

Property Owners

Policy document



property
protector

www.propertyprotector.co.uk

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A warm welcome to Zurich

Thank you for taking out your Property Owners' Insurance policy with us – and welcome to Zurich Insurance plc.

Zurich Insurance plc is a member of the insurance-based financial services provider Zurich Financial Services Group (Zurich). Zurich has a global network of subsidiaries and offices in North America and Europe as well as in Asia Pacific, Latin America and other markets. Founded in 1872, the Group is headquartered in Zurich, Switzerland. It employs approximately 60,000 people serving customers in more than 170 countries.

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

www.zurich.co.uk

Property Owners' Policy

This Policy is a contract between you, your or yours (also referred to as the Insured) and we, our, ours or us (also referred to as the Insurers). You have made a proposal to us which is the basis of and forms part of this contract.

This Policy and any Schedule, Endorsement, Folio and Certificate should be read as if they are one document.

We will insure you under those sections stated in the Schedule during any period of insurance for which we have accepted your premium provided always that all the terms and conditions of this Policy are kept. Our liability will in no case exceed the amount of any sum insured or limit of liability stated in this Policy, the Schedule, the Folio or any endorsement to this Policy.

Any reference to the singular will include the plural and vice versa.

Any reference to any statute or statutory instrument will include any modifications or re-enactment thereto.

Any heading in this Policy is for ease of reference only and does not affect its interpretation.

Law applicable to the contract

In the UK the law allows both you and us to choose the law applicable to this contract. This contract will be subject to the relevant law of the United Kingdom, the Isle of Man or the Channel Islands depending upon your address as shown in the Schedule. If there is any dispute as to which law applies it will be English law.

You agree to submit to the exclusive jurisdiction of the English courts.

For and on behalf of Zurich Insurance plc.



Stephen Lewis
Chief Executive Officer of Zurich Insurance plc, UK Branch.

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

Please read the Policy, Schedule and Folio carefully and if they do not meet your needs return them to us or your insurance intermediary.

Policy Administration

In order to administer your insurance Policy and any claims made under this Policy we may share personal data provided to us with other companies within the Zurich Financial Services Group and with business partners including overseas companies. If we do transfer your personal data including where we propose a change of underwriter we make sure that it is appropriately protected.

How we will use your data

We hold your personal data in accordance with the Data Protection Act 1998. The information supplied to us by you may be held on computer and passed to others for underwriting and claims purposes. You should show this to anyone whose personal data may be processed to administer this Policy.

Claims History

Under the conditions of this Policy you must tell us about any incident that might give rise to a claim that would be covered under this Policy. When you tell us about an incident we will pass information relating to it to the relevant database. We may search these databases when you apply for insurance, in the event of any incident or claim or at time of renewal to validate your claims history or that of any other person or property likely to be involved in the Policy or claim.

Fraud Prevention and Detection

In order to prevent and detect fraud we may at any time:

- a) share information about you with other organisations including the police
- b) undertake credit searches
- c) check and share your details with fraud prevention and detection agencies.

If false or inaccurate information is provided and fraud is identified details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information. We and other organisations may also access and use this information to prevent fraud and money laundering for example when:

- a) checking details on applications for credit and credit related to other facilities
- b) managing credit and credit related accounts or facilities
- c) recovering debt and tracing beneficiaries
- d) checking details on proposals and claims for all types of insurance
- e) checking details of job applicants and employees.

Please contact us if you want to receive details of the relevant fraud prevention agencies. We and other organisations may access and use from other countries the information recorded by fraud prevention agencies.

Section A – Material Damage

In the event of the Property Insured described in the Schedule being lost, destroyed or damaged by any of the Covers insured hereby during the Period of Insurance the Insurers will pay to the Insured the value of the property at the time of its loss or destruction or the amount of the damage or at the Insurers' option reinstate or replace such property or any part of it.

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

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

Specification to Section A

Property Insured

All in accordance with the Schedule.

Designation

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

Definitions

1 Buildings

Buildings of the Premises specified in the Schedule including:

- a) landlords' fixtures and fittings
- b) outbuildings, extensions, annexes, gangways, canopies, fixed signs, temporary buildings, conveniences, lamp posts and street furniture
- c) walls, gates and fences
- d) drains, sewers, piping, ducting, cables, wires, aerials, satellite dishes and associated control gear and accessories on the Premises and extending to the public mains but only to the extent of the Insured's responsibility
- e) yards, car parks, roads, pavements, forecourts and similar surfaces all constructed of solid materials
- f) tenants' improvements if the Insured are responsible and property comprising fixtures and fittings (but excluding movable contents) formerly the property of tenants but relinquished to the Insured at the time of the surrender of the lease
- g) Landlords' Contents as defined below up to a limit of £5,000 unless they are insured by item 2 on the Schedule.

2 Landlords' Contents

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

3 Office Contents

As defined in the Folio.

4 Damage

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

5 Excess

The amount stated in this Policy, the Schedule, the Folio or any Endorsement to this Policy for which the Insured is responsible and which will be deducted from any payment under this Policy as ascertained after the application of all other terms and conditions of this Policy.

Clauses

1 Architects' Surveyors' Legal and Consulting Engineers' Fees

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

2 Automatic Reinstatement of Loss

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

3 Bailor's Goods

This Section includes loss of or damage to goods in the custody and control of the Insured and for which the Insured are legally liable as bailor whilst situate within the Premises in so far as such goods are not otherwise insured.

Provided always that the Insurers will not be liable:

- a) in respect of loss by theft or any attempt thereof of gold, silver, precious stones, precious metals, bullion, furs, curiosities, works of art, rare books, audio visual goods, computer equipment, cameras, jewellery or money
- b) in respect of unaccountable losses
- c) unless a signed inventory is issued to the tenant or lessee as soon as a repossession takes place.

The Insurers' liability will not exceed £50,000 any one occurrence.

4 Business Rates

The Insurers will pay the costs for which the Insured become legally responsible in respect of business rates (National Non Domestic Rates) in consequence of DAMAGE as insured hereby.

Provided always that:

- a) but for such DAMAGE the business rates would not have been payable by the Insured
- b) the Insurers' liability will not exceed £25,000 any one occurrence and £100,000 in all in any one Period of Insurance
- c) the Insurers' liability will only apply to costs incurred during the Indemnity Period as defined in Section B1. For the purpose of this clause 'Maximum Indemnity Period' will mean 36 months.

5 Capital Additions

This Section includes:

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

Provided always that:

- i) at any one situation this cover will not exceed 10% of the Total Sum Insured on such property or £2,000,000 whichever is the lesser
- ii) the Insured undertakes to give particulars of such extension of cover as soon as practicable and to effect specific insurance thereon retrospective to the date of the commencement of the Insurers' liability
- iii) the provisions of this clause will be fully maintained notwithstanding any specific insurance effected under ii) above.

6 Clearing of Drains

This Section includes costs and expenses necessarily incurred in clearing, cleaning and repairing drains, gutters, sewers and the like at the Insured's premises and in the immediate vicinity thereof for which the Insured are responsible in consequence of DAMAGE insured hereby.

The liability of the Insurers under this clause and this Policy in respect of any one item will in no case exceed the sum insured thereby.

7 Contracting Purchaser's Interest

If at the time of DAMAGE the Insured shall have contracted to sell his interest in any Building hereby insured and the purchase shall not have been but shall be thereafter completed the purchaser on completion of the purchase if and so far as the property is not otherwise insured against such DAMAGE by him or on his behalf will be entitled to benefit under this Section without prejudice to the rights and liabilities of the Insured or the Insurers until completion.

8 Contractors' Interest

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

9 Eviction of Squatters

This Section includes costs and expenses necessarily and reasonably incurred with the Insurers' prior consent to remove or evict squatters from the Buildings.

Provided always that:

- a) the Insurers will not be liable for:
 - i) fines, penalties, compensation or damages arising in the course of removal or eviction
 - ii) occupation of squatters occurring prior to the inception of this cover
- b) the Insurers' liability will not exceed £50,000 any one occurrence
- c) such loss is not otherwise insured.

10 Failure of Third Party Insurances

This Section includes:

- a) Buildings; and
- b) Rent of the aforesaid Buildings

at the Premises defined below for the amount of such loss, destruction or damage to such buildings or such loss of Rent in accordance with the terms, conditions, exclusions, provisions and definitions of this Policy but only to the extent that the lessee or freeholder is unable to recover such an amount equivalent to that which could be payable under this Policy if the lessee or freeholder were the Insured as a result of:

- i) the lessee or freeholder having failed to arrange or maintain insurance to comply with the terms of the lease
- ii) the lessee or freeholder having failed to insure for an adequate amount whether the amount insured had been approved by the Insured or not

but excluding any payments in respect of loss, destruction or damage or loss of Rent that the Insured recovers from any other party.

The Insurers' liability will not exceed £1,000,000 any one Premises.

No amount will be recoverable:

- 1 due to the operation of any Excess or deductible under any more specific insurance
- 2 where the lessee or freeholder's policy fails due to the breach of any condition or warranty contained within the lessee or freeholder's policy as a result of the action of the Insured
- 3 due to the failure of the lessee or freeholder to make or pursue a legitimate insurance claim
- 4 unless the Insured carry out at not less than annual intervals a check of all properties owned by them or leased by them and for which they are responsible to ensure that effective insurance is in force for such properties.

Definition of Premises applicable to this clause

All properties of the Insured anywhere in the United Kingdom which are leased to or by them but not specifically insured or referred to elsewhere under this Policy and where the lessee or freeholder is responsible for arranging insurance under the terms of a lease with the Insured.

Special Conditions applicable to this clause

- A The Insurers will not be liable in respect of Rent unless the Building to which the Rent relates be so damaged as to be rendered unfit for occupation and then only for such proportion of the Rent payable as may be equivalent to the period necessary for reinstating the destruction or damage sustained but not exceeding 36 months.
- B This clause will only take effect if the Insurers are the sole provider of Buildings Insurance in respect of the Insured's properties owned in connection with the Business as defined in the Schedule and where the Insured have an obligation to arrange such insurance.

11 Fire Extinguishment Expenses

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

- a) refilling fire extinguishing appliances
- b) recharging gas flooding systems
- c) replacing used sprinkler heads
- d) refilling sprinkler tanks where costs are metered
- e) resetting fire and intruder alarms and closed circuit television systems

all in consequence of DAMAGE as insured hereby.

12 Fly Tipping

The Insurers will pay costs necessarily and reasonably incurred in clearing and removing any property in consequence of its being illegally deposited in, on or around the Premises.

Provided always that:

- a) the Insurers will not be liable for the first £1,000 of each and every loss
- b) the Insurers' liability will not exceed £10,000 any one occurrence or in all in any one Period of Insurance.

13 Inadvertent Omission to Insure

This Section includes Buildings in Great Britain and Northern Ireland and Rent in respect thereof whereby the Insured have an obligation to insure whether the Buildings are owned by or on lease to them or in which they are interested as mortgagees but which have inadvertently been left uninsured.

Provided always that:

- a) the liability of the Insurers in no case exceeds £1,000,000 any one occurrence
- b) there will be no liability:
 - i) in respect of Buildings occupied as or communicating with Buildings occupied as:
 - 1 plastic, foam plastic or rubber material manufacturers or dealers
 - 2 bedding, furniture or upholstery manufacturers
 - 3 rag and waste dealers
 - 4 sack and bag makers or dealers
 - 5 an amusement arcade, bingo hall, casino or club
 - ii) in respect of a Building or Buildings being a country mansion or unoccupied (other than newly erected Buildings awaiting occupation)

- c) the Insured will give notice in writing to the Insurers immediately they become aware of an omission to insure and will pay the appropriate premium from the date upon which the insurance of the property became the Insured's responsibility
- d) the Insured will carry out at not less than annual intervals a check of all properties owned by them or leased by them and for which they are responsible to ensure that effective insurance is in force for such properties
- e) this clause will only be effective if the Insurers are the sole provider of Buildings Insurance in respect of the Insured's properties owned in connection with the Business as defined in the Schedule and where the Insured have an obligation to arrange such insurance.

