole or in part as a result of the **Insured's** books of account at the **Premises** being damaged,

the **Insurer** will indemnify the **Insured**:

- i. in respect of a) the amount of loss resulting from such interruption or interference provided that **Damage** so caused is damage for which payment shall have been made or liability admitted (or payment would have been made or liability admitted but for the operation of a proviso in the insurance excluding liability for losses below a specified amount) by an Insurer under any insurance covering the interest of the **Insured** in the **Property** against such loss, destruction or damage, provided that such **Damage** would not have been excluded by Section 1 of this Policy
- ii. in respect of b) the amount of loss resulting from such insured **Damage**.

The liability of the **Insurer** under this Section shall not exceed in respect of any item its Sum Insured or Limit stated in this Policy or the Schedule at the time of the event.

Clause

Reinstatement Following a Loss

The liability of the **Insurer** under this Section shall not exceed the Sum Insured or Limit remaining after deduction for any other interruption or interference resulting from **Damage** occurring during the same Period of Insurance, unless the **Insurer** has agreed to reinstate any such Sum Insured or Limit and the **Insured** shall pay the appropriate additional premium.

Basis of Settlement Clauses

1. Gross Profit

The **Insurer** will pay as indemnity to the **Insured** the amount of their loss in respect of each item stated in the Schedule as a result of loss of **Gross Profit** due to reduction in **Turnover** and/or **Increased Cost of Working**:

- a) the amount payable in respect of a reduction in **Turnover** shall be the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** shall fall short of the **Standard Turnover** during the **Indemnity Period** as a result of the **Damage**



Section 2 - Business Interruption - continued

Basis of Settlement Clauses - continued

1. Gross Profit - continued

- b) the amount payable in respect of the **Increased Cost of Working** as a result of the **Damage** not exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of the reduction in **Turnover** thereby avoided

less any sum saved during the **Indemnity Period** in respect of such charges and expenses of the **Business** payable out of **Gross Profit** that may cease or be reduced as a result of the **Damage**, provided that 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 **Damage** or which would have affected the **Business** had the **Damage** not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **Damage** would have been obtained during the relative period after the **Damage**.

2. Specified Working Expenses

If any of the working expenses of the **Business** are excluded by this Section having been deducted in arriving at the **Gross Profit**, then in calculating the amount recoverable under this Section as **Increased Cost of Working**, that proportion only of any additional expenditure shall be brought into account which the **Gross Profit** bears to the sum of the **Gross Profit** and the **Specified Working Expenses**.

3. Increased Cost of Working

The **Insurer** will pay as indemnity to the **Insured** the additional expenditure necessarily and reasonably incurred with the prior written consent of the **Insurer** for the sole purpose of avoiding or diminishing the reduction in **Turnover** which, without that expenditure, would have taken place during the **Indemnity Period** in consequence of the **Damage**, but not exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of the reduction thereby avoided.

4. Outstanding Debit Balances

The amount payable by the **Insurer** in respect of **Outstanding Debit Balances** is limited to loss sustained by the **Insured** directly due to **Damage**, and the amount payable in respect of any one event shall not exceed:

- a) the difference between the **Outstanding Debit Balances** and the total of the amounts received or traced in respect thereof
- b) the additional expenditure incurred with the written consent of the **Insurer** in tracing and establishing customers' debit balances after the **Damage**.

The liability of the **Insurer** under this Basis of Settlement is limited to the Sum Insured shown in the Schedule.



Section 2 - Business Interruption - continued

Basis of Settlement Clauses - continued

5. Average

If the Sum Insured is less than the **Gross Profit** for the 12 months (or a proportionately increased multiple thereof where the **Maximum Indemnity Period** exceeds 12 months) immediately prior to the occurrence of **Damage**, the amount payable shall be proportionately reduced after due provision has been made for the trend or variation in or other circumstances affecting or which would have affected the **Business** either before or after the **Damage**.

6. Alternative Trading

If during the **Indemnity Period** work is done or services rendered elsewhere than at the **Premises** for the benefit of the **Business** either by the **Insured** or by others on behalf of the **Insured**, the amount paid or payable in respect of such work or services shall be accounted for in arriving at the **Gross Profit** during the **Indemnity Period**.

7. Departmental

If the **Business** is conducted in departments the independent trading results of which are ascertainable, the basis of **Gross Profit** shall apply separately for each department.

8. Accountants' and Auditors' Charges

The **Insurer** will pay to the **Insured** the charges payable by the **Insured** to their professional accountants and auditors for producing and certifying any particulars or details or any other proofs, information or evidence as may be required by the **Insurer** under the terms of this Section and reporting that such particulars or details are in accordance with the **Insured's** books or documents.

9. Current Cost Accounting

For the purpose of this Section, any adjustment implemented in current cost accounting shall be disregarded.

10. Value Added Tax

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

11. Payments on Account

Payments on account will be made to the **Insured** during the **Indemnity Period** if so requested, subject to appropriate adjustment at the end of the **Indemnity Period**.



Section 2 - Business Interruption - continued

Extensions to Section 2

All terms, Exclusions and Conditions of the **Insured Perils** under Section 1 and all terms, Exclusions and Conditions of Section 2 apply to these Extensions in addition to those shown below as applying to each Extension.

These Extensions are operative only if **Gross Profit** is covered on the Schedule.

The liability of the **Insurer** includes loss as insured by this Section resulting from interruption or interference with the **Business** in consequence of:

1. Disease / Closure Extension

Closure of the **Premises** by Public Authorities following:

- a) the occurrence of the following diseases: Acute Encephalitis, Acute Poliomyelitis, Anthrax, Chickenpox, Cholera, Diphtheria, Dysentery, Legionellosis, Legionnaires Disease, Leprosy, Leptospirosis, Malaria, Measles, Meningococcal Infection, Mumps, Ophthalmia Neonatorum, Paratyphoid Fever, Bubonic Plague, Rabies, Rubella, Scarlet Fever, Smallpox, Tetanus, Tuberculosis, Typhoid Fever, Viral Hepatitis, Whooping Cough or Yellow Fever, at the **Premises**
- b) murder or suicide at the **Premises**
- c) food poisoning or drink poisoning at the **Premises**
- d) defective sanitary arrangements or vermin or pests other than the deliberate act of any supply undertaking to withhold the supply of water at the **Premises**.

The **Insurer's** liability under this Extension shall only apply for the period beginning with the occurrence of the loss and ending no later than three months thereafter during which the results of the **Business** shall be affected in consequence of the closure. The **Insurer's** liability under this Extension will not exceed £50,000 in the aggregate in any one Period of Insurance.

2. Suppliers Extension

Damage from the **Insured Perils** at the premises of any of the **Insured's** suppliers, manufacturers or processors within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, but excluding the premises of any supply undertaking from which the **Insured** obtains electricity, gas, water or telecommunications services, subject to a maximum of £100,000 for any one loss.

3. Denial of Access Extension

Damage from the **Insured Perils** to property within a one-mile radius of the **Premises** which prevents or hinders use of or access to the **Premises** whether the **Premises** have been damaged or not, but excluding damage to the property of any supply undertaking from which the **Insured** obtains electricity, gas, water or telecommunications services. The **Insurer's** liability under this Extension will not exceed £100,000 for any one loss.



Section 2 - Business Interruption - continued

Extensions to Section 2 - continued

4. Accidental Failure of Public Supply including Terminal Ends Extension

Accidental failure at the premises of any supply undertaking from which the **Insured** obtains electricity, gas, water or telecommunications services and up to and including the terminal ends of the public supply undertaking's feed to the **Premises** as a direct result of **Damage** from the **Insured Perils**, subject to a maximum of £100,000 for any one loss and providing the cessation of supply is for a minimum of 6 consecutive hours, excluding:

- a) atmospheric, solar or lunar conditions causing temporary interference with transmission to or from any satellite
- b) total or partial failure of the public supply occasioned by strike or locked-out workers, total or partial withdrawal of labour or total or partial cessation of work
- c) a deliberate act of the supply undertaking unless for the sole purpose of safeguarding life or protecting any part of the supply undertaking's system.

5. Goods in Transit Extension

Damage to **Goods in Transit** if insured by Section 1 and for which the **Insurer** has admitted liability, subject to a maximum of £50,000 for any one loss.

6. Documents Extension

Damage from the **Insured Perils** to documents belonging to or held in trust by the **Insured** whilst temporarily at premises not in the occupation of the **Insured** or whilst in transit by road, rail or inland waterway in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, subject to a maximum of £25,000 for any one loss.

7. Storage Sites Extension

Damage from the **Insured Perils** at any premises in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man not in the occupation of the **Insured** where **Property** of the **Insured** is stored, subject to a maximum of £25,000 for any one loss.

8. Contract Sites Extension

Damage from the **Insured Perils** at any location in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man where the **Insured** is carrying out a contract, subject to a maximum of £25,000 for any one loss.



Section 2 - Business Interruption - continued

Exclusion to Section 2

The **Insurer** shall not be liable under this Section for loss arising directly or indirectly from erasure, loss, distortion or corruption of information on computer systems or other records, programs or software.

Condition to Section 2

Debit Recording and Storage

On a monthly basis the **Insured** shall record the total amount of **Outstanding Debit Balances** as set out in business books of account and such record shall be kept elsewhere than the **Insured's Premises**.



Section 2 - Business Interruption - continued

Additional Cover

All terms, Exclusions and Conditions of Sections 1 and 2 apply to this Additional Cover, in addition to those shown below.

Loss of Licence

This Additional Cover is operative only if stated in the Schedule.

The **Insurer** will indemnify the **Insured** for loss resulting from a granted **Licence** being revoked or for the refusal to renew the **Licence** after due and proper application for renewal due to a cause beyond control of the **Insured**.

