



Reich Insurance Group
Property Owners Policy

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Property Owners Policy

Contents

Introduction	2
Meanings of defined terms	3
Section 1 – Buildings	5
Section 2 – Business Interruption	13
Section 3 – Property Owners Liability	19
Section 4 – Employers' Liability	24
General Conditions	26
General Exclusions	27
Policy Index	29

Introduction

Your insurance policy has been placed with an insurer who:

- ▶ has an acceptable Financial Strength Rating
- ▶ shares Reich Broker's belief in customer care and satisfaction
- ▶ has a robust and clear, well managed complaints procedure
- ▶ has an excellent reputation for claims.

Reich Broker monitors your insurers performance regularly to ensure they meet your criteria.

Reich Broker is authorised and regulated by the Financial Conduct Authority.

The Financial Conduct Authority website, which includes a register of all regulated firms can be found at www.fca.gov.uk/register, or by calling 0845 606 1234.

If the cover does not meet your requirements, please return all documents and certificates to Reich Broker within 14 days of receipt. We will return the proportionate part of the premium paid in respect of the unexpired term of the policy provided that there have been:

- ▶ no claims made under the policy for which we have made a payment
- ▶ no claims made under the policy which are still under consideration
- ▶ no incidents likely to give rise to a claim but yet to be reported.

If you wish to terminate the contract at any other time, please contact Reich Broker.

Complaints Procedure

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 at Reich Broker as they will generally be able to provide you with an immediate response to your satisfaction.

You may also contact us directly.

We value the opportunity to look into any concerns you may have with the service we have provided and we are committed to handling all complaints fairly, consistently and promptly.

You can find our contact details on the documents we 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 four weeks of receipt.

The Financial Ombudsman Service (ombudsman)

If we are unable to resolve your complaint to your satisfaction within eight weeks or if you remain dissatisfied following receipt of our final response letter you may be able to ask the ombudsman to formally review your case. You must contact the ombudsman within six months of our final response.

The ombudsman contact details are as follows:

Financial Ombudsman Service
Exchange Tower
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 you are entitled to contact the ombudsman at any stage of your complaint.

The ombudsman 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 turnover 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 ombudsman will consider your complaint or for more information please contact the ombudsman directly, or visit www.financial-ombudsman.org.uk

How we use Personal Information

We hold personal information in accordance with the Data Protection Act 1998. The information supplied to us by you may be held on computer and passed to other insurers and reinsurers for underwriting and claims purposes. You should show this to anyone whose personal information may be processed to administer this policy including handling any claims.

We use a variety of security technologies and procedures to help protect personal information from inappropriate use, and we will continue to revise procedures and implement additional security features as new technology becomes available.

We may use personal information for underwriting and claims purposes, statistical analysis, management information, market research, audits on the handling of claims, systems integrity testing, and risk management.

We will only share personal information as described in this notice, or where we are required or allowed to do so by law.

We may record or monitor telephone calls for security and regulatory purposes.

Policy Administration

In order to administer your insurance policy and any claims made against this policy we may share personal information provided to us with other companies and with business partners including companies inside and outside the European Economic Area. If we do transfer personal information including where we propose a change of underwriter we make sure that it is appropriately protected.

We may conduct searches about anyone whose personal information may be processed to administer this policy (including handling any claims) using publicly available sources. Examples are the edited electoral roll, county court judgments / Scottish decrees, bankruptcy registers and other public databases. This helps us assess applications for insurance, provide renewal quotations and check the accuracy of information. These searches may be recorded by credit reference agencies but they will not affect any credit standing.

Claims History

Under the conditions of this policy you must tell us when you become aware of any incident that could give rise to a claim under this policy, whether or not it is your intention to claim.

When you tell us about an incident or claim we may pass information relating to it to the Claims and Underwriting Exchange Register (CUE), run by Insurance Database Services Ltd (IDSL) or other relevant database.

We and other Insurers may search CUE or other relevant 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.

This helps to check information provided and prevent fraudulent claims.

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) conduct searches using publicly available databases
- c) undertake credit searches
- d) 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.

Data Protection Rights

Individuals have certain rights under the Data Protection Act 1998, including the right to ask for a copy of the information we hold about them. We may make a small charge for this. Individuals also have the right to ask us to correct their information if it is inaccurate.

If you want to know more about how we use personal information or have any data protection questions, please contact us.

Your Property Owners Policy

This policy your schedule, certificate(s) and any endorsements together form the contract of insurance and the documents should be read together.