14 Index Linking

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

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

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

15 Landscaped Gardens

This Section includes costs and expenses incurred with the consent of the Insurers in making good destruction of or damage to landscaped gardens or grounds at the Premises caused by DAMAGE as insured hereby but excluding:

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

Provided always that:

- i) the Insurers will not be liable for the first £1,000 or the Amount of the Excess stated in the Schedule or Folio whichever is the greater in respect of each and every loss arising from DAMAGE caused by Storm, Flood or Malicious Persons (other than by Fire or Explosion) not acting on behalf of or in connection with any political organisation or any other risk falling within Cover 16 – 'All Other Damage'
- ii) the Insurers' liability any one occurrence will not exceed £25,000 or 10% of the sum insured by the relevant item whichever is the lesser.

16 Loss of Market Value

It is agreed that:

- a) if the Insured elects not to repair or rebuild the Buildings the Insurers will pay to the Insured the reduction in the market value of the Buildings immediately following the DAMAGE but not exceeding the amount which would have been payable had the Buildings been repaired or rebuilt

b) if as a result of DAMAGE insured hereby the Insured are required to rebuild or reinstate the Buildings in a manner different from that immediately before the DAMAGE solely to comply with the Stipulations (as defined in the Supplementary Condition European Community and Public Authorities including Undamaged Property) and as a result there is reduction in market value thereof the Insurers agree to pay:

- i) the cost of repairing or reinstating the Buildings; and
- ii) a cash settlement representing the reduction in market value

so that the total payment made is no greater than the amount that would have been payable had the Buildings been repaired or reinstated in an identical manner to their condition immediately before the DAMAGE.

Provided always that:

- 1 the total amount recoverable under any item of Policy will not exceed its sum insured
- 2 all the terms and conditions of this Policy except in so far as they are varied hereby will apply as if they had been incorporated herein.

17 Loss Minimisation and Prevention Expenditure

This Section include costs and expenses necessarily and reasonably incurred by the Insured with the consent of the Insurers for the sole purpose of avoiding or diminishing the amount of a loss following DAMAGE which but for that expenditure would have occurred.

The Insurers' liability any one occurrence will not exceed £25,000.

18 Metered Utilities

The Insurers will pay the cost for which the Insured is responsible in respect of loss of metered water, gas, oil or electricity supplies resulting in consequence of DAMAGE as insured hereby provided always that the amount payable in respect of any one Premises is limited to such excess charges demanded by the supply authority.

19 Mortgagees and Lessors

Any increase in the risk of DAMAGE resulting from any act or neglect of any mortgagor, leaseholder, lessee or occupier of any Buildings insured by this Policy will not prejudice the interest of any mortgagee, freeholder or lessor provided always that such increase in risk is without their prior knowledge or authority and the Insurers are notified immediately they become aware of such increase in risk and the Insured pay an appropriate additional premium if required.

20 Non-Invalidation

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

21 Other Interests

It is agreed that the interest of various lessees, freeholders, mortgagees or debenture holders in the Property Insured are noted at the request of the Insured. The Insured undertake to declare the names, nature and extent of such interests at the time of the DAMAGE.

22 Other Premises

Any Contents including Landlords Contents and landlords' fixtures and fittings insured hereby are covered whilst temporarily removed to any other premises in the occupation of the Insured in Great Britain and Northern Ireland provided always that they are not otherwise insured.

The Insurers' liability will not exceed £10,000 any one occurrence or the sum insured on Contents whichever is the lesser.

23 Privity of Contract

This Section includes subject to the Special Conditions stated below all such sums as the Insured will become legally liable to pay and will pay as indemnity to any tenant in respect of the repair or reinstatement of premises previously owned but which are no longer the property of the Insured and where the current owner has failed to maintain adequate insurance cover.

Special Conditions

- a) The insurance by this clause will not contribute in respect of any more particular insurance effected by the new owner, tenants or sub-tenants
- b) the Insured will take all reasonable and appropriate steps to obtain release from their liabilities under the covenants to insure such property on its disposal
- c) this clause will only be effective if the Insurers are the sole provider of Buildings Insurance in respect of the Insured's properties owned in connection with the Business as defined in the Schedule and where the Insured have an obligation to arrange such insurance.

The Insurers' liability under this clause will not exceed £1,000,000 any one occurrence or in all in any one Period of Insurance.

24 Reinstatement to Match

This Section includes the cost of replacement or modification of undamaged parts of the Buildings that form part of a suite, common design or function where the DAMAGE is restricted to a clearly identifiable area or to a specific part.

Provided always that the Insurers' liability will in no case exceed £100,000 any one occurrence or the amount that would have been payable had the suite, common design or function been wholly destroyed whichever is the lesser.

25 Removal of Debris

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

- a) removing debris including costs of removal of debris relating to a tenant's contents provided such costs are not recoverable from another source
- b) dismantling and/or demolishing
- c) boarding up of windows and doors
- d) weatherproofing

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

The Insurers' liability under this clause and this Policy in respect of any item will in no case exceed its sum insured.

The Insurers will not pay for any costs or expenses:

- a) incurred in removing debris except from the site of such property destroyed or damaged and from the surface of the area immediately adjacent to such site
- b) arising from pollution or contamination of property not insured by this Policy.

26 Residential Property

In the event of any loss, destruction or damage as insured hereby resulting in:

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

this Section includes Rent Receivable as defined in Section B1 and the reasonable additional cost of comparable accommodation incurred by the lessee or owner for any resident including pets which normally live in the Building until the said property is habitable or accessible.

The Insurers' liability will not exceed 30% of the sum insured applicable to the residential Building or residential portion of the Building concerned during any one Period of Insurance.

27 Replacement of Keys and Resetting of Digital Locks

The Insurers will pay to the Insured costs and expenses necessarily and reasonably incurred for the replacement of locks or resetting of digital locks following the loss of keys to the Premises from the private residence or person of the Insured or an authorised representative.

The Insurers' liability will not exceed £25,000 any one occurrence.

28 Seventy Two Hour Clause

It is agreed that all losses arising separately out of one event of Storm and Flood or Earthquake if insured hereby occurring within each and every separate period of 72 hours during the currency of this Section will be deemed to be one occurrence in determining the application of any deductible or Excess amount applicable hereunder.

29 Subrogation Waiver

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

- a) any Company standing in the relation of Parent to Subsidiary or Subsidiary to Parent to the Insured as defined in the Companies Act or Companies (N.I.) Order as appropriate current at the time of the DAMAGE
- b) any Company which is a Subsidiary of a Parent Company of which the Insured are themselves a Subsidiary in each case within the meaning of the Companies Act or Companies (N.I.) Order as appropriate current at the time of the DAMAGE
- c) any tenant or lessee in respect of DAMAGE to that portion of the Premises in the demise of that tenant or lessee or to those portions of the Premises in which all the tenants have a common interest where the premium has been paid by the tenant or lessee but excluding DAMAGE arising out of the tenant's or lessee's gross negligence or as a result of the tenant's or lessee's wilful act or recklessness.

30 Temporary Removal

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

Provided always that:

- a) the liability of the Insurers any one occurrence will not exceed £1,000,000 or the sum insured by the relevant item whichever is the lesser
- b) this clause does not apply to property in so far as it is otherwise insured.

31 Trace and Access

It is agreed that in the event of DAMAGE resulting from the Escape of Water or Fuel Oil or Sprinkler Leakage if insured hereby this Section includes costs and expenses necessarily and reasonably incurred in:

- a) locating the source of such DAMAGE
- b) the subsequent making good of damage caused as a consequence thereof.

The Insurers' liability will not exceed £100,000 any one occurrence.

32 Tree Felling or Lopping

This Section includes costs and expenses necessarily and reasonably incurred in felling, lopping and removing trees for which the Insured are legally responsible and which are an immediate threat to the safety of life or property.

Provided always that the Insurers will not be liable:

- a) for legal or local authority costs involved in removing trees
- b) for costs incurred solely to comply with a Preservation Order
- c) for the costs incurred in respect of routine maintenance.

The Insurers' maximum liability will not exceed £500 any one occurrence and £2,500 in all in any one Period of Insurance.

33 Tree Removal

This Section includes costs and expenses necessarily and reasonably incurred in removing fallen trees and branches from the Premises resulting from any of the Covers insured hereby.

The Insurers' liability will not exceed £500 any one occurrence and £2,500 in all in any one Period of Insurance.

34 Unauthorised use of Electricity, Gas, Oil or Water

This Section includes the cost of metered electricity, gas, oil or water for which the Insured are legally responsible arising from its unauthorised use by persons taking possession, keeping possession or occupying the Premises without the Insured's authority provided always that all practicable steps are taken to terminate such unauthorised use as soon as it is discovered.

The Insurers' liability will not exceed £25,000 any one occurrence.

35 Upgrading Sprinkler Installations

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

It is agreed that the total amount recoverable under any item of this Section will not exceed its sum insured.

36 Value Added Tax

The insurance by each item on Buildings includes Value Added Tax paid by the Insured which is not subsequently recoverable.

Provided always that:

- a) i) the Insured's liability for such tax arises solely as a result of the reinstatement or repair of the Buildings to which such items relate following DAMAGE
- ii) the Insurers have paid or have agreed to pay for such DAMAGE
- iii) if any payment made by the Insurers in respect of the reinstatement or repair of such DAMAGE shall be less than the actual cost of the reinstatement or repair any payment under this clause resulting from that DAMAGE will be reduced in like proportion
- iv) where a building has not been registered for Value Added Tax the sum insured advised to the Insurers will include an appropriate allowance for Value Added Tax
- b) the Insured's liability for such tax does not arise from the replacement building having greater floor area than or being better or more extensive than the destroyed or damaged Building
- c) where an option to reinstate on another site is exercised the Insurers' liability under this clause will not exceed the amount of tax that would have been payable had the Building been rebuilt on its original site
- d) the Insurers' liability under this clause will not include amounts payable by the Insured as penalties or interest for non-payment or late payment of tax.

Notes

- 1 For the purposes of any Condition of Average (Underinsurance) rebuilding costs will be exclusive of Value Added Tax.
- 2 The liability of the Insurers may exceed the sum insured by an item or in the whole the Total sum insured where such excess is solely in respect of Value Added Tax.
- 3 All the terms and conditions of this Policy except in so far as they are varied hereby will apply as if they had been incorporated herein.

37 Workmen

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

Supplementary Conditions applicable to Section A

1 Condition of Average (Underinsurance)

The sum insured by each item other than those applying solely to Fees, Rent or Removal of Debris and in respect of each separate property insured is declared to be separately subject to Average.

Where a sum insured is declared subject to Average if such sum shall at the commencement of any DAMAGE be less than the value of the property covered within such sum insured the amount payable by the Insurers in respect of such DAMAGE will be proportionately reduced.

This condition will not apply provided that the Insured have carried out regular valuations utilizing qualified RICS (Royal Institute of Chartered Surveyors) members at intervals of not more than 3 years and:

- a) where necessary increased the sums insured to at least the amount stated in the valuation; and
- b) made appropriate allowance in sums insured for inflationary increases in the period between valuations.