The amount payable shall be:

- a) the depreciation in value of the interest of the **Insured** in the **Premises** or the **Business**
- b) the costs and expenses incurred by the **Insured** with the prior written consent of the **Insurer** in connection with any appeal in respect of the revoking of or refusal to renew such **Licence**
- c) the loss of **Gross Profit** due to reduction in **Turnover** and **Increased Cost of Working**
 - i. the amount payable in respect of a reduction in **Turnover** shall be the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** shall fall short of the **Standard Turnover** during the *Indemnity Period* as a result of the loss of **Licence**
 - ii. the amount payable in respect of the **Increased Cost of Working** as a result of the loss of **Licence**, not exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of any reduction in the **Turnover** thereby avoided

less any sum saved during the *Indemnity Period* in respect of such charges and expenses of the **Business** payable out of **Gross Profit** as may cease or be reduced as a result of the loss of **Licence**.

The liability of the **Insurer** under this Additional Cover shall be restricted to the Limit stated in the Schedule.

For the purposes of this Additional Cover *Indemnity Period* shall mean the period beginning with the loss of **Licence** and ending not later than twelve months thereafter, during which the results of the **Business** shall be affected in consequence of the loss of **Licence**, provided that if the **Premises** are disposed of within the 12 months after the loss of **Licence**, the *Indemnity Period* shall terminate either:

- a) upon disposal; or
- b) 12 months from the loss of **Licence**

whichever is the earlier.



Section 2 - Business Interruption - continued

Loss of Licence - continued

Exclusions

The **Insurer** shall not be liable for:

- a) any loss to the **Insured** by virtue of any legislation relating to the **Licence**
- b) any loss arising from the revoking of any extension to the normal opening hours
- c) any loss arising from the revoking of or refusal to renew the **Licence**:
 - i. arising from any town or country planning improvement, redevelopment, compulsory purchase or the surrender, reduction or redistribution of **Licence(s)**
 - ii. by the misconduct, neglect or connivance of the **Insured** or failure by them to take steps necessary for keeping the **Licence** in force
- d) any loss relating directly or indirectly to a personal **Licence** issued to the **Insured** or **Employee** of the **Insured**
- e) any loss arising from the forfeiture of the **Licence** on the suspicion of illegal drug dealing at the **Premises**
- f) any loss arising from forfeiture of the **Licence** caused by alteration of the **Premises** without the consent of the appropriate authority
- g) any loss arising from the **Premises**:
 - i. being closed for any period which is not required by law
 - ii. not being maintained in a sanitary condition or satisfactory state of repair
- h) payment of whatever nature due to the licensing authority by the **Insured**.

Conditions

It is a condition precedent to the **Insurer's** liability for any loss or payment under this Additional Cover that:

- a) immediate notice must be given in writing to the **Insurer** by the **Insured** in the event of any:
 - i. change in tenancy, use or management of the **Premises**
 - ii. transfer or proposed transfer of the **Licence**
 - iii. complaint against the **Premises** or the control of the **Premises**
 - iv. proceedings against or conviction of the **Insured**, their manager, tenant or occupier of the **Premises** for any breach of licensing laws or any other matter whereby the character or reputation of the person concerned is affected with respect to their honesty, moral standing or sobriety
 - v. objection to renewal or other circumstances which might endanger the renewal of the **Licence**
- b) in the event of the revoking or refusal of renewal of the **Licence**, the **Insured** must notify the **Insurer** in writing within 48 hours after the order by the authorities of the event which has resulted in forfeiture or refusal of renewal of the **Licence**, and also state as far as the **Insured** is able the grounds upon which such order has been made or particulars of such event.



Section 3 - Equipment Breakdown

This Section of the Policy is operative only if stated in the Schedule.

In the event of an *Accident* at the **Premises** to *Covered Equipment* owned by the **Insured** or for which the **Insured** is responsible during the Period of Insurance, the **Insurer** will indemnify the **Insured** in respect of any *Damage* resulting from such an *Accident* or at its option replace or reinstate such *Covered Equipment* in accordance with the provisions of the Policy, provided that during the Period of Insurance the liability of the **Insurer** under this Section shall not exceed £250,000 any one claim and in the aggregate.

Section Definitions

Accident(s)

Direct physical loss or *Damage* as follows:

- a) electrical or mechanical *Breakdown* including rupture or bursting caused by centrifugal force
- b) artificially generated electrical current including electric arcing that disturbs electrical devices, appliances or wires
- c) *Explosion* or *Collapse* of *Covered Equipment* operating under steam or other fluid pressure
- d) loss, destruction or *Damage* to *Covered Equipment* operating under steam or other fluid pressure caused by or resulting from any condition or event (not otherwise excluded) occurring inside such boilers or equipment
- e) loss, destruction or *Damage* to hot water boilers, other water heating equipment or oil or water storage tanks caused by or resulting from any condition or event (not otherwise excluded) occurring inside such equipment
- f) loss, destruction or *Damage* caused by operator error
- g) loss, destruction or *Damage* caused by materials being processed.

All *Accidents* that are the result of the same event shall be considered one *Accident*.

Biomass and Biogas Installations

Any equipment and machinery used in connection with running a biomass or biogas heating or power-generation plant, including anaerobic digesters, storage tanks, augers, screeners, scrubbers, boilers, gas engines, generators, heat exchangers, pumps and motors.

Breakdown

The actual breaking, failure, distortion or burning out of any part of the *Covered Equipment* whilst in ordinary use, arising from defects in the *Covered Equipment* causing its sudden stoppage and necessitating repair or replacement before it can resume work

Fracturing of any part of the *Covered Equipment* by frost when such fracture renders the *Covered Equipment* inoperative.

The actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary.



Section 3 - Equipment Breakdown - continued

Section Definitions - continued

Collapse

The sudden and dangerous distortion (whether or not attended by rupture) of any part of the *Covered Equipment* caused by crushing, stress by force of steam or other fluid pressure (other than pressure of chemical action or ignited flue gases or ignition of the contents).

Computer Equipment

- a) electronic, computer or other data processing and/or storage equipment
- b) peripherals used in conjunction with a)
- c) software and programs licensed to the **Insured** and installed on a).

Covered Equipment

- a) *Computer Equipment* owned or leased by the **Insured** for the purposes of the **Business**
- b) equipment at the **Premises** owned or leased by the **Insured** for the purposes of the **Business**:
 - i. built to operate under vacuum or pressure (other than weight of contents); or
 - ii. oil and water storage tanks; or
 - iii. used for the generation, transmission, storage or conversion of energy; or
 - iv. used for lifting, heating, cooling, refrigeration, freezing or fume extraction.

Excluding:

- a) any supporting structure, foundation, masonry, brickwork, cabinet or supported structure
- b) any insulating or refractory material within the fabric of the **Building**
- c) any vehicle, aircraft, floating vessels or any equipment mounted thereon (other than vehicle recovery cranes or equipment which are included but not the actual vehicle)
- d) self-propelled plant and equipment (other than forklift trucks used by the **Insured** at their **Premises**), dragline, excavation or construction equipment
- e) equipment manufactured by the **Insured** for sale
- f) tools, dies, cutting edges, crushing surfaces, trailing cables, non-metallic linings, driving belts or bands or any part requiring periodic renewal
- g) any electronic equipment (other than *Computer Equipment*) used for research, diagnostic treatment, experimental or other medical or scientific purposes
- h) any *Manufacturing Production or Process Equipment*
- i) any electricity generating equipment other than emergency back-up power equipment or wind turbines (less than 10kw) or photovoltaic equipment less than 50kw
- j) *Biomass and Biogas Installations*
- k) *Hydroelectric Installations*.

Damage

Physical damage caused by an *Accident* to *Covered Equipment*, but not including the cost of repairing the breakdown itself.



Section 3 - Equipment Breakdown - continued

Section Definitions - continued

Derangement

Electrical or mechanical malfunction of the machinery arising from a cause internal to the *Computer Equipment* unaccompanied by visible damage to or breaking out of any parts of the equipment.

Explosion

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

Hazardous Substance

Any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

Hydroelectric Installations

Any equipment, machinery, dam or weir used in connection with running a hydroelectric power station including turbines, sluice gates, screens, screeners, pumps, motors, generators, gearboxes, engines, alternators and associated equipment.

Manufacturing Production or Process Equipment

Any machine or apparatus (other than boilers, lifts, forklift trucks, dock levellers and lifting tables) which has a primary purpose of processing or producing a product or service intended for eventual sale by the **Insured** and any equipment which exclusively serves such machinery or apparatus.

Media

All forms of digital, electronic, magnetic and optical cards, tapes and discs for use in any *Computer Equipment*.

Verified

Checked for accuracy and integrity to ensure a precise match with the source data and capable of restoration.

Extensions and Sub Limits to Section 3

1. Hazardous Substances Extension

The **Insurer** shall be liable for the additional cost to repair or replace *Covered Equipment* because of contamination by a *Hazardous Substance* as a direct result of an *Accident* including any additional expenses incurred to clean up or dispose of such property.

The liability of the **Insurer** shall not exceed £10,000 any one *Accident* in respect of such additional costs.



Section 3 - Equipment Breakdown - continued

Extensions and Sub Limits to Section 3 - continued

2. Computer Equipment, Reinstatement of Data and Increased Costs of Working Extension

- a) The **Insurer** shall be liable under this Extension for loss, destruction or *Damage* caused by or resulting from:
- an *Accident* to *Computer Equipment* at the **Premises**. The liability of the **Insurer** shall not exceed £500,000 for any one *Accident*.
 - an *Accident* to portable *Computer Equipment* providing it is insured and within the Geographical Areas specified in the Schedule under **Section 1 - All Risks on Portable Property**. The liability of the **Insurer** shall not exceed £5,000 any one *Accident*.
- b) In addition, the **Insurer** shall be liable for costs incurred in reinstating data lost or damaged in consequence of an *Accident* to or *Derangement of Computer Equipment*.

The liability of the **Insurer** shall not exceed £50,000 for any one *Accident* in respect of such additional costs.