Please ensure that it meets your requirements and advise us immediately if there are any errors or omissions.

You having applied to us for this insurance shall pay the premium and we hereby undertake and agree to indemnify you in accordance with the terms definitions cover extensions provisions exclusions and conditions contained herein or endorsed or otherwise expressed herein in respect of any occurrence of loss damage or liability during the period of insurance.

Our obligations under this contract of insurance are several and not joint and are limited solely to the extent of our individual proportion. We are not responsible for the proportion of any other insurer(s) who for any reason does not satisfy all or part of its obligations.

Our liability shall in no case exceed the amount of any sum insured or limit stated in the schedule or elsewhere in the policy.

This policy shall be governed by English Law and English Courts shall have exclusive jurisdiction in any dispute arising under this policy.

Meanings of defined terms

These meanings apply throughout your policy.

If a word or phrase has a defined meaning, it will be highlighted in bold print and will have the same meaning wherever it is used.

There are additional defined terms under each section and within the schedule.

Building(s)

Buildings at the premises shown in your schedule including:

- a) landlords fixtures and fittings including plant goods and stock, gardening equipment, CCTV systems, entry and exit systems
- b) outbuildings, annexes, private garages, gangways, conveniences, foundations or footings, extensions, lamp posts, aerials, satellite dishes and other communications equipment, street furniture, swimming pools, tennis courts, squash courts
- c) walls, gates, fences, planters, ornamental features and statues plus tunnels, earthworks or other natural or artificial features which form part of any buildings at the premises
- d) yards, car parks, roads, pavements, paved terraces, patios, paths, drives, forecourts
- e) underground pipes, drains, piping, ducting, wires and associated switchgear and accessories on the premises and cables belonging to you or which you are responsible for
- f) tenants improvements which you are responsible for
- g) fixed glass in windows, doors, fixed signs, fanlights, skylights, partitions and fixed sanitary ware
- h) landlords contents to a value of the limit stated in the schedule any one premises
- i) stock up to the limit stated in the schedule.

Business

Your ownership of the premises shown in the schedule including:

- a) owning, repairing, maintaining and decorating your own property or premises you use and land at the same address
- b) providing and managing amenities for the benefit and welfare of employees
- c) providing and managing facilities primarily used for fire prevention, safety or security
- d) maintaining and repairing vehicles and machinery owned or used by you
- e) private work you allow employees to do for your directors, partners or officers, as long as this work is done with your prior permission
- f) the sale or disposal of the buildings or any part of these.

Damage/damaged

Loss or accidental destruction or damage.

Defined peril

Fire, lightning, explosion, aircraft or other aerial devices or articles dropped from them, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, theft, earthquake, storm, flood, escape of water from any tank, apparatus or pipe, leakage of oil from any fixed heating installation or impact by any road vehicle or animal.

Employee

- a) Anyone under a contract of service or apprenticeship with **you**
 - b) Anyone who is employed by **you** or for **you**
 - i) on a labour only basis
 - ii) self employed
 - iii) hired to **you** or borrowed by **you** from another employer
 - iv) a voluntary helper or taking part in a work experience or training scheme
- and under **your** control or supervision.

Excess

The first amount of any claim or claims for which **you** are responsible which shall be deducted after the application of all other policy terms and conditions.

Flood

The escape of water from the normal confines of any natural or artificial water course, lake, reservoir, canal, drain or dam, inundation from the sea and rain induced run off, whether resulting from storm or not.

Injury

Bodily injury, illness or disease (including death).

Landlords' Contents

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

Period of insurance

The period from the start date to the expiry date shown in **your schedule**.

Policy

The policy document, **schedule** and **certificate** and any **endorsements** attached or issued.

Territorial limits

Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.

Premises

The address(es) shown in **your schedule**.

Products

Any commodities or goods 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 **your** behalf or any structure constructed, erected or installed or contract work executed by or on **your** behalf insured in the course of the **business**.

Property insured

All in accordance with the **schedule**.

Unoccupied

Any **building** that is:

- a) a terrace or row of retail shops where more than 20% of the number of units is unoccupied or not in use
- b) shopping centres where more than 20% of the overall internal floor area is unoccupied or not in use
- c) multi-storied premises where the ground floor is unoccupied or not in use
- d) any other **building** which is unoccupied, mainly unoccupied, disused, unfurnished or not in use by **you** or any of **your** tenants for more than 30 consecutive days.