2 Security Requirements

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

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

3 Unoccupied Buildings

Whenever a Building or portion thereof becomes unoccupied:

- a) The Insured will notify the Insurers when any Buildings become untenanted unoccupied vacant silent or disused.
- b) In respect of such Buildings it is agreed that, within 45 days of the Building becoming untenanted unoccupied vacant silent or disused:
 - i) the gas, electricity (other than power required for an intruder or fire alarm system) and water supplies are turned off at the mains and all water pipes, apparatus and tanks are drained down or during the period 1st October to 1st April each year central heating systems must be kept working at a minimum temperature of 5 degrees C. Where sprinkler systems are installed and water supplies must be maintained, heating must be maintained at a minimum temperature of 5 degrees C
 - ii) all devices for preventing access to the Buildings are in full and effective operation at all times
 - iii) the premises and yards are clear of all waste materials and redundant contents
 - iv) all accessible windows if not fixed by appropriate locks to be screwed shut

- v) the letter-box is permanently sealed shut or a non combustible receptacle be permanently fixed to the letter-box
- vi) the premises are inspected at least once a week by a responsible person to ensure that there is no deterioration in the fabric of the Building and that compliance with conditions i) – v) continues.
- c) The Insured will notify the Insurers when such a Building or portion thereof becomes occupied.
- d) The Insured will pay a suitable additional premium if required.

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

4 Inflation Protection – Day One Basis

A Subject to the following Special Conditions the basis upon which the amount payable in respect of any item on Buildings and Contents is to be calculated will be the reinstatement of the property lost, destroyed or damaged.

For this purpose 'reinstatement' means:

- a) the rebuilding or replacement of property lost or destroyed which provided always that the liability of the Insurers is not increased may be carried out:
 - i) in any manner suitable to the requirements of the Insured
 - ii) upon another site
- b) the repair or restoration of property damaged

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

B The Insured having stated in writing the Declared Value (shown in brackets below the sum insured) of each of the said items the premium has been calculated accordingly.

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

- a) the additional cost of reinstatement to comply with European Community and public authority requirements
- b) professional fees
- c) debris removal costs.

Special Conditions

- i) At the inception of each Period of Insurance the Insured will notify the Insurers of the Declared Value of the Property Insured by each of the said items. In the absence of such declaration the last amount declared by the Insured will be taken as the Declared Value for the ensuing Period of Insurance.
- ii) If at the time of DAMAGE the Declared Value of the property covered by such item be less than the cost of reinstatement as defined in paragraph B above at the inception of the Period of Insurance then the Insurers' liability for the DAMAGE will not exceed that proportion thereof which the Declared Value bears to such cost of reinstatement.

- iii) The liability of the Insurers for the repair or restoration of property damaged in part only will not exceed the amount which would have been payable had such property been wholly destroyed.
- iv) No payment beyond the amount which would have been payable in the absence of this Supplementary condition will be made:
 - a) unless reinstatement commences and proceeds without unreasonable delay
 - b) until the cost of reinstatement shall have been actually incurred
 - c) if the Property Insured at the time of its loss, destruction or damage shall be insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of reinstatement.
- v) All the terms and conditions of this Policy will apply:
 - a) in respect of any claim payable under the provisions of this Supplementary Condition except in so far as they are varied hereby
 - b) where claims are payable as if this Supplementary Condition had not been incorporated except that the sums insured will be limited to the percentage of the Declared Values as stated in the Schedule.

5 European Community and Public Authorities including Undamaged Property

Subject to the following Special Conditions the insurance in respect of Buildings and Contents extends to include such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the stipulations of:

- a) European Community legislation
- b) building or other regulations under or framed in pursuance of any Act of Parliament or bye-law of any public authority (hereinafter referred to as 'the Stipulations') in respect of:
 - i) the lost, destroyed or damaged property thereby insured
 - ii) undamaged portions thereof
 - iii) any water supply equipment at the Premises supplying the sprinkler installation in undamaged portions of the Premises

but excluding:

- 1 the cost incurred in complying with the Stipulations:
 - a) in respect of DAMAGE occurring prior to the granting of this Extension
 - b) in respect of DAMAGE not insured by this Policy
 - c) under which notice has been served upon the Insured prior to the happening of the DAMAGE
 - d) for which there is an existing requirement which has to be implemented within a given period
 - e) in respect of property entirely undamaged by any Cover hereby insured against
- 2 the additional cost that would have been required to make good the property lost, destroyed or damaged to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen
- 3 the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with the Stipulations.

Special Conditions

- a) The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within 12 months after the DAMAGE or within such further time as the Insurers may allow during the said 12 months and may be carried out upon another site if the Stipulations so necessitate subject to the liability of the Insurers under this Supplementary Condition not being thereby increased.
- b) If the liability of the Insurers under any item of this Policy apart from this Supplementary Condition shall be reduced by the application of any of the terms and conditions of this Policy then the liability of the Insurers under this Supplementary Condition in respect of any such item will be reduced in like proportion.
- c) The total amount recoverable under any item of this Policy in respect of this Supplementary Condition will not exceed:
 - i) in respect of the lost destroyed or damaged property its sum insured
 - ii) in respect of undamaged portions of property (other than foundations), 20% of the total amount for which the Insurers would have been liable had the property insured by the item at the Premises where the DAMAGE has occurred been wholly destroyed.
- d) The total amount recoverable under any item of this Policy will not exceed its sum insured.
- e) All the terms and conditions of this Policy except in so far as they are varied hereby will apply as if they had been incorporated herein.

6 Reinstatement

Subject to the following Special Conditions the basis upon which the amount payable in respect of Buildings and Contents is to be calculated will be the Reinstatement of the property lost, destroyed or damaged.

For this purpose 'Reinstatement' means:

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

Special Conditions

- 1 The liability of the Insurers for the repair or restoration of property damaged in part only will not exceed the amount which would have been payable had such property been wholly destroyed.
- 2 No payment beyond the amount which would have been payable in the absence of this Supplementary Condition will be made:
 - a) unless Reinstatement commences and proceeds without unreasonable delay
 - b) until the cost of Reinstatement shall have been actually incurred
 - c) if the Property Insured at the time of its loss, destruction or damage shall be insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of Reinstatement.
- 3 All the terms and conditions of this Policy will apply:
 - a) in respect of any claim payable under the provisions of this Supplementary Condition except in so far as they are varied hereby
 - b) where claims are payable as if this Supplementary Condition had not been incorporated.
- 4 If at the time of Reinstatement the sum representing 85% of the cost which would have been incurred in reinstating the whole of the property covered by any item subject to this Supplementary Condition exceeds its sum insured at the commencement of any DAMAGE the liability of the Insurers will 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.

Special Condition 4 is not applicable to Buildings and Contents indicated in the Schedule to be indexed linked.

Section B1 – Business Interruption

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

Provided always that:

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

Definitions applicable to Section B1

Consequential Loss

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

Estimated Rent Receivable

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

Incident

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

Indemnity Period

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

Maximum Indemnity Period

As stated in the Schedule.

Rent Receivable

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

Standard Rent Receivable

The Rent Receivable during that period in the 12 months immediately before the date of the Incident which corresponds with the Indemnity Period to which such adjustments will be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business either before or after the Incident or which would have affected the Business had the Incident not occurred so that the figures thus adjusted will represent as nearly as may be reasonably practicable the results which but for the Incident would have been obtained during the relative period after the Incident.

Notes

- a) To the extent that the Insured is accountable to the tax authorities for Value Added Tax all terms in this Section will be exclusive of such tax.
- b) For the purpose of these definitions any adjustment implemented in current cost accounting will be disregarded.

Specification 1 applicable to Section B1

1 Rent Receivable

Item 1 – On Rent Receivable

Estimated Rent Receivable as stated in the Schedule

The insurance under this Item is limited to (a) Loss of Rent Receivable and (b) Increase in Cost of Working and the amount payable as indemnity thereunder will be:

- a) in respect of loss of Rent Receivable: the amount by which the Rent Receivable during the Indemnity Period shall in consequence of the Incident fall short of the Standard Rent Receivable
- b) in respect of Increase in Cost of Working: the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the Incident

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of the Rent Receivable as may cease or be reduced in consequence of the Incident.

Notwithstanding proviso b) to Section B1:

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

Clauses applicable to Section B1 Specification 1

1 Alternative Trading

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

2 Buildings Awaiting Sale

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

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

less any amount receivable in respect of rent.

This clause also covers with the consent of the Insurers additional expenditure being the expenditure necessarily and reasonably incurred during the Indemnity Period in consequence of the Incident solely to avoid or minimise the loss payable under a) and b) above.

3 Capital Additions Rent Receivable

Specification 1 also covers Rent Receivable in respect of newly acquired or newly erected buildings or alterations, additions or extensions to the buildings insured by Section A of this Policy in so far as such Rent Receivable is not otherwise insured.

Provided always that:

- a) at any one situation the Insurers' liability will not exceed 10% of the Limit of Liability under this Section or £500,000 during any one Period of Insurance, whichever is the lesser
- b) the Insured will give particulars of such capital additions as soon as reasonably practical and will effect specific insurance thereon retrospective to the date of the commencement of the Insurers' liability
- c) the provisions of this clause will be fully maintained notwithstanding any specific insurance effected under b) above.

4 Cost of Reletting

Specification 1 also covers costs and expenses necessarily and reasonably incurred with the consent of the Insurers during the Indemnity Period in reletting the Premises including legal fees in connection with the reletting solely in consequence of the Incident.

5 Loss of Investment Income on Late Payment

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

6 New Business

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

Standard Rent Receivable – The proportional equivalent for a period equal to the Indemnity Period of the Rent Receivable realised during the period between the commencement of the Business and the date of the Incident to which such adjustments will be made as may be necessary to provide for the trend of the Business and for variations in or other circumstances affecting the Business whether before or after the Incident or which would have affected the Business had the Incident not occurred so that the figures thus adjusted will represent as nearly as may be reasonably practicable the results which but for the Incident would have been obtained during the relative period after the Incident.

7 Payments on Account

Payments on account may be made during the Indemnity Period if required by the Insured subject to any necessary adjustments at the end of the Indemnity Period.

8 Professional Accountants

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

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

9 Renewal

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

10 Rent Free Periods

If at the date of the Incident the Premises are subject to a rent free period concession under the terms of the lease the Indemnity Period will be adjusted by adding the unexpired portion of the rent free period to the Maximum Indemnity Period.

11 Subrogation Waiver

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

- a) any Company standing in the relation of Parent to Subsidiary or Subsidiary to Parent to the Insured as defined in the Companies Act or Companies (N.I.) Order as appropriate current at the time of the Incident
- b) any Company which is a Subsidiary of a Parent Company of which the Insured are themselves a Subsidiary in each case within the meaning of the Companies Act or Companies (N.I.) Order as appropriate current at the time of the Incident
- c) any tenant or lessee in respect of CONSEQUENTIAL LOSS to that portion of the Premises in the demise of that tenant or lessee or to those portions of the Premises in which all the tenants have a common interest where the premium has been paid by the tenant or lessee but excluding CONSEQUENTIAL LOSS arising out of the tenant's or lessee's gross negligence or as a result of the tenant's or lessee's wilful act or recklessness.

Specification 2 to Section B1

2 Increased Cost of Working

Item 1 – On Increased Cost of Working

**Sum Insured as stated
in the Schedule**

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

Provided always that in the event of loss the Insurers will be liable for not more than one third of the sum insured hereunder in respect of such additional expenditure arising in the first quarter of the Maximum Indemnity Period following the date of the Incident nor more than an equal proportion of the balance of the sum insured per month in respect of the additional expenditure in the remainder of the Maximum Indemnity Period.

Clauses applicable to Section B1 Specification 2

1 Payments on Account

Payments on account may be made during the Indemnity Period if required by the Insured subject to any necessary adjustments at the end of the Indemnity Period.

2 Professional Accountants

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

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

Extensions applicable to Specifications 1 and 2 to Section B1

Any loss as insured by this Section resulting from interruption of or interference with the Business in consequence of accidental loss, destruction or damage at the under-noted situations or to property as under-noted will be deemed to be an Incident.