Provided that:

- liability is limited solely to the cost of reinstating data onto *Media*
 - the **Insurer** shall not be liable for loss of or damage to software.
- c) In addition, the **Insurer** will pay costs necessarily incurred in minimising or preventing the resulting interruption or interference to the computer operations of the **Insured**, provided that the liability of the **Insurer** shall not exceed £50,000 for any one *Accident* in respect of such additional costs.

3. Business Interruption Extension

The **Insurer** shall be liable for loss as described under **Section 2 – Business Interruption** (provided that **Section 2 – Business Interruption** is operative) caused by an *Accident* to *Covered Equipment*.

The liability of the **Insurer** in any one Period of Insurance shall not exceed £100,000 under this Extension.

4. Public Authorities/Law or Ordinance Extension

If an *Accident* to *Covered Equipment* damages **Buildings** and the loss is increased by enforcement of any public authority ordinance or law in force at the time of the *Accident* that regulates the construction or repair of buildings or establishes zoning or land use requirements, the **Insurer** shall be liable for the following additional costs to comply with such ordinance or law:

- the **Insured's** actual expenditure for the cost to demolish and clear the site of undamaged parts
- the **Insured's** actual expenditure for increased costs to repair, rebuild or construct the **Buildings**. If the **Buildings** are repaired or rebuilt, it must be intended for similar use or occupancy as the current **Buildings**, unless otherwise required by zoning or land use ordinance or law.



Section 3 - Equipment Breakdown - continued

Extensions and Sub Limits to Section 3 - continued

4. Public Authorities/Law or Ordinance Extension - continued

- c) loss as described in **Section 2 – Business Interruption** as a result of a) or b) above only if **Section 2 – Business Interruption** is operative.

The **Insurer** shall not be liable for:

- a) any fine
- b) any liability to a third party
- c) any increase in loss due to a *Hazardous Substance* other than as specifically insured under Extension 1
- d) increased construction costs until the **Buildings** are actually repaired or replaced.

This Extension is within and does not increase the Sum Insured for such **Buildings** stated in **Section 1 – Material Damage** of the Schedule.

5. Expediting Expenses Extension

With respect to damaged *Covered Equipment* or *Computer Equipment*, the **Insurer** shall be liable for the reasonable extra cost to make temporary repairs and expedite permanent repairs or permanent replacement, subject to a maximum of £20,000 in respect of any one *Accident*.

6. Hire of Substitute Item Extension

If *Covered Equipment* is damaged as a result of an *Accident*, the **Insurer** shall be liable for the cost of hire charges reasonably incurred by the **Insured** during the Period of Insurance for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item damaged, subject to a maximum of £5,000 in respect of any one *Accident*.

7. Loss of Contents of Oil Storage Tanks Extension

The **Insurer** shall be liable for the loss of the contents of static oil storage tanks caused by:

- a) escape of contents, defined as leakage, discharge or overflow from the oil storage tanks caused by or resulting from an *Accident*
- b) contamination, defined as contamination of the contents of oil storage tanks caused by or resulting from an *Accident*, including cleaning costs incurred as a result of such loss.

For the purposes of this Extension, reference to oil storage tanks shall include all connected piping other than buried, flexible or non-metallic piping.

The liability of the **Insurer** under this Extension shall not exceed £10,000 any one *Accident*.



Section 3 - Equipment Breakdown - continued

Extensions and Sub Limits to Section 3 - continued

8. Deterioration of Stock Extension

This Extension is operative only if a Limit is shown for Deterioration of Stock in the Schedule.

The **Insurer** shall be liable for loss, destruction or *Damage* to frozen or chilled foodstuffs, drugs or medicines owned by the **Insured** or for which the **Insured** is responsible, in any frozen food cabinet, deep freezer, cold room, cold store or refrigerator which is owned by the **Insured** or for which the **Insured** is responsible, by or due to a change in temperature caused by an *Accident* or failure of the electricity supply.

The **Insurer** shall not be liable for loss, destruction or *Damage* caused by:

- a) the deliberate act of any electricity undertaking in terminating, disconnecting, restricting or withholding the public supply of electricity (other than for the purpose of protecting life or the power supply system)
- b) neglect or misuse, any wilful act, or any process of cleaning, repairing or restoring
- c) wear and tear, vermin, insects, deterioration of the cabinet or other gradually operating cause
- d) arising as a result of incorrect setting of thermostats or automatic controlling devices.

This Extension is subject to an aggregate maximum of:

- i. the limit shown in the Schedule at any one **Premises** in any one Period of Insurance, or
- ii. £15,000 in any one Period of Insurance

whichever is the higher.

The **Insurer** shall not be liable for the amount of the **Excess** or 20% of any loss whichever is the greater amount, where the frozen food cabinet, deep freezer, cold room, cold store or refrigerator is over 10 years old.

9. Damage to Own Surrounding Property Extension

The **Insurer** shall be liable for loss, destruction or *Damage* to property at the **Premises** belonging to or in the custody and control of the **Insured** and for which they are responsible, directly resulting from the *Explosion* or *Collapse* of any *Covered Equipment* as a direct result of an *Accident* operating under steam pressure.

The liability of the **Insurer** under this Extension shall not exceed £1,000,000 any one *Accident*.



Section 3 - Equipment Breakdown - continued

Basis of Settlement Clause

Subject to the following Special Conditions, the basis upon which the amount payable in respect of *Covered Equipment* is to be calculated shall be the reinstatement of the *Covered Equipment* the subject of an *Accident*.

For this purpose, reinstatement means:

- a) the replacement of *Covered Equipment* the subject of an *Accident* which, provided the liability of the **Insurer** 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 *Covered Equipment* the subject of an *Accident*

in the case of a) or b) to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new.

Special Conditions

1. The **Insurer's** liability for the repair or restoration of *Covered Equipment* the subject of an *Accident* shall not exceed the amount payable for replacement of the *Covered Equipment*.
2. No payment beyond the amount which would have been payable in the absence of this clause shall be made:
 - a) unless reinstatement commences and proceeds without unreasonable delay
 - b) until the cost of reinstatement shall have been actually incurred.
3. All the terms and Conditions of the Policy shall apply in respect of any claim payable under this clause except insofar as they are varied hereby.
4. Average

If the reinstatement cost of the *Covered Equipment* shall at the time of the *Damage* be collectively of greater value than the Sums Insured, then the **Insured** shall be considered as being their own insurer for the difference and shall bear a rateable share of the *Damage* accordingly.

Reinstatement of Losses Clause

Unless written notice to the contrary is given by either the **Insurer** or the **Insured**, the insurance by this Section shall not be reduced by the amount of any loss from the date of the loss, destruction or *Damage* to the date of expiry of the Period of Insurance.



Section 3 - Equipment Breakdown - continued

Conditions to Section 3

1. Precautions Condition

The **Insured** shall exercise due diligence in:

- a) complying with any statute or order
- b) ensuring that insured items are properly maintained and used in accordance with manufacturers' recommendations
- c) taking reasonable precautions to prevent loss or *Damage*.

2. Back-up Records Condition

The **Insured** shall maintain a minimum of two generations of *Verified* back-up **Computer Records** taken at intervals no less frequently than 48 hours (one copy as a minimum being held off-site) and take all reasonable precautions to store and maintain records in accordance with the manufacturers' recommendations.

Exclusions to Section 3

The following Exclusions are in addition to those in the Policy to which this Section forms part.

1. The **Insurer** will not be liable for loss, destruction or *Damage* caused by or resulting from:
 - a) a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel or an insulation breakdown test of any type of electrical equipment
 - b) defect, programming error, programming limitation, computer virus, malicious code or loss of data (other than as specifically provided for under Extension 2) or loss of access, loss of use, loss of functionality or other condition within or involving data or *Media* of any kind.
2. The **Insurer** will not be liable for loss, destruction or *Damage* caused by or resulting from:
 - a) depletion, deterioration, corrosion, erosion, wear and tear or other gradually developing conditions
 - b) any condition which can be corrected by resetting, calibrating, realigning, tightening, adjusting or cleaning or by the performance of maintenance,but if insured *Damage* from an *Accident* results, the **Insurer** shall be liable for that resulting loss or *Damage*.
3. The **Insurer** will not be liable for:
 - a) loss, destruction or *Damage* recoverable under a maintenance agreement or any warranty or guarantee or which would be recoverable but for breach of the **Insured's** obligations under such agreement
 - b) the **Excess** as stated in the Schedule.



Section 4 - Employers' Liability

This Section of the Policy is operative only if stated in the Schedule.

In the event of **Injury** sustained by any **Employee** or working partner of the **Insured** caused during the Period of Insurance and arising out of and in the course of their employment by the **Insured** for the purposes of the **Business** within the *Territorial Limits*, the **Insurer** will indemnify the **Insured** in respect of all sums for which the **Insured** becomes legally liable to pay as compensation and claimant's costs and expenses in respect of such **Injury**.

The **Insurer** will also pay **Legal Costs** and **Solicitors' Fees** which are included within the Limit of Indemnity.

Limit of Indemnity

The liability of the **Insurer** under this Section for compensation and claimant's costs and expenses (and **Legal Costs** and **Solicitors' Fees**) in respect of one occurrence or all occurrences of a series consequent on or attributable to one source or original cause shall not exceed the Limit of Indemnity stated in the Schedule.

Section Definition

Territorial Limits

- a) Great Britain, Northern Ireland, the Isle of Man and the Channel Islands
- b) elsewhere in the world other than the United States of America or Canada or their dependencies or trust territories, in respect of temporary non-manual work undertaken by the **Insured** or any **Employee** ordinarily resident in a) above, provided that any action for compensation is brought in a court of law within the territories specified in a) above or any member country of the European Union.

Extensions to Section 4

1. Court Attendance Compensation Extension

The **Insurer** will indemnify the **Insured** for the costs of attendance at court to help defend or act as a witness in connection with any claim for which the **Insured** is entitled to indemnity under this Section and with the **Insurer's** agreement, up to a maximum of £250 per day per person.