Vermin

Rats, mice, grey squirrels, owls, pigeons, foxes, bees, wasps or hornets.

We/us/our/ourselves

The insurers shown in the policy **schedule**.

You/your/yourself

The person(s), firm, company or organisation shown in **your schedule** as the insured.

Section 1 – Buildings

Your schedule will show if this section is covered.

Basis of Settlement

In the event of the **property insured** described in the **schedule** suffer **damage** that is not excluded during the **period of insurance**, we will pay to **you**, the value of the **property insured** at the time of its loss or destruction or the amount of the **damage** or at our option reinstate or replace such property or any part of it.

Provided always that our liability 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 **damage**
- b) the **sum insured** (or **limit**) remaining after deduction for any other **damage** occurring during the same **period of insurance**, unless we shall have agreed to reinstate any such **sum insured** (or **limit**).

The following basis of settlement applies if shown in the schedule to be operative reinstatement – 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:

- i) the rebuilding or replacement of **property insured** that has suffered **damage** that is not excluded which provided always that our liability is not increased may be carried out:
 - 1) in any manner suitable to **your** requirements
 - 2) upon another site
- ii) the repair or restoration of **property insured** that has suffered **damage** that is not excluded

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) **You** 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 **your** assessment of the cost of rebuilding the **property insured** to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new 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:

- i) the additional cost of **reinstatement** to comply with European Community and public authority requirements
- ii) professional fees
- iii) debris removal costs
- iv) Value Added Tax excluding any amounts recoverable from HMRC.

Special Conditions

- a) At the inception of each **period of insurance** you will notify us 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 **you** will be taken as the **declared value** for the ensuing **period of insurance**.
- b) If at the time of **damage** the **declared value** of each item be less than the cost of **reinstatement** as defined in paragraph b) above at the inception of the **period of insurance** then our liability for the **damage** will not exceed that proportion thereof which the **declared value** bears to such cost of **reinstatement**.

However in the event of a claim we agree to waive this special condition providing:

- i) **you** can give us documentary evidence of a valuation/ revaluation by a Fellow or Member of the Royal Institution of Chartered Surveyors made no more than five years before the **damage**;
- ii) annual interim revaluations have been undertaken in accordance with the Royal Institution of Chartered Surveyors Rebuilding cost index;
- iii) the **declared value** is based on the valuations/revaluations at each renewal.

In the event of any undisclosed structural alterations or additions, this waiver will not be valid until a subsequent revaluation has been completed and the **declared value** is amended accordingly.

- c) Our liability for the repair or restoration of **property insured** damaged in part only will not exceed the amount which would have been payable had such property been wholly destroyed.
- d) No payment beyond the amount which would have been payable in the absence of this amended **basis of settlement** will be made:
 - i) unless **reinstatement** commences and proceeds without unreasonable delay
 - ii) until the cost of **reinstatement** shall have been actually incurred
 - iii) if the **property insured** at the time of its **damage** shall be insured by any other insurance effected by or on behalf of the **you** which is not upon the same basis of **reinstatement**.
- e) All the terms and conditions of this **policy** will apply:
 - i) in respect of any claim payable under the provisions of this amended **basis of settlement** except in so far as they are varied hereby
 - ii) where claims are payable as if this amended **basis of settlement** had not been incorporated except that the sums insured will be limited to the percentage of the **declared values** as stated in the **schedule**.

Clauses

Additional management fees cover

We will cover **you** for the reasonable fees of managing agents where:

- a) they are in respect of work of benefit to the **us**
- b) they relate to work which is necessary for repair or reinstatement
- c) **we** have agreed them in advance

but not fees which are incurred as part of the managing agent's general administrative duties or purely in connection with the preparation or administrative handling of a claim.

The most **we** will pay **you** for this cover is the **limit** as stated in the **schedule**.

Archaeological discoveries cover

We will cover **you** for the costs incurred following **damage** as a direct result of **you** complying with your statutory obligations following the discovery of archaeological finds during site excavation. Provided that **you** did not have any pre-existing knowledge of the presence of archaeological remains prior to the start of works.

The most **we** will pay is the **limit** as stated in the **schedule**.

Architects' Surveyors' Legal and Consulting Engineers' Fees

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

Arson and Theft Reward Costs

This **section** extends to cover rewards payable for the receipt of information which leads to the prosecution and conviction of a perpetrator of arson or theft following **damage** not otherwise excluded at the **premises**.

Provided that such rewards are agreed by **us** in writing in advance and by police or other reputable statutory authority.