Provided always that after the application of all other terms and conditions of this Policy the liability under the Extension(s) in respect of any one occurrence will not exceed:

- a) the percentage of the sum insured or limit by each item of this Section
- b) the amounts shown below against such situations or property as the limit.

1 Action of Competent Authorities

The insurance by this Section will subject to all the terms and conditions of this Policy extend to include loss resulting from interruption of or interference with the Business in consequence of action by the police or other competent local, civil or military authority following a danger or disturbance in the vicinity of the Premises whereby access thereto shall be prevented provided always that there will be no liability under this Extension for loss resulting from interruption of the Business during the first 12 hours of the Indemnity Period.

For the purpose of this Extension:

- a) the limit is £1,000,000
- b) Maximum Indemnity Period will mean 3 months.

2. Anchor Tenant

If property in any part of the Premises is lost, destroyed or damaged by any Cover insured hereby such loss, destruction or damage directly resulting in the termination of any agreements for leases or other loss of tenancy or delay in completion of the letting of other parts of the Premises and solely in consequence thereof there is an identifiable reduction in the Insured's Business it will be deemed that an Incident has occurred.

For the purpose of this Extension:

- a) the limit is £1,000,000
- b) Maximum Indemnity Period will mean 3 months.

3 Legionellosis

The insurance by this Section will subject to all the terms and conditions of this Policy except in so far as they may be expressly varied extend to include loss resulting from interruption of or interference with the Business carried on by the Insured at the Premises in consequence of any outbreak of Legionellosis at the Premises causing restrictions on the use thereof on the order or advice of the competent local authority.

Provided always that for the purposes of this Extension:

- a) 'Premises' will mean only those Premises which are stated in the Schedule to be insured and which are directly affected by the Incident
- b) the Insurers will not be liable for any costs incurred in cleaning, repair, replacement or checking of property other than costs and expenses not exceeding £25,000 in any one Period of Insurance necessarily incurred with the Insurers' consent in cleaning and decontamination of the air-conditioning or water supply equipment at the Premises the use of which has been restricted on the order or advice of the competent local authority
- c) 'Indemnity Period' will mean the period during which the results of the Business shall be affected in consequence of the occurrence or discovery beginning with the date from which the restrictions on the Premises are applied and ending not later than the Maximum Indemnity Period thereafter
- d) the Insurers will have no liability under this Extension if the Insured is at the time of the outbreak in breach of their statutory obligations in respect of the control of Legionellosis
- e) the Insurers' liability under this Extension will not exceed £1,000,000 any one occurrence and in all in any one Period of Insurance after the application of all other terms and conditions of this Policy
- f) Maximum Indemnity Period will mean 3 months.

4 Loss of Attraction

If property in the vicinity of the Premises is lost destroyed or damaged by any Cover insured hereby and as a direct result there is a fall in the number of customers attracted to the Insured's Premises it will be deemed that an Incident has occurred.

Provided always that:

- a) there is an identifiable reduction in the Insured's Business solely in consequence of the Incident
- b) there is no liability for loss resulting from interruption of or interference with the Business during the first 12 hours of the Indemnity Period
- c) this Extension does not cover loss following obstruction by storm, flood or snow
- d) Maximum Indemnity Period will mean 3 months
- e) the limit is £1,000,000.

5 Managing Agents

Property at the premises of any managing agents employed or engaged to collect Rent Receivable.

Provided always that:

- a) such Rent Receivable is not paid to the Insured as a direct result of the Incident
- b) the Rent Receivable is not outstanding for 120 days in excess of its due date
- c) all reasonable steps to recover the Rent Receivable are taken
- d) such Rent Receivable is not recoverable under any other policy
- e) the limit is 20%.

6 Notifiable Diseases, Murder and Suicide

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

- a) i) any occurrence of a Notifiable Disease as defined below at the Premises or attributable to food or drink supplied from the Premises
- ii) any discovery of an organism at the Premises likely to result in the occurrence of a Notifiable Disease
- b) the discovery of vermin or pests at the Premises
- c) any accident causing defects in the drains or other sanitary arrangements at the Premises

which causes restrictions on the use of the Premises on the order or advice of the competent local authority

- d) any occurrence of murder or suicide at the Premises.

Provided always that for the purposes of this Extension:

1. 'Indemnity Period' will mean the period during which the results of the Business shall be affected in consequence of the occurrence, discovery or accident beginning with the date from which the restrictions on the Premises are applied or in the case of d) above with the date of the occurrence and ending not later than the Maximum Indemnity Period thereafter.
2. 'Premises' will mean only those locations stated in the premises definition. In the event that this Policy includes an extension which deems loss, destruction or damage at other locations to be an Incident such extension will not apply to this Extension.
3. 'Notifiable Disease' will mean illness sustained by any person resulting from:

- a) food or drink poisoning
- b) one of the following specified human infectious or human contagious diseases:

Acute encephalitis	Measles	Smallpox
Acute poliomyelitis	Meningitis	Tetanus
Bubonic Plague	Meningococcal Infection	Tuberculosis
Anthrax	Mumps	Typhoid fever
Cholera	Ophthalmia neonatorum	Typhus fever
Diphtheria	Paratyphoid fever	Viral hepatitis
Dysentery	Rabies	Viral haemorrhagic
Leprosy	Relapsing fever	Whooping cough
Leptospirosis	Rubella	Yellow fever
Malaria	Scarlet fever	

4. The Insurers will not be liable under this Extension for any costs incurred in the cleaning, repair, replacement, recall or checking of property.
5. The Insurers will only be liable for the loss arising at those Premises which are directly affected by the occurrence, discovery or accident.
6. Maximum Indemnity Period will mean 3 months.
7. The limit is £1,000,000 any one occurrence and in all in any one Period of Insurance.

7 Unlawful Occupation

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

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

The Insurers will not be liable for:

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

Limit £10,000.

Optional Extensions to Specifications 1 and 2 to Section B1

The following Extensions 8 and 9 are only applicable to Specifications 1 and 2 to Section B1 if indicated in the Schedule to be operative.

8 Prevention of Access

Property in the vicinity of the Premises loss or destruction of or damage to which shall prevent or hinder the use of the Premises or access thereto whether the Premises or property of the Insured therein shall be damaged or not but excluding loss or destruction of or damage to property of any supply undertaking from which the Insured obtains electricity, gas, water or telecommunications services which prevents or hinders the supply of such services to the Premises.

Limit 100%.

9 Public Utilities

Property at any:

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

from which the Insured obtains electricity, gas, water or telecommunications services all in Great Britain or Northern Ireland.

Limit 100%

Section B2 – Book Debts

In the event of loss, destruction of or damage to the Insured's books of account or other business books or records at the Premises during the Period of Insurance by any Cover insured hereby (loss, destruction or damage so caused being hereinafter termed DAMAGE) and the Insured be in consequence thereof unable to trace or establish the Outstanding Debit Balances in whole or in part due to them then the Insurers will pay to the Insured the amount of loss resulting from such DAMAGE in accordance with the provisions herein contained.

Provided always that the liability of the Insurers will not exceed:

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

Specification to Section B2

On Outstanding Debit Balances

Sum Insured as stated in the Schedule

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

- a) the difference between:
 - i) Outstanding Debit Balances; and
 - ii) total of the amounts received or traced in respect thereof
- b) the additional expenditure incurred with the previous consent of the Insurers in tracing and establishing customers' debit balances after the DAMAGE

provided always that if the sum insured by this Item be less than the Outstanding Debit Balances the amount payable shall be proportionately reduced.

Definitions

1 Customers' Accounts

As stated in the Schedule.

2 Outstanding Debit Balances

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

Clauses applicable to Section B2

1 Automatic Reinstatement of Loss

In the absence of instructions from the Insured or the Insurers to the contrary in consideration of the insurance not being reduced by the amount of any loss the Insured will pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the Period of Insurance.

2 Professional Accountants' Charges

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

Covers applicable to Sections A, B1 and B2

The following Covers are only applicable to Sections A, B1 and B2 if indicated in the Schedule to be operative.

Cover

1 Fire

Fire but excluding DAMAGE or CONSEQUENTIAL LOSS caused by:

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

Lightning

Explosion

- a) of boilers
- b) of gas

used for domestic purposes only

- c) in respect of Sections B1 and B2:

of any other boilers or economisers on the Premises

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

2 Theft

Theft or attempted theft or robbery or attempted robbery committed on the Premises including any directly resulting:

- a) damage to the Buildings of the Premises falling to be borne by the Insured
- b) damage to glass which:
 - i) is accompanied by and directly forms part of other DAMAGE to which this Cover applies
 - ii) is accepted by a police authority as prima facie evidence of attempted theft within the meaning of this Cover

but only if and so far as the glass is not more specifically Insured

but excluding:

- a) any loss, destruction or damage contributed to or caused by any person lawfully on the Premises
- b) in respect of Section A in respect of each and every loss the greater of the amounts stated in the Schedule or Folio to be the Excess.

3 Explosion

Explosion.

4 Aircraft

Aircraft or other aerial devices or articles dropped therefrom.

5 Riot

Riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation excluding:

- a) DAMAGE or CONSEQUENTIAL LOSS:
 - i) arising from confiscation, requisition or destruction by order of the government or any public authority
 - ii) work arising from cessation of
- b) in respect of Sections B1 and B2 CONSEQUENTIAL LOSS or DAMAGE arising from deliberate erasure, loss, distortion or corruption of information on computer systems or other records, programs or software.

6 Riot and Malicious Persons

Riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons excluding:

- a) DAMAGE or CONSEQUENTIAL LOSS:
 - i) arising from confiscation, requisition or destruction by order of the government or any public authority
 - ii) arising from cessation of work
- b) as regards DAMAGE other than by fire or explosion directly caused by malicious persons not acting on behalf of or in connection with any political organisation:
 - i) DAMAGE by theft or attempted theft
 - ii) in respect of Section A in respect of each and every loss the greater of the amounts stated in the Schedule or Folio to be the Excess
- c) in respect of Sections B1 and B2 CONSEQUENTIAL LOSS or DAMAGE arising from deliberate erasure, loss, distortion or corruption of information on computer systems or other records programs or software.

7 Earthquake

Earthquake.

8 Subterranean Fire

Subterranean fire.

9 Storm

Storm excluding:

- a) DAMAGE or CONSEQUENTIAL LOSS caused by:
 - i) the escape of water from the normal confines of any natural or artificial water course, lake, reservoir, canal or dam
 - ii) inundation from the sea
- whether resulting from storm or otherwise

- b) DAMAGE or CONSEQUENTIAL LOSS attributable solely to change in the water table level
- c) DAMAGE or CONSEQUENTIAL LOSS caused by frost, subsidence, ground heave or landslip
- d) DAMAGE or CONSEQUENTIAL LOSS in respect of movable property in the open, fences and gates
- e) in respect of Section A in respect of each and every loss the greater of the amounts stated in the Schedule or Folio to be the Excess.

10 Storm and Flood

Storm and flood excluding:

- a) DAMAGE or CONSEQUENTIAL LOSS attributable solely to change in the water table level
- b) DAMAGE or CONSEQUENTIAL LOSS caused by frost, subsidence, ground heave or landslip
- c) DAMAGE or CONSEQUENTIAL LOSS in respect of movable property in the open, fences and gates
- d) in respect of Section A in respect of each and every loss the greater of the amounts stated in the Schedule or Folio to be the Excess.

11 Escape of Water or Fuel Oil

Escape of water or fuel oil from any tank apparatus or pipe excluding:

- a) DAMAGE or CONSEQUENTIAL LOSS caused by water discharged or leaking from any automatic sprinkler installation
- b) in respect of Section A in respect of each and every loss the greater of the amounts stated in the Schedule or Folio to be the Excess.