2. Health and Safety at Work – Legal Defence Costs Extension

The **Insurer** will indemnify the **Insured** and at the **Insured's** request any director or partner of the **Insured** or any **Employee**, against **Legal Costs** incurred in defending prosecutions for a breach of the Health and Safety at Work Act 1974 or similar legislation in Northern Ireland, the Channel Islands or the Isle of Man, committed or alleged to have been committed in the course of the **Business** during the Period of Insurance. The **Insurer** will also pay prosecution costs awarded and the **Legal Costs** incurred with its written consent in appealing against any judgement given.

Provided that this indemnity shall not apply to the payment of fines or penalties.



Section 4 - Employers' Liability - continued

Extensions to Section 4 - continued

3. Indemnity to Other Parties Extension

If the **Insured** so requests, and the **Insurer** agrees, the **Insurer** will indemnify the following parties:

- a) any officer or committee member or other member of the **Insured's** canteen, social, sports or welfare organisations or ambulance, first aid, fire, medical or security services (but excluding medical practitioners) against liability incurred in such capacity
- b) any partner, director or **Employee** of the **Insured** against liability incurred in such capacity and in respect of which the **Insured** would have been entitled to indemnity under this Section if the claim had been made against the **Insured** as though each party was individually named as the **Insured** in this Section
- c) any **Principal** for whom the **Insured** has agreed to execute work under contract or agreement against liability arising out of the performance of such work by the **Insured** and in respect of which the **Insured** is legally liable and would have been entitled to indemnity under this Section if the claim had been made against the **Insured**.

Provided that:

- i. each such party shall observe, fulfil and be subject to the terms and Conditions of this Section insofar as they can apply
- ii. the **Insurer's** liability to the **Insured** and all parties indemnified shall not exceed in total the Limit of Indemnity stated in the Schedule.

4. Unsatisfied Court Judgements Extension

In the event of a judgement for damages being obtained by any **Employee** or the personal representatives of any **Employee** in respect of **Injury** caused to the **Employee** during any Period of Insurance and occurring in connection with the **Business**, against any person or company operating from premises in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, in any court situated in these territories, and remaining unsatisfied in whole or in part six months after the date of such judgement, the **Insurer** will at the **Insured's** request, pay to the **Employee** or the personal representatives of the **Employee**, the amount of such damages and any awarded costs to the extent that they remain unsatisfied.

Provided 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 **Insurer**.



Section 4 - Employers' Liability - continued

Extensions to Section 4 - continued

5. Corporate Manslaughter and Corporate Homicide – Legal Defence Costs Extension

The **Insurer** will indemnify the **Insured** against **Legal Costs** incurred with the **Insurer's** written consent in defending prosecutions under the Corporate Manslaughter and Corporate Homicide Act 2007, committed or alleged to have been committed in the course of the **Business** during the Period of Insurance. The **Insurer** will also pay prosecution costs awarded and the **Legal Costs** incurred with its written consent in appealing against any judgement given, provided that this indemnity shall not apply to the payment of fines or penalties or the costs of remedial orders or publicity orders.

Exclusions to Section 4

The **Insurer** shall not be liable for:

1. Liability in respect of **Injury** to any **Employee** arising out of the ownership, possession or use by or on behalf of the **Insured** of any mechanically propelled vehicle or trailer attached thereto if such liability is required by any domestic road traffic legislation to be the subject of compulsory insurance or other security.
2. Liability in respect of **Injury** to any **Employee** who is working in or on any **Offshore Installation** or any support vessel for any **Offshore Installation** or whilst in transit to or from any **Offshore Installation** or support vessel.

Conditions to Section 4

1. Certificate of Employers' Liability Insurance Condition

If this Policy or Section is cancelled, any Certificate of Employers' Liability Insurance is similarly cancelled from the same date.

2. Compulsory Insurance Legislation Condition

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to **Employees** in the *Territorial Limits*, but the **Insured** shall repay to the **Insurer** all sums paid by the **Insurer** which the **Insurer** would not have been liable to pay but for the provisions of such law.



Section 4 - Employers' Liability - continued

Conditions to Section 4 - continued

3. Discharge of Liability Condition

The **Insurer** may at any time pay to the **Insured** in connection with any claim or series of claims:

- a) the amount of the Limit of Indemnity or
- b) any lesser amount for which such claim or claims can be settled, less any sum or sums already paid as compensation, claimant's costs and expenses, **Legal Costs** and **Solicitors' Fees** recoverable prior to the date of such payment.

On payment, the **Insurer** shall relinquish the conduct and control of and be under no further liability in connection with such claim or claims, except for the payment of costs and expenses incurred prior to the date of such payment.

4. Other Insurances Condition

If any claim under this Section is also covered in whole or in part by any other existing insurance or by an indemnity from any other source, the liability of the **Insurer** shall be limited to any excess beyond the amount which would have been payable under such other insurance or from such other source had this Section not been effected.



Section 5 - Public and Products Liability

This Section of the Policy is operative only if stated in the Schedule.

In the event of accidental:

- a) **Injury** to any person
- b) physical loss of or physical damage to material property
- c) obstruction, trespass, nuisance or interference with any right of way, light, air or water
- d) wrongful arrest, detention, imprisonment or eviction of any person (involving the use of physical force or coercion), malicious prosecution or invasion of the right of privacy

occurring during the Period of Insurance and arising out of ownership of the **Premises** or in the course of the **Business** within the *Territorial Limits*, the **Insurer** will indemnify the **Insured** in respect of all sums which the **Insured** becomes legally liable to pay as compensation and claimant's costs and expenses.

The **Insurer** will also pay **Legal Costs** and **Solicitors' Fees** which are included within the Limit of Indemnity.

Limit of Indemnity

The liability of the **Insurer** under this Section for compensation in respect of:

- a) one occurrence or all occurrences of a series consequent on or attributable to one source or original cause
 - b) all **Injury** and damage occurring during any one Period of Insurance in respect of **Products Supplied**
 - c) all **Pollution or Contamination** which is deemed to have occurred during any Period of Insurance
- shall not exceed the Limit of Indemnity stated in the Schedule.

Where indemnity is provided by this Section for liability in respect of occurrences in the United States of America or Canada or their dependencies or trust territories, the Limit of Indemnity stated in the Schedule shall be the maximum amount payable and due by the **Insurer** inclusive of all costs and expenses.

Section Definition

Territorial Limits

- a) Great Britain, Northern Ireland, the Isle of Man and the Channel Islands
- b) elsewhere in the world other than the United States of America or Canada or their dependencies or trust territories in respect of temporary non-manual work undertaken by the **Insured** or any **Employee** ordinarily resident in a) above, provided that any action for compensation is brought in a court of law within the territories specified in a) above or any member country of the European Union
- c) and in respect of **Products Supplied**, anywhere in the world except for the United States of America or Canada or their dependencies or trust territories unless specifically agreed by the **Insurer**, provided that the **Products Supplied** are supplied from or are worked upon in the territories specified in a) above.



Section 5 - Public and Products Liability - continued

Extensions to Section 5

1. Consumer Protection and Food Safety Acts – Legal Defence Costs Extension

The **Insurer** will indemnify the **Insured** and at the **Insured's** request any director, partner or **Employee** of the **Insured** against **Legal Costs** incurred with the **Insurer's** prior written consent in connection with the defence of any proceedings or an appeal against conviction arising from such proceedings, brought for a breach of:

- a) Part 2 of the Consumer Protection Act 1987 or
- b) Section(s) 7, 8, 14 and/or 15 of the Food Safety Act 1990

committed or alleged to have been committed in the course of the **Business** during the Period of Insurance.

Provided that this indemnity shall not apply to:

- i. the payment of fines or penalties
- ii. proceedings or appeals in respect of any deliberate act or omission by the **Insured**
- iii. costs or expenses insured by any other policy.

2. Court Attendance Compensation Extension

The **Insurer** will indemnify the **Insured** for the costs of attendance at court to help defend or act as a witness in connection with any claim for which the **Insured** is entitled to indemnity under this Section and with the **Insurer's** agreement, up to a maximum of £250 per day per person.

3. Cross Liabilities Extension

Where the **Insured** comprises more than one party, the **Insurer** shall treat each party as the **Insured** as if a separate Policy had been issued to each, provided that nothing in this Extension shall increase the liability of the **Insurer** beyond the amount for which the **Insurer** would have been liable had this Extension not applied.

4. Defective Premises Act Extension

The **Insurer** will indemnify the **Insured** in respect of legal liability incurred by the **Insured** during the Period of Insurance under the terms of the Defective Premises Act 1972 or the Defective Premises (Northern Ireland) Order 1975, in connection with any business premises or land which has been disposed of by the **Insured**.

Provided that the **Insurer** shall not be liable:

- a) for the cost of remedying any defect or alleged defect in the premises disposed of
- b) if the **Insured** is entitled to indemnity from any other source.



Section 5 - Public and Products Liability - continued

Extensions to Section 5 - continued

5. Health and Safety at Work – Legal Defence Costs Extension

The **Insurer** will indemnify the **Insured** and at the **Insured's** request any director or partner of the **Insured** or any **Employee** against **Legal Costs** incurred in defending prosecutions for a breach of the Health and Safety at Work Act 1974 or similar legislation in Northern Ireland, the Channel Islands or the Isle of Man committed or alleged to have been committed in the course of the **Business** during the Period of Insurance. The **Insurer** will also pay prosecution costs awarded and the **Legal Costs** incurred with its prior written consent in appealing against any judgement given.

Provided that this indemnity shall not apply to the payment of fines or penalties.