The maximum we will pay is the limit stated in the schedule.

Abortive Repairs, Investigations and Tests

This **section** includes expenses reasonably incurred with **our** prior consent in abortive repairs, investigations and tests where it is the opinion of a competent professional that there is a reasonable possibility of further **damage** not otherwise excluded which is not immediately apparent.

Automatic Reinstatement of Loss

In the absence of written notice by **us** or **you** to the contrary within 30 days of notification to **us** of the **damage** the insurance hereby will not be reduced by the amount of any loss in consideration of which **you** 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 **you** will take immediate steps to effect such additions to or variations in the protection of the **property insured** as we may require.

It is agreed that **you** shall not be required to pay an additional premium where the amount of any loss shall be less than 10% of the **sums insured** for the **premises**.

Bailor's Goods

This **section** extends to include loss of or damage to goods in **your** custody and control and for which **you** are legally liable as bailor whilst situate within the **premises** in so far as such goods are not otherwise insured.

Provided always that we 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 most we will pay is the **limit** as stated in the **schedule**.

Business Rates

We will pay the costs for which **you** become legally responsible in respect of business rates (National Non Domestic Rates) in consequence of **damage** not otherwise excluded.

Provided always that:

- a) but for such **damage** the business rates would not have been payable by **you**

- b) The most we will pay is the **limit** as stated in the **schedule**
- c) **Our** liability will only apply to costs incurred during the **indemnity period** as defined in **Section 2**. For the purpose of this **clause** 'maximum indemnity period' will mean 36 months.

Capital Additions

This **section** extends to include alterations, additions and improvements to **buildings and landlords contents** but not in respect of any appreciation in value during the current **period of insurance**.

Provided always that:

- a) at any one situation the most we will pay is the **limit** as stated in the **schedule**
- b) **you** undertake to give particulars of such extensions of cover as soon as practicable and to effect specific insurance thereon retrospective from the date of the commencement of **our** liability
- c) the provisions of this **clause** will be fully maintained notwithstanding any specific insurance effected under b) above.

Clearing of Drains

This **section** includes the reasonable costs and expenses necessarily incurred as a consequence of **damage** in clearing, cleaning and repairing drains, gutters, sewers and the like at **your premises** and in the immediate vicinity thereof for which **you** are responsible.

Our liability under this **clause** and this **policy** in respect of any one item will in no case exceed the **sum insured** thereby.

Condition of average and waiver

The **sum insured** by each item is declared to be separately subject to 'average'.

Where a **sum insured** is declared subject to **average** if such sum is at the commencement of any **damage** be less than the value of the property covered within such **sum insured** the amount payable by **us** in respect of such **damage** will be proportionately reduced.

However in the event of a claim we agree to waive the condition of **average** providing:

- a) **you** can give us documentary evidence of a valuation/revaluation by a Fellow or Member of the Royal Institution of Chartered Surveyors made no more than five years before the **damage**;
- b) annual interim revaluations have been undertaken in accordance with the Royal Institution of Chartered Surveyors Rebuilding cost index;
- c) the **sum insured** is based on the valuations/revaluations at each renewal.

In the event of any undisclosed structural alterations or additions, this waiver will not be valid until a subsequent revaluation has been completed and the **sum insured** is amended accordingly.

Contracting Purchaser's Interest

If at the time of **damage** **you** shall have contracted to sell **your** 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 **you** or **us** until completion.

Contractors' Interest

Where **you** are required to effect insurance on the **buildings** in the joint names of **yourselves** 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 the value stated in the **schedule** being advised to **us** and an additional premium being paid as appropriate.

Contract works cover

We will pay for **damage** in respect of **building** works undertaken on any building in the performance of any contract where **you** are responsible for arranging insurance cover under the terms of the contract.

Provided that:

- a) this cover will only apply as long as the contract works are not insured elsewhere
- b) **we** will not be liable for the excess as stated in the **schedule**
- c) the contract value must not exceed the value stated in the **schedule**.

Designation

For the purpose of determining where necessary the heading under which any property is insured **we** agree to accept the designation under which such property has been entered in **your** records.

Dilapidation

In the event that a lessee vacates a property without prior notification to **you** or **your** agents solely due to the liquidation or bankruptcy of the lessee or the business of the lessee being placed into administration or receivership **we** will pay the reasonable costs incurred in clearing and removing any property of the lessee in or around the **premises**.