12 Sprinkler Leakage

Accidental escape of water from any automatic sprinkler installation in the Premises excluding:

- a) DAMAGE or CONSEQUENTIAL LOSS caused by explosion, earthquake, subterranean fire or heat caused by fire
- b) in respect of Section A in respect of each and every loss the greater of the amounts stated in the Schedule or Folio to be the Excess.

13 Impact (Third Party Only)

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

14 Impact

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

- a) DAMAGE or CONSEQUENTIAL LOSS in respect of property in transit
- b) in respect of Section A the greater of the amounts stated in the Schedule or Folio to be the Excess in respect of each and every loss caused by DAMAGE by mechanically propelled vehicles or animals belonging to or under the control of the Insured or any occupier of the Premises or their respective employees whilst in the course of their employment.

15 Subsidence

Subsidence or ground heave of any part of the site on which the property stands or landslip excluding:

- a)
 - i) DAMAGE to land insured hereby unless also affecting a Building insured hereby
 - ii) CONSEQUENTIAL LOSS in respect of land insured hereby unless a building at the same Premises used by the Insured for the purpose of the Business is also damaged thereby
- b) DAMAGE or CONSEQUENTIAL LOSS caused by or consisting of:
 - i) the normal settlement or bedding down of new structures
 - ii) the settlement or movement of made-up ground
 - iii) coastal or river erosion
 - iv) defective design or workmanship or the use of defective materials
 - v) fire, subterranean fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe
- c)
 - i) DAMAGE
 - ii) loss resulting from destruction or damage which originated prior to the inception of this cover
- d) DAMAGE or CONSEQUENTIAL LOSS resulting from:
 - i) demolition, construction, structural alteration or repair of any property
 - ii) groundworks or excavationat the same Premises
- e) in respect of Section A in respect of each and every loss the greater of the amounts stated in the Schedule or Folio to be the Excess.

16 All Other Damage

All other accidental damage excluding:

- a) DAMAGE or CONSEQUENTIAL LOSS resulting from any:
 - i) of Covers 1 to 15
 - ii) of the causes expressly excluded from Covers 1 to 15 whether insured or not
- b) DAMAGE or CONSEQUENTIAL LOSS caused by or consisting of:
 - i) inherent vice, latent defect, gradual deterioration, wear and tear, its own faulty or defective design or materials
 - ii) faulty or defective workmanship, operational error or omission, on the part of the Insured or any of their employees

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

- c) DAMAGE or CONSEQUENTIAL LOSS caused by or consisting of:
- i) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
 - ii) change in temperature, colour, texture or finish
- DAMAGE or CONSEQUENTIAL LOSS consisting of:
- iii) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith
 - iv) mechanical or electrical breakdown or derangement of the particular machine, apparatus or equipment in which such breakdown or derangement originates
 - v) CONSEQUENTIAL LOSS caused by the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services except where such act is solely for the purpose of safeguarding human life
- but this will not exclude:
- 1 such DAMAGE or CONSEQUENTIAL LOSS which itself results from any accidental loss, destruction or damage not otherwise excluded
 - 2 subsequent DAMAGE or CONSEQUENTIAL LOSS which itself results from a cause which is not otherwise excluded
- d) DAMAGE or CONSEQUENTIAL LOSS caused by or consisting of acts of fraud or dishonesty but this will not exclude such DAMAGE or CONSEQUENTIAL LOSS if resulting from a cause which is not otherwise excluded
- e) DAMAGE caused by or consisting of or CONSEQUENTIAL LOSS arising directly or indirectly from disappearance, unexplained or inventory shortage, misfiling or misplacing of information
- f) in respect of Sections B1 and B2 CONSEQUENTIAL LOSS or DAMAGE arising directly or indirectly from erasure, loss, distortion or corruption of information on computer systems or other records, programs or software
- g) i) in respect of Section A destruction of or damage to a building or structure caused by its own collapse or cracking
- ii) in respect of Sections B1 and B2 loss resulting from destruction of or damage to a building or structure used by the Insured at the Premises caused by its own collapse or cracking
- h) in respect of Section A in respect of each and every loss the greater of the amounts stated in the Schedule or Folio to be the Excess.

Exclusions applicable to Sections A, B1 and B2

Sections A, B1 and B2 do not cover:

- 1 DAMAGE or CONSEQUENTIAL LOSS occasioned by riot or civil commotion unless this cover is specified in the Schedule and then only to the extent stated
- 2 a) in respect of Section A
loss or destruction or damage caused by pollution or contamination but this will not exclude destruction of or damage to the Property Insured not otherwise excluded caused by:
 - i) pollution or contamination which itself results from any of Covers 1 to 15 inclusive hereby insured against
 - ii) any of Covers 1 to 15 inclusive hereby insured against which itself results from pollution or contamination
 - iii) where Cover 16 - All Other Damage is operative sudden, identifiable, unintended and unexpected pollution or contamination
- b) in respect of Sections B1 and B2:
loss resulting from pollution or contamination but this shall not exclude loss resulting from destruction of or damage to property used by the Insured at the Premises for the purpose of the Business not otherwise excluded caused by:
 - i) pollution or contamination which itself results from any of Covers 1 to 15 inclusive hereby insured against
 - ii) any of Covers 1 to 15 inclusive hereby insured against which itself results from pollution or contamination
 - iii) where Cover 16 - All Other Damage is operative sudden, identifiable, unintended and unexpected pollution or contamination at the Premises

subject to a limit of liability in respect of a) iii) and b) iii) in any one Period of Insurance of £25,000
- 3 DAMAGE or CONSEQUENTIAL LOSS in respect of:
 - a) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection other than refurbishment work and extensions to existing structures having a contract value not exceeding £500,000
 - b) property more specifically insured
- 4 in respect of Section A consequential loss of any kind or description except as provided for under Clause 10 – Failure of Third Party Insurances
- 5 a) in respect of Section A:
any loss or destruction of or damage to land
- b) in respect of Section B1:
CONSEQUENTIAL LOSS caused by loss or destruction of or damage to land
other than for an amount of any loss of less than £25,000 in total in respect of land to a depth of up to one metre the Insured's own or for which they are responsible within the perimeter of the Premises provided always that such loss is not otherwise excluded.

Section C – Property Owners Liability

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

Public Liability

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

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

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

Exclusions applicable to Public Liability

The indemnity granted by Public Liability will not apply to or include:

- 1 liability arising from the ownership or possession or use by or on behalf of the Insured of any mechanically propelled vehicle or mobile plant:
 - a) which is licensed for road use
 - b) for which compulsory motor insurance or security is required
 - c) which is more specifically insured.

Provided always that this Exclusion will not apply in respect of:

- i) liability not more specifically insured under any other policy arising during the act of loading or unloading mechanically propelled vehicles or mobile plant or the bringing to or the taking away of a load from such vehicle or such plant
 - ii) the use of any mechanically propelled vehicle or mobile plant solely as a tool of trade unless more specifically insured or unless compulsory motor insurance or security is required
 - iii) the unauthorised movement on the Insured's premises or contract site of any mechanically propelled vehicle or mobile plant unless more specifically insured or unless compulsory motor insurance or security is required
- 2 liability arising from the ownership or possession or use by or on behalf of the Insured of craft designed to travel through air or space, hovercraft or watercraft other than barges, motor launches and non-powered craft used on inland waterways

- 3 liability arising from Products after they have ceased to be in the custody or control of the Insured other than food or beverages for consumption on the premises of the Insured or at any other premises where the Insured is carrying on the Business
- 4 loss of or damage to that part of any property upon which the Insured or any servant or agent of the Insured is or has been working where the loss or damage is the direct result of such work
- 5 loss of or damage to property belonging to the Insured or held in trust by or borrowed, rented, leased or hired for the use by the Insured but this Exclusion will not apply to:
 - a) the personal effects including vehicles and their contents of directors, Employees and visitors
 - b) buildings or their contents temporarily occupied by the Insured for the purpose of carrying out work therein or thereon
 - c) premises or fixtures and fittings therein hired, rented, leased or lent to the Insured other than such loss or damage if liability is assumed by the Insured under a tenancy or other agreement and would not have attached in the absence of such agreement
- 6 the first £250 of compensation payable for loss of or damage to material property in respect of any one occurrence or all occurrences of a series arising out of one original cause provided always that the Insured will indemnify the Insurers in respect of any such amount for which the Insurers have made payment.

Products Liability

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

occurring within The Territorial Limits during the currency of this Policy and caused by Products.

The liability of the Insurers for all compensation payable by the Insured under Products Liability in respect of all such death or such Personal Injury and such loss of or such damage to such material property occurring during any one Period of Insurance will not exceed the Limit(s) of Liability stated in the Schedule.

Exclusions applicable to Products Liability

The indemnity granted by Products Liability will not apply to or include:

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

General Exclusions applicable to Section C

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

- 1 liability in respect of liquidated damages or fines or penalties which attaches solely because of a contract or agreement
- 2 liability arising out of professional advice given by the Insured for a fee or in circumstances where a fee would normally be charged
- 3 any Associated or Subsidiary Company of the Insured or Branch Office or Representative of the Insured with Power of Attorney domiciled elsewhere than in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man
- 4 aggravated, exemplary, vindictive or punitive damages awarded by any Court of Law outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man
- 5 liability in respect of any claim or claims against or by the Insured arising directly or indirectly from Terrorism other than for an amount not exceeding £5,000,000 or the Limit of Liability as stated in the Schedule whichever is the lesser during any one Period of Insurance.

For the purposes of this Exclusion 'Terrorism' means any act:

- a) involving serious violence against a person
- b) involving serious damage to property
- c) endangering a person's life other than that of the person committing the act
- d) a serious risk to health and safety of the public or a section of the public
- e) designed seriously to interfere with or seriously to disrupt an electronic system

the use or threat of which is made for the purpose of advancing a political, religious or ideological cause and to influence any government de jure or de facto or to intimidate the public or a section of the public

- 6 any liability, loss, cost or expense directly or indirectly caused by, contributed to by or arising out of any asbestos, asbestos fibres or any derivatives of asbestos including any product containing asbestos, asbestos fibres or derivatives.

Extensions applicable to Section C

The insurance by this Section includes the following Extensions.

Provided always that:

- a) these Extensions are subject to the terms and conditions of this Policy in so far as they can apply
- b) the total liability of the Insurers to pay compensation will not exceed the Limit(s) of Liability.

1 Additional Benefit

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

- a) representation at any coroner's inquest or fatal injury inquiry in respect of any death
- b) defending in any court of summary jurisdiction any proceedings in respect of any act or omission causing or relating to any event which may be the subject of indemnity under this Section.

2 Consumer Protection Act 1987 and Food safety Act 1990 - Legal Defence Costs

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

Provided always that:

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

3 Contingent Motor Liability (Non Owned Vehicles)

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

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

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

4 Corporate Manslaughter

The Insurers will indemnify the Insured in respect of legal costs and expenses incurred with the Insurer's prior written consent in connection with the defence of any criminal proceedings including any appeal against conviction arising from any such proceedings brought in respect of a charge and or investigations connected with a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Channel Islands or the Isle of Man committed or alleged to have been omitted during the Period of Insurance in the course of the Business.