6. Indemnity to Other Parties Extension

If the **Insured** so requests, and the **Insurer** agrees, the **Insurer** will indemnify the following parties:

- a) any officer or committee member or other member of the **Insured's** canteen, social, sports or welfare organisations or ambulance, first aid, fire, medical or security services (but excluding medical practitioners) against liability incurred in such capacity
- b) any partner, director or **Employee** of the **Insured** against liability incurred in such capacity and in respect of which the **Insured** would have been entitled to indemnity under this Section if the claim had been made against the **Insured** as though each party was individually named as the **Insured** in this Section
- c) any **Principal** for whom the **Insured** has agreed to execute work under contract or agreement against liability arising out of the performance of such work by the **Insured** and in respect of which the **Insured** is legally liable and would have been entitled to indemnity under this Section if the claim had been made against the **Insured**.

Provided that:

- i. each such party shall observe, fulfil and be subject to the terms and Conditions of this Section insofar as they can apply
- ii. the **Insurer's** liability to the **Insured** and all parties indemnified shall not exceed in total the Limit of Indemnity stated in the Schedule.

7. Motor Contingent Liability Extension

The **Insurer** will indemnify the **Insured** against legal liability arising out of the use of any motor vehicle in the course of the **Business** anywhere in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man, provided that the **Insurer** shall not be liable for:

- a) any vehicle owned or provided by the **Insured** or any **Principal** for whom the **Insured** is working or any subcontractor acting for or on behalf of the **Insured**
- b) damage to such vehicle or to goods conveyed in or on it
- c) any vehicle being driven by the **Insured**



Section 5 - Public and Products Liability - continued

Extensions to Section 5 - continued

7. Motor Contingent Liability Extension - continued

- d) any vehicle being driven by any person who to the knowledge of the **Insured** or of the **Insured's** 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
- e) in respect of which the **Insured** is entitled to indemnity under any other insurance.

8. Overseas Personal Liability Extension

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

The indemnity shall not apply to legal liability:

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

9. Liability for Guests' Property Extension

The **Insurer** will indemnify the **Insured** against legal liability arising out of:

The Hotel Proprietors Act 1956

Hotel Proprietors Act (Northern Ireland) 1958

Tourism (Liability of Proprietors of Registered Premises) (Jersey) Law 1964

Hotel and Guest House Proprietors Liability (Bailiwick of Guernsey) Law 1964

Hotel Keepers Liability Act 1964,

subject to:

- a) the **Insurer's** liability under this extension not exceeding £25,000 in respect of all events happening during any Period of Insurance
- b) the **Insured** displaying notices where required by and in accordance with the provisions of The Hotel Proprietors Act 1956, Hotel Proprietors Act (Northern Ireland) 1958, Tourism (Liability of Proprietors of Registered Premises) (Jersey) Law 1964, Hotel and Guest House Proprietors Liability (Bailiwick of Guernsey) Law 1964 or Hotel Keepers Liability Act 1964 as appropriate
- c) any guest's property deposited with the **Insured** for safe keeping being kept in a locked **Safe** or **Strongroom**.



Section 5 - Public and Products Liability - continued

Extensions to Section 5 - continued

10. Car Park Liability Extension

The **Insurer** will indemnify the **Insured** against legal liability arising from damage to the vehicles of visitors or guests whilst in the **Insured's** car park, including electric charging points that are the responsibility of the **Insured** at the **Premises**, provided that:

- a) the **Insurer's** liability in respect of any one occurrence or series of occurrences consequent upon or attributable to any one single event shall not exceed £10,000 and shall not exceed £50,000 in the aggregate for the Period of Insurance
- b) a disclaimer notice to the effect that vehicles are left at owners' risk and that the **Insured** accepts no liability for loss or damage to any vehicle or its contents is displayed in a prominent position in the car park.

11. Cloakrooms Extension

The **Insurer** will indemnify the **Insured** against legal liability arising from damage to property (excluding gold and silver articles, jewellery, watches and other items made of precious metals or stones) belonging to guests, caused by theft or accidental means whilst such property is deposited in the cloakrooms in the **Premises**.

Provided that:

- a) this extension shall not insure against damage caused by or due to fire and/or explosion
- b) the liability of the **Insurer** shall not exceed £100 any one article and £1,000 any one incident
- c) the cloakroom shall be locked shut whenever it is left unattended when guests' property is deposited therein
- d) the **Insured** shall issue numbered tickets to each guest in respect of property deposited in the cloakroom and shall prominently display in each cloakroom disclaimer notices to the effect that property is left at the owners' risk and that the **Insured** accepts no liability for loss or damage to contents left therein.

12. Personal Liability Extension

This Extension applies only if **Section 1 - Material Damage: Additional Cover Domestic Contents, Personal Money and Alternative Accommodation**, is operative in the Schedule.

The **Insurer** will indemnify the **Insured** in respect of legal liability incurred in a personal capacity by the Insured or their resident manager or any of their family permanently residing in the **Premises** for **Injury** or damage to property occurring anywhere within the *Territorial Limits*, provided that this Extension shall not apply to liability:

- a) excluded under this Section
- b) arising from any profession or business
- c) arising out of the ownership or occupation of land or buildings other than the **Premises**



Section 5 - Public and Products Liability - continued

Extensions to Section 5 - continued

12. Personal Liability Extension - continued

- d) arising out of injury to the **Insured's** spouse or partner or any member of the **Insured's** family permanently residing with the **Insured**
- e) arising from tree felling or lopping operations
- f) arising from the ownership, possession or use of any animal (other than cats, dogs or horses)
- g) where indemnity is provided by any other insurance.

13. Corporate Manslaughter and Corporate Homicide – Legal Defence Costs Extension

The **Insurer** will indemnify the **Insured** against **Legal Costs** incurred with the **Insurer's** written consent in defending prosecutions under the Corporate Manslaughter and Corporate Homicide Act 2007 committed or alleged to have been committed in the course of the **Business** during the Period of Insurance. The **Insurer** will also pay prosecution costs awarded and the costs incurred with its written consent in appealing against any judgement given provided that this indemnity shall not apply to the payment of fines or penalties or the costs of remedial orders or publicity orders.

14. Hairdressers and Beauticians Extension

The **Insurer** will indemnify the **Insured** in respect of legal liability occurring in the ordinary course of the **Business** as a Hairdresser or Beautician arising out of:

- a) washing, styling, cutting or drying of hair
- b) dyeing, tinting, bleaching, permanent waving, straightening or other treatment of hair or the scalp
- c) ear or nose piercing by the gun and stud method
- d) cut throat razor shaving
- e) hair extensions.

Public Liability and Products Liability of this Policy are extended to include the **Insured's** liability arising out of the treatments during the course of their activities as 'Beauticians' on condition they have been declared and fully disclosed within the application section of the Statement of Fact/Schedule and accepted for cover by the **Insurer**.

Important Information

- a) **Employees** performing the treatment are *Qualified*.

Definition of *Qualified* Staff (any one of the following):

- i. more than 2 years' continuous experience of professional hairdressing or beauty treatments
- ii. completed 2 years' technical college training in hairdressing or beauty treatments
- iii. completed and passed Level 1 or higher National Vocational Qualification (NVQ) hairdressing or beauty treatments
- iv. completed and passed a Cobra Hair academy diploma.



Section 5 - Public and Products Liability - continued

Extensions to Section 5 - continued

14. Hairdressers and Beauticians Extension - continued

b) Carry out Skin Tests

The recommendations of manufacturers of hair dye or other treatments application are followed. The frequency of necessary skin tests may be required:

- i. before each particular treatment
or
- ii. on the first occasion that such treatment is applied with the manufacturer's products to the customer.

Special Conditions

- i. It is a condition precedent to any liability of the **Insurer** under this Extension that, on every occasion prior to the undertaking of any hair dyeing or other treatment, the **Insured** shall observe and apply all the tests and procedures required or recommended by the makers or vendors of such hair dyes or other treatment.
- ii. It is a condition precedent to any liability of the **Insurer** under this Extension that all treatments are either carried out by a qualified professional with no less than 2 years' experience or an apprentice or learner or any individual with less than 2 years' experience supervised closely, directly and continuously by a qualified professional of more than 2 years' experience.
- iii. It is a condition precedent to any liability of the **Insurer** under this Extension that prior to the undertaking of any treatment involving hair dying, ear or nose piercing applied to minors, the consent of a parent or guardian is obtained.
- iv. It is a condition precedent to any liability of the **Insurer** under this Extension that all electrical equipment used in connection with electrolysis treatments is inspected annually by a qualified electrical engineer.
- v. It is a condition precedent to any liability of the **Insurer** under this Extension that all electrical equipment used in connection with non-surgical and non-invasive endermologie therapy is inspected annually by a qualified electrical engineer and that the **Insured** shall follow all the procedures required or recommended by the manufacturers when using such equipment.
- vi. It is a condition precedent to any liability of the **Insurer** under this Extension that the **Insured** shall follow all the procedures required or recommended by the manufacturers when performing all treatments covered under this Policy.
- vii. It is a condition precedent to any liability of the **Insurer** under this Extension that all products used by the **Insured** and use thereof must be legal within the country of residence of the **Insured** and that the **Insured** is qualified to perform such treatments having had the necessary training and successfully completed that training.



Section 5 - Public and Products Liability - continued

Extensions to Section 5 - continued

14. Hairdressers and Beauticians Extension - continued

Exclusions applicable to all Beauty Treatments

This Extension excludes all claims directly or indirectly arising from:

- a) damage to clothing during spray tanning treatment
- b) the provision of sun tanning equipment or the application of any sun tanning process
- c) face lifting or plastic surgery
- d) any preparation or other goods manufactured or made up to the formula of the **Insured**
- e) any treatment requiring the puncturing or cutting of the skin (other than ear or nose piercing using the gun and stud method)
- f) hypnosis
- g) tattooing and tattoo removal
- h) any treatments which are not stated in the Policy Schedule.

15. Sunbed Treatment Extension (Applicable when stated in the Policy Schedule that the Extension is "Applicable")

The **Insurer** will indemnify the **Insured** against liability at law for damages and claimants' costs and expenses in respect of claims arising out of the conduct of the **Business** of a Tanning Studio made against the **Insured** and notified to the **Insurer** during the Period of Insurance for breach of professional duty (treatment) by reason of any negligent act, error or omission occurring or committed in good faith by the **Insured** or any **Employee** of the **Insured**.

It is a condition precedent to any liability of the **Insurer** under this Extension that:

- a) the tanning equipment is token operated or if timer controlled, the control cannot be operated by the user
- b) the tokens are kept in a safe and secure place
- c) manufacturers' and/or suppliers' instructions regarding use are fully adhered to at all times
- d) the **Insured** complies with guidance notes issued from time to time by the Health and Safety Executive and/or the Sunbed Association
- e) for those risks based in Scotland, the **Insured** complies with the requirements of the Public Health (Scotland) Act 2008 and subsequent amendments
- f) goggles are worn at all times whilst using the tanning equipment



Section 5 - Public and Products Liability - continued

Extensions to Section 5 - continued

15. Sunbed Treatment Extension (Applicable when stated in the Policy Schedule that the Extension is "Applicable") - continued

- g) the following notice must be handed to and signed and dated by each user before their first course or session and a copy kept for inspection. The notice must also be prominently displayed in the reception area and the tanning area or room:

You must not use the tanning equipment if you:

- i. suffer from heart or circulatory problems, high or low blood pressure, epilepsy, diabetes or any similar condition which results in sensitivity to UVB, light or heat
- ii. are taking drugs particularly antibiotics, tranquillisers, diuretics or psoralen or any other drug which increases the sensitivity of the skin to the sun (if in doubt consult your doctor)
- iii. have consumed alcohol within the last two hours
- iv. are pregnant.

The **Insurer** will not be liable for liability arising from:

- a) any act, error or omission occurring prior to the inception date of this Extension
- b) the use of tanning equipment with greater than 10% Ultra Violet B radiation
- c) tanning sessions that exceed thirty minutes in length
- d) the operation of premises and/or persons that have not been licensed by the appropriate authorities
- e) the first £2,500 of all claims (including costs and expenses)
- f) any service involving the use of any other light source equipment
- g) the use of any equipment by any person under the age of 18.

The liability of the **Insurer** under this Extension is limited to £50,000 (including costs and expenses) in the aggregate during the Period of Insurance.

16. Unauthorised Movement of Vehicles Extension

The **Insurer** will indemnify the **Insured** in respect of legal liability in respect of occurrences whilst any vehicle not the property of or leased or rented to the **Insured** is being driven by any **Employee** of the **Insured** for the purpose of parking, loading or unloading or with the intention of allowing free passage of any vehicle owned by or on loan or hire to the **Insured** or to allow access to or egress from the **Premises**.

Provided that:

- a) this Extension shall not indemnify the **Insured** whilst such motor vehicle is being used in circumstances in which insurance or security is required by any domestic road traffic legislation
- b) this Extension shall not apply if indemnity is available under any other policy of insurance except for any amount in excess of the limit provided by such other policy of insurance.



Section 5 - Public and Products Liability - continued

Exclusions to Section 5

The indemnity granted under this Section shall not apply to:

1. Advice, Design and Professional Services Exclusion

Liability arising from advice, design, formula, specification, inspection, certification, testing or professional services provided by or on behalf of the **Insured** whether a fee is charged or not.

2. Damage to Goods Supplied Exclusion

Liability in respect of:

- a) damage to any goods or other property sold, supplied, delivered, installed or erected by or on behalf of the **Insured**
- b) all costs of or arising from the need for making good, removal, repair, rectification, replacement or recall of any such goods or property or any defective work carried out by or on behalf of the **Insured**.

3. Products Supplied Exclusion

Public Liability in respect of **Products Supplied** other than:

- a) office machinery surplus to the **Insured's** requirements
- b) food or drink supplied as a service to guests and visitors
- c) proprietary branded goods other than medicines.

4. Safety Critical Products Exclusion and Exports to USA and Canada Exclusion

Liability in respect of:

- a) any **Products Supplied** which to the knowledge of the **Insured** are to be used as a safety critical part in connection with aircraft, hovercraft, aerial or aero spatial devices, watercraft, drilling platforms or rigs, motor vehicles, railways, railway locomotives or carriages, operational areas of gas, chemical, nuclear, petrochemical or power generation plants or mines
- b) any **Products Supplied** knowingly exported directly or indirectly to the United States of America or Canada or their dependencies or trust territories.

5. Fines Exclusion

Liability in respect of liquidated damages, fines, penalties, exemplary, punitive, aggravated or multiplied damages.

6. Injury to Employees Exclusion

Liability in respect of **Injury** to any **Employee** arising out of and in the course of the employment or engagement of such person by the **Insured**.



Section 5 - Public and Products Liability - continued

Exclusions to Section 5 - continued

7. Mechanically Propelled Vehicles Exclusion

Liability arising out of the ownership, possession or use by or on behalf of the **Insured** of any mechanically propelled vehicle or trailer attached thereto which is required by any domestic road traffic legislation to be the subject of compulsory insurance or other security, but this Exclusion shall not apply:

- a) while such vehicle is being used as a tool of trade (other than in respect of liability which is compulsorily insurable under domestic road traffic legislation)
- b) in respect of the loading or unloading of such vehicle or the delivery or collection of goods to or from such vehicle

except where more specifically insured by any other policy.

8. Pollution or Contamination Exclusion

Liability arising:

- a) out of **Pollution or Contamination** unless 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, provided that all **Pollution or Contamination** arising out of one incident shall be deemed to have occurred at the time such incident takes place
- b) directly or indirectly by **Pollution or Contamination** occurring in the United States of America or Canada or their dependencies or trust territories.

9. Property in the Charge or Control of the Insured Exclusion

Liability in respect of loss or damage to any property belonging to or in the charge or control of the **Insured** other than:

- a) personal effects or vehicles of any partner, director or **Employee** of or visitor to the **Insured**
- b) premises (and their contents) not belonging, leased, rented or hired to the **Insured** but temporarily in the charge of the **Insured** for the purpose of carrying out work
- c) premises (including their fixtures and fittings) leased, rented or hired to the **Insured**, but this Section does not cover liability attaching to the **Insured** solely under the terms of any tenancy or other agreement.

10. Drones, Vessels or Craft Exclusion

Liability arising out of ownership, possession or use by or on behalf of the **Insured** of any drone or other vessel or craft designed to travel in, on or through water, air or space (other than hand-propelled watercraft).



Section 5 - Public and Products Liability - continued

Exclusions to Section 5 - continued

11. Work on Offshore Installations Exclusion

Liability in respect of **Injury**, loss or damage in or on any **Offshore Installation** or any support vessel for any **Offshore Installation** or whilst in transit to or from any **Offshore Installation** or support vessel.

12. Asbestos Exclusion

Liability of whatsoever nature arising out of the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to asbestos or materials or products containing asbestos, but this Exclusion shall not apply in respect of such removal, storage or disposal provided that:

- a) the **Insurer's** liability in respect of **Injury**, loss or damage occurring during any one Period of Insurance shall not exceed £2,000,000 in the aggregate or the amount of the Limit of Indemnity for this Section as stated in the Schedule whichever is the lower
- b) such activity does not form part of the **Insured's** usual trade, **Business** or contract
- c) the discovery of asbestos by the **Insured** is unintentional and accidental
- d) upon discovery of asbestos or products made entirely or mainly of asbestos all work immediately stops
- e) an HSE licensed asbestos removal contractor who has Employers' Liability and Public and Products Liability insurances in force that:
 - i. provide Limits of Indemnity no less than those stated in the Schedule and
 - ii. do not exclude the work to be carried out

is contracted if legally required to make safe the area in which the discovery is made as soon as is practicable.

13. Notifiable Asbestos Exclusion

Liability arising from or in connection with the handling, removal, stripping out, demolition, transportation or disposal of Notifiable Asbestos, but this Exclusion shall not apply to liability arising from:

- a) the accidental discovery of materials known or suspected to be Notifiable Asbestos
- b) the investigation of any such suspect material

provided that:

- i. immediately upon discovery all handling, removal, stripping out, demolition, transportation or disposal of that which is suspected to be Notifiable Asbestos ceases until the composition of all such materials is established



Section 5 - Public and Products Liability - continued

Exclusions to Section 5 - continued

13. Notifiable Asbestos Exclusion - continued

- ii. any subsequent handling, removal, stripping out, demolition, transportation or disposal of Notifiable Asbestos is carried out by a licensed contractor on terms which indemnify the **Insured** for all liability arising out of such work.

14. Manual Work Away Exclusion

Liability arising from manual work undertaken away from the **Insured's Premises** other than collection or delivery.

15. Contractual Liability Exclusion

Liability which attaches because of a contract or agreement but which would not have attached in the absence of such contract or agreement.

16. Sporting Activities Exclusion

Injury or damage caused by or arising from active participation in, training for, travelling to or from or the provision of any medical, physical, physiotherapy or sports injury treatment during:

- a) any activities involving any sporting activity
- b) club activities which involve armed or unarmed combat sports
- c) any other event or fixture on behalf of the **Insured** being a sporting activity involving bodily contact between opposing players.

17. Belligerent and Malicious Acts Exclusion

Liability arising from damage or **Injury** caused by any belligerent or malicious acts of the **Insured** or their **Employees**.

18. Burning of Waste Exclusion

Liability arising directly or indirectly from the burning of waste either at or away from the **Insured's Premises**.

19. Libel, Slander, Defamation and Copyright Infringement Exclusion

Liability arising directly or indirectly from:

- a) actual or alleged acts of libel, slander or defamation
- b) slander of title of goods or other injurious falsehood
- c) wrongful misrepresentation
- d) copyright infringement



Section 5 - Public and Products Liability - continued

Exclusions to Section 5 - continued

20. Fairground Rides, Amusements, Inflatable Play Equipment and Pyrotechnics Exclusion

Liability arising directly or indirectly from or in consequence of the use of mechanical fairground amusements, rides, bouncy castles or other inflatable play equipment or pyrotechnics.