Provided always that:

- a) the Insurers' liability under this Extension will not exceed £5,000,000 in any one Period of Insurance or the Limit of Liability stated in the Schedule whichever is the lesser. This limit will form part of and not be in addition to the Limit of Liability stated in the Schedule
- b) this Extension will apply only to proceedings brought in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man
- c) the Insurers must consent in writing to the appointment of any solicitor or counsel who are to act for and on behalf of the Insured
- d) the Insured will give to the Insurers immediate notice of any summons or other process served upon the Insured which may give rise to proceedings under this Extension
- e) in relation to any appeal counsel has advised there are strong prospects of such appeal succeeding
- f) the Insurers shall be under no liability:
 - i) where the Insured has committed any deliberate or intentional criminal act giving rise to a corporate manslaughter or corporate homicide charge
 - ii) in respect of fines or penalties of any kind
 - iii) in respect of the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of:
 - 1 the Health and Safety at Work Act 1974 or the Health and Safety at Work Act (Northern Ireland) Order 1978 or any regulations made thereunder
 - 2 the Food Safety Act 1990 or any regulations made thereunder
 - 3 the Consumer Protection Act 1987 or any regulations made thereunder
 - iv) where indemnity for defence costs is available from any other source or is provided by any other insurance or where but for the existence of this Extension indemnity would have been provided by such other source or insurance
- g) where the Insurers have already indemnified the Insured in respect of legal costs or expenses incurred in the defence of any criminal proceedings arising out of the same cause or occurrence which gave rise to the charge of and or investigation connected with corporate manslaughter or corporate homicide under another Section of this Policy the amount paid under that Section will be taken into account in arriving at the Insurers' liability payable under this Extension.

5 Court Attendance Costs

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

- a) any director or partner of the Insured £250
- b) any Employee £100

6 Cross Liabilities

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

7 Data Protection Act

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

Provided always that the Insurers will not be liable for:

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

8 Defective Premises Act 1972

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

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

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

9 Environmental Clean Up Costs

This Section extends to indemnify the Insured in respect of all sums including statutory debts that the Insured is legally liable to pay in respect of Clean Up Costs arising from environmental damage caused by Pollution or Contamination where such liability arises under an environmental directive, statute or statutory instrument.

Provided always that

- a) liability arises from Pollution or Contamination caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance. All Pollution or Contamination which arises out of one incident will be deemed to have occurred at the same time such incident takes place
- b) the Insurers' liability under this Extension will not exceed £1,000,000 for any one occurrence and in the aggregate in any one Period of Insurance and will be the maximum the Insurers will pay inclusive of all costs and expenses. This limit will form part of and not be in addition to the Limit of Liability stated in the Schedule

- c) immediate loss prevention or salvage action is taken and the appropriate authorities are notified
- d) the Insurers will be under no liability:
 - i) in respect of Clean Up Costs for damage to the Insured's land, premises, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in the Insured's care, custody or control
 - ii) for damage connected with pre-existing contaminated property
 - iii) for damage caused by a succession of several events where such individual event would not warrant immediate action
 - iv) in respect of removal of any risk of an adverse effect on human health on the Insured's land, premises, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in the Insured's care, custody or control
 - v) in respect of costs in achieving an improvement or alteration in the condition of the land, atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time Remediation commences
 - vi) in respect of costs for prevention of imminent threat of environmental damage where such costs are incurred without there being Pollution or Contamination caused by a sudden, identifiable, unintended and unexpected incident
 - vii) for damage resulting from an alteration to subterranean stores of groundwater or to flow patterns
 - viii) in respect of costs for the reinstatement or reintroduction of flora or fauna
 - ix) for damage caused deliberately or intentionally by the Insured or where they have knowingly deviated from environmental protection rulings or where the Insured has knowingly omitted to inspect, maintain or perform necessary repairs to plant or machinery for which they are responsible
 - x) in respect of fines or penalties of any kind
 - xi) for damage caused by the ownership or operation on behalf of the Insured of any mining operations or storage, treatment or disposal of waste or waste products other than caused by composting, purification or pre-treatment of waste water
 - xii) for damage which is covered by a more specific insurance policy
 - xiii) for damage caused by persons aware of the defectiveness or harmfulness of products they have placed on the market or works or other services they have performed
 - xiv) for damage caused by disease in animals belonging to or kept or sold by the Insured.

For the purposes of this Extension the following definitions will apply:

1 Clean Up Costs

'Clean Up Costs' will mean:

- a) testing for or monitoring of Pollution or Contamination
- b) the costs of Remediation required by any Enforcing Authority to a standard reasonably achievable by the methods available at the time that such Remediation commences.

2 Remediation

'Remediation' will mean remedying the effects of Pollution or Contamination including primary, complementary and compensatory actions as specified in the Environmental Damage (Prevention and Remediation) Regulations 2009.

3 Enforcing Authority

'Enforcing Authority' will mean any government or statutory authority or body implementing or enforcing environmental protection legislation within Great Britain, Northern Ireland, the Channel Islands and Isle of Man.

4 Pollution or Contamination

'Pollution or Contamination' will mean:

- a) all pollution or contamination of buildings or other structures or of water or land or the atmosphere; and
- b) all loss or damage or Personal Injury directly or indirectly caused by such pollution or contamination.

10 Health and Safety at Work etc Act 1974 Legal Defence Costs

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

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

11 Indemnity to Directors and Employees

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

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

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

Provided always that:

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

12 Indemnity to Principal

In the event of any claim in respect of which the Insured would be entitled to receive indemnity under this Policy being brought or made against any public or local authority or other principal the Insurers will indemnify the said public or local authority or other principal against such claim and/or any costs, charges and expenses in respect thereof provided always that the Insurers will not be liable under this Extension unless the Insurers' have the sole conduct and control of all claims.

13 Legal Costs

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

14 Legionella

It is agreed that paragraphs a) and b) of the Pollution Clause will not apply to any discharge, release or escape of Legionella or other airborne pathogens from water tanks, water systems, air conditioning plants, cooling towers and the like.

All Pollution and Contamination which arises out of or as a consequence of any discharge, release or escape of Legionella or other airborne pathogens from water tanks, water systems, air conditioning plants, cooling towers and the like will be deemed to have occurred on the date that the Insured first becomes aware of circumstances which have given rise to such Pollution or Contamination.

This Section will not apply to any claim arising from Pollution or Contamination:

- a) which arises out of or as a consequence of any discharge, release or escape of Legionella or other airborne pathogens from water tanks, water systems, air conditioning plants, cooling towers and the like if before the current Period of Insurance the Insured had become aware of circumstances which have or may give rise to such Pollution or Contamination
- b) if the Insured is at the time of loss in breach of their statutory obligations in respect of the maintenance and cleaning of such equipment.

The liability of the Insurers for all compensation payable in respect of all Pollution and Contamination including the indemnity provided by this Extension which is deemed to have occurred during the Period of Insurance will not exceed £1,000,000 in the aggregate.

Provided always that the total liability of the Insurers to pay compensation will not exceed the Limit(s) of Liability.

For the purpose of this Extension such 'Pollution or Contamination will mean:

- a) all pollution or contamination of buildings or other structures or of water or land or the atmosphere; and
- b) all loss or damage or Personal Injury directly or indirectly caused by such pollution or contamination.

15 Libel and Slander

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

Provided always that:

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

16 Personal Liability Overseas

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

Provided always that:

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

17 Personal Representatives

In the event of the death of the Insured the indemnity provided by this Policy will apply to any personal representative of the Insured in respect of liability incurred by the Insured provided always that such personal representative shall as though he were the Insured observe, fulfil and be subject to the terms, limitations and conditions of this Policy.

Definitions applicable to Section C

1 The Business

The Business will include in addition to those activities stated in the Schedule:

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

2 Employee

'Employee' will mean any natural person who is:

- a) under a contract of service or apprenticeship with the Insured
- b) a labour master or labour only subcontractor or persons supplied by any of them
- c) a self employed person
- d) under a work experience scheme
- e) hired or borrowed by the Insured from another employer

and working for the Insured in connection with the Business while under the Insured's direct control or supervision.

3 Personal Injury

Personal Injury will include illness.

4 Products

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

5 Territorial Limits

'Territorial Limits' will mean:

- a) in respect of Public Liability:

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

- b) in respect of Products Liability:

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

Clauses applicable to Section C

1 Pollution

This Section excludes all liability in respect of Pollution or Contamination other than caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.

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

The liability of the Insurers for all compensation payable in respect of all Pollution or Contamination which is deemed to have occurred during the Period of Insurance will not exceed the Limit(s) of Liability in the aggregate.

Provided always that the total liability of the Insurers to pay compensation will not exceed the Limit(s) of Liability stated in the Schedule.

For the purposes of this clause 'Pollution or Contamination' will mean:

- a) all pollution or contamination of buildings or other structures or of water or land or the atmosphere; and
- b) loss or damage or Personal Injury directly or indirectly caused by such pollution or contamination.

Special Conditions applicable to Section C

1 Discharge of Liability

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

2 Use of Heat

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

a) Application of heat by means of electric oxyacetylene or other welding or cutting equipment or angle grinders, blow lamps, blow torches, hot air guns or hot air strippers.

- i) The area in the immediate vicinity of the work (including in the case of work carried out on one side of a wall or partition, the opposite side of the wall or partition) must be cleared of all loose combustible material; other combustible material must be covered by sand or over-lapping sheets or screens of non-combustible material.
- ii) At least 2 adequate and appropriate portable fire extinguishers in proper working order must be kept in the immediate area of the work being undertaken and used immediately smoke or smouldering or flames are detected.
- iii) A fire safety check of the working area must be made approximately 60 minutes after the completion of each period of work and immediate steps taken to extinguish any smouldering or flames discovered
- iv) Blow lamps and blow torches must be filled in the open and must not be lit until immediately before use and must be extinguished immediately after use.
- v) A person must be appointed by the Insured to act as an observer to watch for signs of smoke or smouldering or flames.

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

b) Use of asphalt, bitumen, tar, pitch or lead heaters

The heating must be carried out in the open in a vessel designed for the purpose and if carried out on a roof the vessel must be placed on a non-combustible heat insulating base.

Section D – Employers Liability

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

Limit of Liability

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

The Limit of Liability will be inclusive of:

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

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

Definition applicable to Section D

Employee

Any natural person who is:

- a) under a contract of service or apprenticeship with the Insured
- b) a labour master or labour only subcontractor or persons supplied by any of them
- c) self employed
- d) under a work experience or similar scheme
- e) hired or borrowed by the Insured from another employer

and working for the Insured in connection with the Business while under the Insured's direct control or supervision.

Extensions applicable to Section D

The insurance by this Section includes the following Extensions.

Provided always that:

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

1 Additional Activities

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

2 Corporate Manslaughter

This Section extends to indemnify the Insured in respect of legal costs and expenses incurred with the Insurers' prior written consent in connection with the defence of any criminal proceedings including any appeal against conviction arising from any such proceedings brought in respect of a charge and / or investigations connected with a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Isle of Man or the Channel Islands committed or alleged to have been committed during the Period of Insurance in the course of the Business.

Provided always that:

- a) the Insurers' liability under this Extension will not exceed £5,000,000 in any one Period of Insurance. This limit will form part of and not be in addition to the Limit of Liability stated in the Schedule
- b) this Extension will only apply to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- c) the Insurers must consent in writing to the appointment of any solicitor or counsel who are to act for and on behalf of the Insured
- d) the Insured will give to the Insurers immediate notice of any summons or other process served upon the Insured which may give rise to proceedings under this Extension
- e) in relation to any appeal counsel has advised there are strong prospects of such appeal succeeding
- f) the Insurers will be under no liability:
 - i) where the Insured has committed any deliberate or intentional criminal act giving rise to a corporate manslaughter or corporate homicide charge
 - ii) in respect of fines or penalties of any kind
 - iii) in respect of the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of the Health and Safety at Work Act 1974 or the Health and Safety at Work Act (Northern Ireland) Order 1978 or any regulations made thereunder
 - iv) where indemnity for defence costs is available from any other source or is provided by any other insurance or where but for the existence of this extension indemnity would have been provided by such other source or insurance
- g) where the Insurers have already indemnified the Insured in respect of legal costs or expenses incurred in the defence of any criminal proceedings arising out of the same cause or occurrence which gave rise to the charge of and or investigation connected with corporate manslaughter or corporate homicide under another Section of this Policy the amount paid under that Section will be taken into account in arriving at the Insurers' liability payable under this Extension.