21. PFAS (Perfluorinated Compounds, Perfluoroalkyl and Polyfluoroalkyl Substances) Absolute Exclusion

Any liability arising directly or indirectly from or in any way connected with PFAS losses as defined within this Exclusion.

This Section does not provide any liability for:

- 1) Any bodily injury, property damage, personal and advertising injury loss, liability, damage, compensation, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with the actual, alleged or threatened contaminative, pathogenic, toxic or other hazardous properties of PFAS.
- 2) Any and all losses, costs and expenses resulting from any claim, litigation, dispute, arbitration, investigation or any other legal proceeding or dispute resolution in whole or in part directly or indirectly caused by, arising out of, resulting from, based upon or in any way related to PFAS, including but not limited to any of the following conducts:
 - a) actual, alleged or threatened inhalation of, ingestion of, consumption of, contact with, exposure to, existence of or presence of PFAS containing products or materials
 - b) design, manufacture, production, use, sale, installation, placing on the market, removal, distribution, handling, packaging, storage, marketing, processing of or any other similar business-related activity relating to PFAS-containing products or materials
 - c) testing for, monitoring, cleaning up, abating, removing, containing, treating, detoxifying, neutralising, remediating, disposing of or in any way responding to or assessing the effects of PFAS-containing products or materials
 - d) failure to report any PFAS-containing products or materials to authorities
 - e) failure to warn of potential consequences arising from, or the inadequacy of any warning relating to any of the conducts described in a) to d) above.

If the **Insurer** alleges that this Exclusion applies to any claim under this Section, the burden of proving the contrary shall be upon the **Insured**.



Section 5 - Public and Products Liability - continued

Exclusions to Section 5 - continued

21. PFAS (Perfluorinated Compounds, Perfluoroalkyl and Polyfluoroalkyl Substances) Absolute Exclusion - continued

For the purpose of this Exclusion, PFAS means:

Perfluorinated Compounds, Perfluoroalkyl and Polyfluoroalkyl Substances in any form, including but not limited to:

- a) any organic molecule, salt, free radical or ion, the composition of which includes at least one:
 - i perfluorinated methyl group (-CF₃); or
 - ii perfluorinated methylene group (-CF₂-); or
- b) any breakdown of any organic molecule, salt, free radical or ion, or the composition thereof
- c) any goods, product or material that has the same or similar chemical formula or structure as such Perfluorinated Compounds, Perfluoroalkyl and Polyfluoroalkyl Substances
- d) its presence or use in any alloy, by-product, compound or other material or waste that includes or is derived from such compounds or substances.

Conditions to Section 5

1. Discharge of Liability Condition

The **Insurer** may at any time pay to the **Insured** in connection with any claim or series of claims:

- a) the amount of the Limit of Indemnity or
- b) any lesser amount for which such claim or claims can be settled, less any sum or sums already paid as compensation, claimant's costs and expenses, **Legal Costs** and **Solicitors' Fees** recoverable prior to the date of such payment.

On payment, the **Insurer** shall relinquish the conduct and control of and be under no further liability in connection with such claim or claims except for the payment of costs and expenses incurred prior to the date of such payment.

2. Other Insurances Condition

If any claim under this Section is also covered in whole or in part by any other existing insurance or by an indemnity from any other source, the liability of the **Insurer** shall be limited to any excess beyond the amount which would have been payable under such other insurance or from such other source had this Section not been effected.



Section 5 - Public and Products Liability - continued

Conditions to Section 5 - continued

3. Bona Fide Subcontractors Condition

It is a condition precedent to any liability of the **Insurer** in respect of **Injury**, loss, destruction or damage arising out of work carried out on behalf of the **Insured** by bona fide subcontractors commencing during the Period of Insurance, that the **Insured** obtains and retains a written record that such subcontractors have in force throughout the duration of any work undertaken by them for the **Insured** the following insurance:

- a) Employers' Liability insurance in accordance with any law relating to compulsory insurance of liability to employees
- b) Public Liability insurance covering legal liability for **Injury** to any person other than described in a) above and loss, destruction or damage to property, with a limit of indemnity of not less than the Limit of Indemnity stated in the Schedule and including an indemnity to the **Insured** as Principal.

It is a condition precedent to any liability of the **Insurer** that the **Insured** does not assume by agreement any liability or potential liability that would not have attached to them in the absence of such agreement, including but not limited to the assumption of any liability or potential liability on behalf of any bona fide subcontractor or the waiver of any rights of recourse against any bona fide subcontractor.

This Condition shall not apply where bona fide subcontractors are engaged to carry out work on behalf of the **Insured** in an emergency and there is insufficient time to obtain a written record from such subcontractor, provided that the **Insured** shall obtain verbal confirmation and confirm such in writing and retain a copy as a written record.

4. Food Hygiene Condition

It is a condition precedent to any liability of the **Insurer** that where the **Insured's Business** has a food hygiene rating (Scores on the Doors) issued by the Food Standard Agency (FSA), that this score is not below three (or PASS in Scotland), unless all requirements stipulated by the FSA following their inspection have been fulfilled and a further visit by the FSA inspector is awaited.

5. Spillage Policy Condition

It is a condition precedent to the **Insurer's** liability that there is a written Spillage Policy in place, covering the whole of the **Premises**, which has been communicated to all **Employees** and is available to the **Insurer** on request.

The Spillage Policy must detail the frequency of inspections that must take place of the whole of the **Premises** to check for spillages and the measures to be taken in the event a spillage is reported or found. Such measures must include the immediate clearing up of any spillages or broken glass, with warning signs appropriately displayed to highlight any wet or contaminated floor surfaces.

A record of spillage inspections must be retained and made available to the **Insurer** on request.



Section 6 - Management Protector

Sub-Section A – Personal Accident and Sub-Section B – Employee Dishonesty

Insuring Agreement

Subject to the terms, Exclusions and Conditions of the respective Sub-Sections and the General Conditions and General Exclusions to the Policy.

Sub-Section A – Personal Accident

This Sub-Section is operative only if a Benefit Limit is stated in the Schedule.

If an *Eligible Person* sustains accidental bodily injury whilst on the **Premises** or whilst in the course of the **Business** within the *Geographical Limits* during the Period of Insurance which within two years solely and independently of any other cause results in death or disablement, the **Insurer** will pay the **Insured** the percentage amount of the *Benefit* as follows:

Schedule of Benefits	
Loss of:	% of Benefit Sum Insured
Life	100%
Both Hands or Both Feet	100%
Either Hand or Foot and Sight of One Eye	100%
One Hand and One Foot	100%
Sight of Both Eyes	100%
Either Hand or Foot	50%
Sight of One Eye	50%
Thumb and Index Finger of Same Hand	25%

If more than one *Loss* results from any one accidental bodily injury, only one amount, the largest, will be paid.

The maximum amount the **Insurer** will pay in the aggregate under this and any other policy of Personal Accident Insurance issued by the **Insurer** in the **Insured's** name in respect of all *Eligible Persons* suffering bodily injury in the same accident or series of accidents contributed to, caused by, or consequent upon the same original cause, event or circumstance is the Benefit Limit as shown in the Schedule or £10,000 whichever is the lesser amount. If a claim exceeds this amount, the **Insurer** will pay an amount which is proportionately reduced until the total does not exceed the Benefit Limit as shown in the Schedule or £10,000.



Section 6 - Management Protector - continued

Sub-Section A – Personal Accident - continued

Sub-Section Definitions

Benefit

The limit of indemnity shown in the Schedule.

Eligible Person

The **Insured** or any permanent employees under a contract of service or apprenticeship with the **Insured** and ordinarily resident in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands or any Insured Person noted in the Schedule.

Geographical Limits

Anywhere in the world.

Loss with regard to –

- a) hand or foot means actual severance through or above the wrist or ankle joints respectively
- b) eye means entire and irrevocable loss of sight
- c) thumb and index finger means actual severance through or above the joint that meets the hand at the palm.

Sub-Section Conditions

1. Acceptance of Benefit

If the **Insurer** has paid a claim under the Additional Cover Personal Accident (Assault) of **Section 1 – Material Damage** and the **Insured** has accepted payment, then the **Insurer** will not have to make any further payments for the same claim.

2. Claims Evidence

The **Insured** must provide at their own expense any evidence in support of a *Loss*. An *Eligible Person* must undergo as many medical examinations in connection with any claim as the **Insurer** may require at its own expense.

3. Disappearance

If an *Eligible Person* disappears and after a suitable period of time it is reasonable to believe that he/she has died as a result of accidental bodily injury, the benefit will be paid, provided that the **Insured** signs an agreement that if it is later found to be wrong, any amount paid will be refunded to the **Insurer**.



Section 6 - Management Protector - continued

Sub-Section A - Personal Accident - continued

Sub-Section Conditions - continued

4. Exposure

Death or dismemberment resulting from exposure to the elements will be considered to have been caused by accidental bodily injury.

Sub-Section Exclusions

This Personal Accident Cover does not include any loss caused by or arising directly or indirectly from:

1. intentional self-injury, suicide or attempted suicide, sexually transmitted conditions, mental or nervous disorder, anxiety, stress or depression, AIDS or HIV infection
2. serving in any branch of the Military or Armed Forces
3. being under the influence of drugs, alcohol or other intoxicants
4. participation in any crime, riot or civil commotion
5. flying as a pilot or member of aircrew
6. flying as a passenger in any aircraft that is not a multi-engine, fixed wing aircraft licensed by a Civil Aviation Authority which flies according to a published service frequency and timetable showing departure days and departure and arrival times
7. the dispersal, release or application of pathogenic or poisonous biological or chemical materials
8. self-exposure to needless peril (except in an attempt to save human life)
9. participation in winter sports, skydiving/parachuting, hang-gliding, bungee jumping, scuba diving, mountain climbing (where ropes or guides are customarily used), riding or driving in races or rallies using a motorised vehicle or bicycle, caving or pot-holing, hunting or equestrian activities, skin diving or other underwater activity, rafting or canoeing involving white water rapids, yachting or boating outside coastal waters (2 miles), or participation in any sport which provides the individual's major source of income
10. sickness or disease (not resulting from accidental bodily injury), any naturally occurring condition or degenerative process, any gradually operating cause or any physical or medical condition which existed in the 24 months prior to inception of cover
11. any medical or surgical treatment except as may be necessary solely as a result of injury
12. any injury which shall result in a hernia
13. any person after the expiry of the Period of Insurance during which that person reaches age 75 years
14. due to, contributed to or accelerated by insanity.