3 Court Attendance Costs

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

- | | |
|---|------|
| a) any director or partner of the Insured | £250 |
| b) any Employee | £100 |

4 Health and Safety at Work Act 1974

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

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

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

Provided always that:

- a) this Extension will apply only to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- b) the Insurers will be under no liability:
 - i) where the Insured or any director or Employee is insured by any other policy
 - ii) where the criminal charge is in respect of any deliberate or intentional criminal act of the Insured or any director or Employee
 - iii) in respect of legal fees and expenses which the Insured or any director or Employee may be ordered to pay by a court of criminal jurisdiction in respect of the deliberate or intentional criminal act or omission of the director or Employee.

5 Indemnity to Directors and Employees

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

6 Indemnity to First Aid and Medical Teams

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

7 Indemnity to Principal

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

8 Injury to Partner or Proprietor

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

Provided always that:

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

9 Private Work

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

10 Solicitors' Fees

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

- a) representation at any coroners' inquest or fatal injury inquiry in respect of any death
- b) defending in any court of summary jurisdiction any proceedings in respect of any act or omission causing or relating to any event

which may be the subject of indemnity under this Section.

11 Unsatisfied Court Judgments

In the event of a judgment for damages being obtained by any Employee or the personal representatives of any Employee in respect of bodily injury or disease of the Employee caused during any Period of Insurance and arising out of and in the course of employment by the Insured in the Business against any company or individual operating from Premises within Great Britain, Northern Ireland, the Isle of Man or the Channel Islands in any court situated in the aforesaid territories and remaining unsatisfied in whole or in part 6 months after the date of such judgment the Insurers will pay to the Employee or the personal representative of the Employee at the request of the Insured the amount of any such damages and any awarded costs to the extent that they remain unsatisfied.

Provided always that:

- a) there is no appeal outstanding
- b) if any payment is made under the terms of this Extension the Employee or the personal representatives of the Employee will assign the judgment to the Insurers.

12 Work Overseas

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

Exclusions applicable to Section D

1 Motor

This Section does not provide any indemnity in respect of any liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988 as amended by the Motor Vehicles (Compulsory Insurance) Regulations 1992 and the Road Traffic (Northern Ireland) Order 1981 as amended by the Motor Vehicles (Compulsory Insurance) Regulations (Northern Ireland) 1993 or any other Compulsory Road Traffic Legislation.

2 Terrorism Restriction

The Limit of Liability payable under this Section in respect of any one claim against or by the Insured arising directly or indirectly from Terrorism will be £5,000,000.

For the purposes of this section 'Terrorism' means any act:

- a) involving serious violence against a person
- b) involving serious damage to property
- c) endangering a person's life, other than that of the person committing the act
- d) creating a serious risk to health and safety of the public or a section of the public
- e) designed seriously to interfere with or seriously to disrupt an electronic system

the use or threat of which is made for the purpose of advancing a political, religious or ideological cause and to influence any government de jure or de facto or to intimidate the public or a section of the public.

3 Work Offshore

This Section does not indemnify the Insured in respect of any claim for damages for bodily injury or disease caused during any Period of Insurance and sustained by any Employee:

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

Section E – Legal Indemnities

The Insurers will indemnify the Insured in accordance with the Cover described in this Section subject to the definitions, limitations, exclusions and conditions contained herein.

Definitions applicable to Section E

1 Commencement of Cover

The date on which indemnity was first provided under this Section in respect of the Property.

2 Covenants

Any restrictive covenants affecting the Property

3 Defect in Title

- The loss of all or any of the Insured's title deeds to the Property
- Adverse third party rights being any easement, quasi easement, rights acquired by prescription or licence to which the Property may be subject.

4 Insured Use

Any existing use of the Property of at least 12 months continuous duration

5 Market Value

The value as determined by a surveyor appointed by agreement between the Insurer(s) and the Insured.

6 Means of Access

Any pedestrian and/or vehicular access to and egress from the Property which has been exercised in connection with the Property for a continuous period of at least 12 months

7 Order

An order injunction or judgment from a court of competent jurisdiction

- In respect of any estate right or interest adverse to or in derogation of the title of the Insured to the Property which arises solely and directly from the Defect in Title
- Upholding the Covenants in full or in part
- Preventing the Insured from using the Means of Access and/or Services in connection with the Insured Use

8 Services

Any services serving the Property which have been used in connection with the Property for a continuous period of at least 12 months.

Exclusions applicable to Section E

Section E does not cover:

- 1 loss arising out of and/or contributed to by
 - a) the Insured or any persons authorised by them communicating without the written consent of the Insurer(s) with any person considered likely to have an adverse estate right or interest in the Property or any part thereof or in the Means of Access or Services or route of the Services or any part thereof or be entitled to enforce the Covenants
 - b) the Insured or any persons authorised by them making application to the Court or Lands Tribunal in respect of the Covenants without the written consent of the Insurer(s)
 - c) the failure of the Insured to pay their due proportion of the cost of maintaining or repairing the Means of Access and/or Services
 - d) the Insured or persons authorised by them obstructing the Means of Access and/or Services
- 2 loss arising due to
 - a) any breach of Covenant
 - b) the loss of any title deeds
 - c) the use of any Means of Access and/or Services without permission from the servient landowners
 - d) third party rightsof which the Insured had actual knowledge prior to the Commencement of Cover
- 3 loss arising due to
 - a) third party rights which were being exercised on or under the Property at the Commencement of Cover
 - b) restrictive covenants contained in any lease of the Property
 - c) claims to prohibit the use of any common land or village green for access or egress to or from any Property
 - d) Subsidence
 - e) Mining and the extraction of minerals
- 4 loss relating to any property which is not being used in accordance with the Insured Use

Cover

A – Defective Title

Loss sustained in the event of any claimant establishing or attempting to establish a legal right to enforce any estate right or interest adverse to or in derogation of the title of the Insured to the Property during the Period of Insurance which arises solely and directly from the Defect in Title.

For the purposes of this Cover Loss shall mean

- a) all sums which the Insured shall become liable to pay as damages or compensation awarded in favour of any claimant by any Order
- b) the adverse difference in the Market Value of the Insured's interest in the Property calculated by reference to prices current at the date such adverse estate right or interest is established by any Order or to the satisfaction of the Insurer(s)
- c) any sum paid under any Order or with the written consent of the Insurer(s) to free the Property from any adverse estate right or interest
- d) all other costs and expenses incurred with the written consent of the Insurer(s)

B – Restrictive Covenant

Loss sustained in the event of any claimant establishing or attempting to establish a legal right to enforce the Covenants during the Period of Insurance on the grounds that the Insured Use constitutes a breach of the Covenants and obtaining or attempting to obtain an Order in support of such right.

For the purposes of this Cover Loss shall mean

- a) damages or compensation awarded against the Insured including costs and expenses
- b) the cost of altering demolishing and reinstating the Property including any part of any building or other construction on or forming part of the Property in so far as such alteration demolition or reinstatement is required by the Order
- c) the adverse difference at the date of the Order between the Market Value of the Property
 - i) on the assumption that the Covenants are unenforceable and
 - ii) subject to the Covenants to the extent that they are held enforceable under the Order
- d) all other costs and expenses incurred with the written consent of the Insurer(s)

C – Absence of Easements

Loss sustained in the event of any owner of the Means of Access and/or land through which the Services pass establishing and/or attempting to establish a legal right during the Period of Insurance to prevent the Insured and/or all persons authorised by the Insured from using the Means of Access and/or Services in connection with the Insured Use of the Property on the grounds that the Insured do not have a legal easement and/or prescriptive rights in support of such use

For the purposes of this Cover Loss shall mean

whichever is the lesser of

the adverse difference at the date of the Order between the Market Value of the Property

- i) with the benefit of the Means of Access and/or Services and
- ii) the Market Value of the Property immediately following the Order

and

the cost to the Insured or purchasing a legal easement to use the Means of Access and/or Services and/or of creating an alternative comparable access to the Property together with any adverse difference on completion of such alternative comparable access and/or services between

- i) the Market Value of the Property with the benefit of the Means of Access and/or Services and
- ii) the Market Value of the Property with the alternative comparable access and/or Services

such Market Value to be calculated by reference to prices current at the date of the Order

all sums which the Insured shall become liable to pay as damages or compensation awarded in favour of any claimant by any Order

all other costs and expenses incurred with the written consent of the Insurer(s)

D – Perpetuity Cover Option

In the event of the Insured discovering during the Period of Insurance the existence of any Defect in Title breach of Covenant and/or use of any Means of Access and/or Services indemnity in respect of which would be provided under this Policy in the event of an adverse claim the Insurer(s) hereby agree if requested by the Insured during such Period of Insurance to issue a separate policy providing indemnity in respect of the said matter.

- a) without payment of additional premium
- b) for a limit of indemnity no greater than that provided in respect of the Property under this Policy
- c) indemnity to be provided in perpetuity
- d) for the benefit of the owner lessee mortgagee or chargee (including their successors in title) for the time being of the Property or any part thereof
- e) otherwise in accordance with the same or similar terms and conditions and providing the same indemnity as this Policy

provided that the Insured has not made a claim under this Policy in respect of such matter nor is aware of any circumstances that may lead to such a claim.

Conditions applicable to Section E

- a) The liability of the Insurer to make any payment under this Section will be conditional upon the compliance with the terms and Conditions of this Policy and the truth of the statements contained in the proposal and/or particulars in writing (which it is agreed shall be the basis of this contract and shall be held to be incorporated herein).
- b) The Insured or anyone acting on the Insured's behalf must not disclose the existence of this Policy to any third party other than bona fide prospective purchasers lessees and tenants of the Property their mortgagees and legal advisers.
- c) Upon becoming aware of any occurrence affecting the risk insured against or likely to give rise to a claim under this Section the Insured shall not admit any liability nor take any steps to compromise or settle any claim without the consent in writing of the Insurer but shall with all due diligence give to the Insurer particulars in writing of such occurrence and shall thereupon give all due and proper information and assistance to the Insurer or its Solicitors in or about the conduct of any proceedings which the Insurer may think fit to take at its own expense either in the name of the Insured or in the name of the Insurer (whether before or after settlement of any claim) including any steps the Insurer may wish to take for the purpose of enforcing any rights and remedies or of obtaining any relief or indemnity from other parties to which the Insurer may be or would become entitled by subrogation or otherwise upon payment or satisfaction of any claim under this Section.
- d) If any step action or proceedings by any third party likely to give rise to a claim under this Section shall be induced either wholly or partly by or through any wilful act or neglect of the Insured (other than such as has already occurred and is recorded in this Section) this Section shall be forfeited.
- e) If at the time of any claim being made under this Section there be any other insurance or insurances subsisting whether effected by the Insured or by any other person covering the claimant either wholly or partly in respect of the same risk or interest as is covered by this Section the Insurer shall be liable to pay or contribute in respect of such claim only rateably with such other insurance or insurances.
- f) If any difference shall arise as to the amount to be paid under this Section (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with the statutory provisions in that behalf for the time being in force. 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.

How to Claim under your Legal Indemnities Section

- 1 The Insured must:
 - i) give the insurer written notice as soon as possible of any potential or actual claim or any circumstances likely to result in a claim. Notifications should be sent to the address noted in your policy schedule.
 - ii) pass all court documents and/or other communications to the Insurer as soon as possible after receipt.
 - iii) not deal with, make any admission of liability or attempt to settle a claim without our prior written agreement.
 - iv) agree to and carry out at our expense all things necessary to minimise any loss.
 - v) provide all information and assistance that we may require to help defend and settle the claim.
- 2 Provide the Policy number, the Insured's name and a brief description of the incident that has occurred.
- 3 We are entitled to:
 - i) conduct in the Insured's name the defence and settlement of any claim or the prosecution of any claim for indemnity, damages or otherwise.
 - ii) have full discretion in the defence proceedings and settlement of claims.
 - iii) pay the Insured at any time, an amount equal to the Limit of Indemnity or any lower amount for which the claim can be settled, after deduction of any sum already paid. We may then give up control of and have no further liability in connection with the claim.
- 4 If we accept liability but the Insured disagrees with the amount we offer to pay, the claim will be referred to an arbitrator who will be jointly appointed in accordance with statutory provisions. In such cases, an award made by the arbitrator will be a condition precedent to any right of legal action against us.

General Conditions

1 Alteration

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

2 Arbitration

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

3 Cancellation

The Insurers may cancel this Policy or any Section or part thereof by giving 14 days notice in writing by special delivery mail to the Insured at the Insured's last known address and in such event the Insured will be entitled to a return of premium in respect of the unexpired portion of the Period of Insurance.

4 Claims Procedure

a) On the happening of any event which could give rise to a claim or on receiving verbal or written notice of any claim the Insured will:

- i) as soon as reasonably possible give notice to the Insurers
- ii) as soon as reasonably possible notify the police in respect of any loss or damage by theft or attempted theft or by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances and malicious persons
- iii) as soon as reasonably possible forward to the Insurers any writ or summons issued against the Insured by a third party
- iv) take action to minimise the loss or damage and to avoid interruption or interference with the Business and to prevent further damage or injury
- v) at their own expense and within:
 - 1 7 days of loss or damage caused by riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons
 - 2 30 days of expiry of the Indemnity Period in respect of Section B1
 - 3 30 days of any other loss or damage, interruption or interference with the Business or injury or disease

supply full details of the claim in writing to the Insurers together with any evidence and information that may be reasonably required by the Insurers for the purpose of investigating or verifying the claim and if demanded a statutory declaration of the truth of the claim and any matters connected therewith.

b) No settlement, admission of liability, payment or promise of payment will be made to a third party without the consent of the Insurers.

5 Contractual Right of Renewal (Tacit)

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

6 Contribution

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

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

7 Fraud

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

8 Insurers' Rights

The Insurers will:

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

9 Legal Representatives

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

10 Long Term Undertaking

Where a Long Term Undertaking expiry date is stated in the Schedule a discount of 5 per cent has been allowed off the net premium on this Policy in consideration of the Insured undertaking to offer annually up to the expiry date or any date substituted therefor by endorsement hereon the insurance under this Policy or any other Policy or Policies substituted therefor on the terms and conditions in force at the expiry of each Period of Insurance and to pay the premium in advance it being understood that:

- a) the Insurers will be under no obligation to accept an offer made in accordance with the above-mentioned undertaking
- b) the sum insured may be reduced at any time to correspond with any reduction in value or in the Business.

The above mentioned undertaking applies to any Policy which may be issued by the Insurers in substitution for this Policy and the same discount of 5 per cent will be allowed off the net premiums on any substituted Policy issued by the Insurers.

Payment of the first or renewal premium due at the commencement of the said undertaking will be deemed acceptance by the Insured of this condition.

11 Payment by Instalments

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

12 Policy Voidable

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

13 Premium Adjustment

If any part of the premium is calculated on estimates furnished by the Insured the Insured will keep an accurate record containing all particulars relative thereto and will at all times allow the Insurers to inspect such record. The Insured will within one month from the expiry of each Period of Insurance furnish to the Insurers such particulars and information as the Insurers may require.

The Premium for such period shall thereupon be adjusted and the difference paid by or allowed to the Insured as the case may be subject always to the minimum premium stipulated.

14 Reasonable Care

The Insured will take all reasonable steps to:

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

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

General Exclusions

A Applicable to all Sections other than Section D - Employers Liability and Section E – Legal Indemnities

This Policy does not cover:

1 Date Related Performance and Functionality

loss, destruction or damage, consequential loss, additional expenditure or extra expenses, legal liability or other fees, costs, disbursements, awards or other expenses of whatsoever nature directly or indirectly caused by or contributed to by or consisting of or arising in whole or in part from:

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

whether such Data Processing System is the property of the Insured or not and whether operating before during or after the Year 2000 but in respect of all insurances other than Public Liability or Products Liability or Contractors' Joint Indemnity this will not exclude subsequent loss, destruction or damage or consequential loss, additional expenditure or extra expenses not otherwise excluded which itself results from a Defined Peril otherwise covered by this Policy.

Definitions

For the purpose of this General Exclusion the following special meanings will apply:

'Data Processing System' will mean any computer or data processing equipment or media or microchip or integrated circuit or any similar device or any computer software or computer firmware.

'Defined Peril' will mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, theft or attempted theft, earthquake, subterranean fire, storm, tempest, flood, escape of water from any tank apparatus or pipe, impact by any vehicle or by goods falling therefrom or animal.

2 Nuclear and War Risks, Government or Public Authority and Sonic Bangs

loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any Nuclear Installation, Nuclear Reactor or other nuclear assembly or nuclear component thereof
- c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this exclusion d) will not apply to radioactive isotopes other than nuclear fuel when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or similar peaceful purposes
- e) war, invasion, act of foreign enemy, hostilities whether war be declared or not civil war, rebellion, revolution, insurrection or military or usurped power, nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority
- f) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

Definitions

For the purpose of this General Exclusion the following special meanings will apply:

'Nuclear installation' will mean any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument being an installation designed or adapted for:

- a) the production of atomic energy
- b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiation
- c) the storage, processing or disposal of nuclear fuel or bulk quantities of other radioactive matter being matter which has been produced or irradiated in the production or use of nuclear fuel.

'Nuclear Reactor' will mean any plant including any machinery, equipment or appliance whether affixed to land or not designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons.

B Applicable to all Sections other than Sections C - Property Owners Liability and D - Employers Liability and Section E - Legal Indemnities

This Policy does not cover:

3 Civil Commotion in Northern Ireland

DAMAGE or CONSEQUENTIAL LOSS occasioned by or happening through or in consequence directly or indirectly of riot civil commotion and except in respect of DAMAGE or CONSEQUENTIAL LOSS by fire or explosion strikers, locked out workers or persons taking part in labour disturbances or malicious persons.

4 Electronic Risks

- a) DAMAGE to any computer or other equipment or component or system or item which processes, stores, transmits, retrieves or receives data or any part thereof whether tangible or intangible including but without limitation any information or programs or software and whether the property is insured or not where such DAMAGE is caused by Virus or Similar Mechanism or Hacking or Denial of Service Attack.
- b) CONSEQUENTIAL LOSS directly or indirectly caused by or arising from Virus or Similar Mechanism or Hacking or Denial of Service Attack

but this will not exclude DAMAGE or CONSEQUENTIAL LOSS which results from Covers 1 to 15 inclusive applicable to Sections A B1 and B2 hereby insured but excluding the acts of malicious persons which do not involve physical force or violence.

Definitions

For the purposes of this General Exclusion the following special meanings will apply:

'Virus or Similar Mechanism' means 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. The definition of Virus or Similar Mechanism includes but is not limited to trojan horses, worms and logic bombs.

'Hacking' means unauthorised access to any computer or other equipment or component or system or item which processes, stores, transmits, retrieves or receives data whether the property of the Insured or not.

'Denial of Service Attack' means 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. Denial of Service Attacks include but are not limited to the generation of excess traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks.

5 Terrorism

loss, damage, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with Terrorism.

In any action or suit or other proceedings where the Insurers allege that by reason of this General Exclusion cover is not provided under this Policy the burden of proving that cover is provided under this Policy will be upon the Insured.

Definitions

For the purposes of this General Exclusion the following special meaning will apply:

'Terrorism' will mean:

- a) in respect of any occurrence in England including the Channel Tunnel up to the frontier with the republic of France as set out by the Treaty of Canterbury 1986, Wales, Scotland, Northern Ireland, the Isle of Man and Chanell Islands but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987, the Territorial Sea Act (Isle of Man) Order 1991, the Territorial Sea Act 1987 (Jersey) Order 1997 and Territorial Sea Act 1987 (Jersey) (Amendment) Order 2002:

acts of persons acting on behalf of or in connection with any organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any other government de jure or de facto

- b) in respect of any occurrence elsewhere than as described in a) above:

any act or preparation in respect of action designed to influence the government de jure or de facto of any nation or any political division thereof or in pursuit of political, religious, ideological, or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto and which:

- i) involves violence against one or more persons
 - ii) involves damage to property
 - iii) endangers life other than that of the person committing the action
 - iv) creates a risk to health or safety of the public or a section of the public
 - v) is designed to interfere with or to disrupt an electronic system
- c) any action in controlling, preventing, suppressing, retaliating against, or responding to any act, or preparation in respect of action, or threat of action described in a) or b) above.

Our complaints procedure

We value the opportunity to investigate any concerns you may have about any aspect of our service and are committed to handling all complaints fairly, thoroughly and promptly.

Who to contact in the first instance

Many concerns can be resolved straight away therefore in the first instance please get in touch with your usual contact as they will generally be able to provide you with an immediate response to your satisfaction.

Contact details will be provided on correspondence that we or our representatives have sent you.

If we cannot resolve your complaint straight away we will aim to resolve your concerns as soon as possible and we will keep you informed of progress while our enquiries are continuing.

The majority of complaints we receive are resolved within 4 weeks of receipt.

Next steps if you are not happy with the response provided

We are dedicated to our customers and seek to do what is right however sometimes we may not be able to reach an agreement with you. If this is the case and you remain dissatisfied once you have received our response to your complaint we will refer your complaint to our Customer Relations Team for a separate review.

The Customer Relations Team will contact you to let you know they have received your complaint and when their review is complete they will provide you with a final response on our behalf.

The Financial Ombudsman Service (FOS)

If we are unable to resolve your complaint to your satisfaction within 8 weeks or if you remain dissatisfied following receipt of our final response letter you can ask the FOS to formally review your case. You must contact the FOS within 6 months of our final response.

The FOS contact details are as follows:

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

You can telephone for free on:

08000 234 567 for people phoning from a "fixed line" (for example, a landline at home)

0300 123 9 123 for mobile-phone users who pay a monthly charge for calls to numbers starting 01 or 02

Or e-mail: complaint.info@financial-ombudsman.org.uk

This is a free and impartial service and will not affect your legal rights.

The FOS can help with most complaints if you are:

- a consumer
- a business employing fewer than 10 persons that has an annual turnover or balance sheet that does not exceed €2 million
- a charity with an annual income of less than £1 million
- a trustee of a trust with a net asset value of less than £1 million.

If you are unsure whether the FOS will consider your complaint please contact them directly for further information.

You are entitled to contact the FOS at any stage of your complaint.

The Financial Services Compensation Scheme (FSCS)

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation should we be unable to meet our obligations. Further information is available on www.fscs.org.uk or you may contact the FSCS on 0800 678 1100.

Following this complaints procedure does not affect your legal rights.



one of the Property Protector family of products



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Zurich Insurance plc

A public limited company incorporated in Ireland. Registration No. 13460.

Registered Office: Zurich House, Ballsbridge Park, Dublin 4, Ireland. UK Branch registered in England and Wales Registration No. BR7985.

UK Branch Head Office: The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire PO15 7JZ.

Authorised by the Irish Financial Regulator and subject to limited regulation by the Financial Services Authority.

Details about the extent of our regulation by the Financial Services Authority are available from us on request. FSA registration number 203093. These details can be checked on the FSA's register by visiting their website www.fsa.gov.uk/register or by contacting them on 0845 606 1234.

Communications may be monitored or recorded to improve our service and for security and regulatory purposes.

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