Section 6 - Management Protector - continued

Sub-Section B – Employee Dishonesty Cover

This Sub-Section is operative only if stated in the Schedule.

The **Insurer** shall indemnify the **Insured** for its direct financial *Loss* which occurs during the Period of Insurance as a direct result of one act of theft committed during the Period of Insurance by any identified *Employee* who is paid wholly or mainly by salary or wages (acting alone or in collusion with others) with the principal intent to cause the **Insured** to sustain a loss and to obtain financial benefit for such *Employee* (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) which is *First Discovered* by the **Insured** during the Period of Insurance and within 72 hours of the theft occurring.

The Liability of the **Insurer** shall be restricted to the limit stated in the Schedule for any one *Loss*.

Sub-Section Definitions

Employee(s)

For the purposes of this Cover means permanent employee(s) under a contract of service or apprenticeship with the **Insured** and shall not mean the General Definition of **Employee**.

First Discovered

Means the time the **Insured** first became aware of or had reasonable cause to suspect an act of theft or a *Loss*.

Loss

For the purpose of this Cover means direct financial loss (other than salary or other remuneration) of **Money, Non-Negotiable Money** or **Property** insured under Section 1 of this Policy and used in connection with the **Business** owned by the **Insured** or in the care, custody or control of the **Insured** and for which the **Insured** is liable, in connection with any one act of theft by an *Employee*, provided that the **Insured** can establish and provide proof of the date of the incident and such incident is *First Discovered* by the **Insured** within 72 hours of its occurrence. *Loss* shall include costs, fees or other expenses incurred in establishing the existence or amount of any *Loss*.

Knowledge

Means become aware of or reasonably suspect.

Transaction

Means a formal act to change control of the **Insured** from that which existed at the inception of the Policy.



Section 6 - Management Protector - continued

Sub-Section B – Employee Dishonesty Cover - continued

Sub-Section Conditions

1. Cancellation as to any Employee Condition

This Cover shall be deemed cancelled in respect of any *Employee* immediately upon discovery by the **Insured**, or by any director, partner, principal or officer thereof not in collusion with such *Employee*, of any act of theft on the part of such *Employee*, and further theft acts committed by such *Employee* are excluded.

2. Recoveries Condition

Under this Cover, recoveries (less the actual cost of recovery) made after a *Loss* will be distributed as follows: first, the **Insured** shall be reimbursed for *Loss* exceeding the Limit of Liability or settlement (whichever is less) and the **Excess** amount (if applicable); second, the **Insurer** shall be reimbursed for the settlement made; third, the **Insured** shall be reimbursed for *Loss* equal to the retention amount.

3. Management Controls Condition

It is a condition precedent to the liability of the **Insurer** under this Cover that the **Insured** shall at all times comply with the following requirements, evidence of which must be available at the time of claim:

- a) the statutory accounts are independently audited
- b) **Stock** is independently and physically checked (at least once every six months), by an *Employee* not responsible for daily stock handling or ordering
- c) cheque requisition/payment instructions and payment authorisation are segregated functions undertaken by separate *Employees*
- d) the ordering, certification of receipt, and verification of supporting documentation before cheque or payment instructions are authorised for goods or services, are performed by different *Employees* acting independently
- e) cash in hand and petty cash shall be checked independently of *Employees* responsible for such cash at least monthly
- f) monthly reconciliation is performed on all bank accounts and debtors' accounts independently of *Employees* in a position to receive payment of an account
- g) written references are obtained and checked for all new *Employees* (except school leavers) covering at least the preceding 2 years of continuous employment, where the *Employee* is to be responsible for **Money** and **Non-Negotiable Money**, securities, **Stock** or accounts.



Section 6 - Management Protector - continued

Sub-Section B – Employee Dishonesty Cover - continued

Sub-Section Conditions - continued

4. Change in Control of the Insured Condition

If, during the Period of Insurance, a *Transaction* takes place, then the cover provided under this Employee Dishonesty Cover is amended to apply only to acts committed which give rise to a *Loss* occurring prior to the effective date of the *Transaction*. The **Insured** shall give the **Insurer** written notice of the *Transaction* as soon as practicable but not later than 30 days after the effective date of the *Transaction*.

Sub-Section Exclusions

The **Insurer** shall not be liable under this Cover for:

1. any theft discovered more than 72 hours after the established date of occurrence of the theft
2. any theft that results from the complete or partial non-payment or default under any credit arrangement, loan, lease or rental agreement, invoice or payments made or withdrawals from any customer's account involving items which are not finally paid for any reason
3. any theft caused by any *Employee* from and after the time that the **Insured** or any director or officer thereof shall have *Knowledge* or information that such *Employee* has committed any dishonest or fraudulent act, whether such act be committed before or after the date of employment by the **Insured**
4. any theft where the proof of such theft is dependent solely upon a profit and loss computation or comparison of inventory records with an actual physical count
5. any theft which arises out of the voluntary giving or surrendering of property in exchange for purchase, unless such *Loss* is caused by an *Employee* or by forgery, counterfeiting or fraud by any other person whether or not in collusion with an *Employee*
6. indirect or consequential loss of any nature
7. any costs of defending any legal proceeding brought against the **Insured**
8. any theft caused by any broker factor, commission consignee, contractor or any other agent or representative of the same general character
9. any loss of and/or damage to proprietary information, trade secrets, confidential processing methods or other confidential information of any kind
10. any theft that the **Insured** *First Discovered* prior to or subsequent to the Period of Insurance
11. any theft arising from any act or any series of related acts committed outside the **Territorial Limits**
12. any theft in connection with any *Loss* committed by an *Employee* who at the time of committing the fraudulent or dishonest act, owns or controls more than 5% of the issued share capital of the **Insured**.



General Claims Conditions

1. Action by the Insured Condition

No claim under the Policy shall be payable unless the following Conditions have been complied with:

On the happening of any event or circumstance which could give rise to a claim by the **Insured** under the Policy or on receiving verbal or written notice of any claim the **Insured** shall:

- a) as soon as reasonably possible give notice to the **Insurer**
- b) immediately notify the Police in respect of any **Damage** caused by thieves or malicious persons or in respect of theft by employees where covered and obtain a Crime Reference Number which must be advised to the **Insurer** as soon as reasonably possible
- c) immediately forward to the **Insurer** any writ or summons issued against the **Insured** by a third party
- d) take action to minimise the loss, destruction or damage and to avoid interruption or interference with the **Business** and to prevent further loss, destruction, damage or injury
- e) at their own expense, supply full details of the claim in writing to the **Insurer** together with any evidence and information that may be reasonably required by the **Insurer** for the purpose of investigating or verifying the claim and if demanded a statutory declaration of the truth of the claim and any matter connected with it within:
 - i) 7 days of **Damage** caused by riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons
 - ii) 30 days of expiry of the **Indemnity Period** in respect of Business Interruption claims
 - iii) 30 days of the event or circumstance in the case of any other claim or of a request from the **Insurer**.

Further:

No theft or attempted theft claim under this Policy shall be considered unless notified to the Police in accordance with 1b) above and a Crime Reference Number obtained.

No settlement, admission of liability, payment or promise of payment shall be made to a third party without the prior written consent of the **Insurer**.

2. Rights of the Insurer Condition

The **Insurer** shall:

- a) be entitled at any stage to take over the defence or settlement of any claim made upon the **Insured** by any other party and to prosecute for its own benefit any claim for indemnity or compensation against any other persons in respect of any event insured by the Policy and at no cost to the **Insurer** the **Insured** shall give all assistance as may be reasonably required by the **Insurer**



General Claims Conditions - continued

2. Rights of the Insurer Condition - continued

- b) have the right to enter the **Premises** where the **Damage** has occurred and to keep possession of any **Property** insured without thereby incurring any liability or diminishing any of the **Insurer's** rights under the Policy and to deal with the salvage in a reasonable manner, but the **Insured** shall not be entitled to abandon any **Property** to the **Insurer**
- c) 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 **Insurer** elects 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 a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the Sum Insured thereon.

3. Contribution Condition in respect of Sections 1, 2 and 3 (not applicable to Personal Accident (Assault))

If in the event of **Damage** or liability under the Policy, there shall be in force any other insurance effected by or on behalf of the **Insured** providing cover against such a claim:

- a) the liability of the **Insurer** shall be limited to its rateable proportion of such a claim
- b) but which is subject to any provision excluding it from ranking concurrently with the Policy either in whole or in part or from contributing rateably to the claim, then the liability of the **Insurer** shall be limited to such proportion of the claim as the Sum Insured bears to the value of the **Property**.

4. Arbitration Condition

If any difference shall arise as to the amounts to be paid under the Policy, such difference may at the **Insurer's** option be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions.

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

Any other difference shall be subject to the exclusive jurisdiction of the courts of England and Wales.

5. Claims Cooperation Condition

It is a condition of the **Insurer's** liability to make any payment under this Policy that the **Insured** will provide all help, assistance and cooperation required by the **Insurer** in connection with any claim. No claim shall be payable by the **Insurer** in the event that the **Insured** does not provide all help, assistance and cooperation as required by this provision.



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