Provided always that:

- a) the most **we** will pay is the **limit** as stated in the **schedule** any one occurrence
- b) allowance is made for any subsequent recovery from the lessee.

Diminution in Value

Where **damage** to **buildings** or to third party **buildings** within one mile of the **premises** results in a subsequent reduction in sale price achieved on a **premises** offered for sale on the open market prior to **damage** the insurance by this section insures the difference in prior and post **damage** value.

The amount payable will be substantiated by a practising member of the Royal Institution of Chartered Surveyors whose appointment will be agreed by **you** and **us** and due allowance will be taken of all other sums recovered in respect of **damage** under the insurance and from any other source.

Provided always that the most **we** will pay is the **limit** as stated in the **schedule** any one occurrence and in all in any one Period of Insurance.

Enterprise Zone Allowances – Tax Liability

If **buildings** on which **you** have received enterprise zone allowance suffer loss, destruction or **damage** and as a consequence of the payment of claims monies in respect of the rebuilding of that **damage** **you** incur a liability to Tax **we** will indemnify **you** as follows:

- a) up to the **sum insured** specified under the heading **Enterprise Zone Allowances – Tax Liability** in the **schedule**
- b) in respect of the costs as insured by this **policy** of rebuilding on another site or in respect of the payment of **loss of market value**.

Our maximum liability shall be limited to the **sum insured** specified in a) above or the amount which would have been payable had rebuilding taken place on the site on which **damage** occurred and on the date on which **damage** occurred whichever is the lesser.

Provided always that:

- a) the amount payable under this **clause** shall be reduced by the amount of any tax concessions or allowances available to **you** whether claimed or not which could off-set the liability to Tax referred to above
- b) if the **sum insured** is less than the **insurable amount** then the amount payable will be proportionately reduced
- c) **We** shall not be liable under this **clause** for any sum payable by **you** as a penalty or interest on the non-payment or late payment of Tax or for liability for Tax which arises from the replacement **buildings** having greater floor area than or being better or more extensive than the destroyed **buildings**
- d) for the purposes of this **clause**:
 - i) 'Tax' shall mean Corporation Tax or Income Tax or Capital Gains Tax at the prevailing rate applicable to **You**
 - ii) '**insurable amount**' shall mean **your** total liability to Tax as specified in this **clause**.

European Union and Public Authorities including Undamaged Property

Where a claim is subject to the Reinstatement – Day One Basis of settlement the insurance in respect of **buildings** and **landlords contents** includes such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the stipulations of:

- a) European Union 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) **damaged property 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:

- a) the cost incurred in complying with the Stipulations:
 - i) in respect of **damage** occurring prior to the granting of this **clause**
 - ii) in respect of **damage** not insured by this section or excluded therefrom
 - iii) under which notice has been served upon **you** prior to the happening of the **damage**
 - iv) for which there is an existing requirement which has to be implemented within a given period
 - v) in respect of **property insured** entirely unaffected by **damage** hereby insured against
- b) the additional cost that would have been required to make good the property lost, destroyed or damaged to a condition equal to its condition when new had the necessity to comply with the **stipulations** not arisen
- c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the **property insured** or by the owner thereof by reason of compliance with the **stipulations**.

Provided that;

- 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 **we** may allow during the said 12 months and may be carried out upon another site if the **stipulations** so necessitate subject to **our** liability under this **clause** not being thereby increased
- b) if **our** liability under any item of this **policy** apart from this **clause** shall be reduced by the application of any of the terms and conditions of this **policy** then **our** liability under this **clause** in respect of any such item will be reduced in like proportion
- c) the total amount recoverable under this **policy** in respect of this **clause** will not exceed:
 - i) in respect of the **damaged** property its **sum insured**
 - ii) in respect of undamaged portions of the **property insured** (other than foundations) 20% of the total amount for which **we** 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.

Eviction of Squatters

This section includes costs and expenses necessarily and reasonably incurred with **our** prior consent to remove or evict squatters from the **buildings**.

Provided always that:

- a) **we** 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 most **we** will pay is the **limit** as stated in the **schedule**.

Exhibition Equipment

We will pay for **damage** to exhibition and display models and similar promotional equipment not otherwise insured while at any premises used by **you** in Great Britain and Northern Ireland.

Provided always that:

- a) such loss or damage is caused by a **defined peril**
- b) the most **we** will pay is the **limit** as stated in the **schedule** any one occurrence.

Failure of Equipment

This **policy** shall not be prejudiced in the event of a failure of any detection protection and/or extinguishment or similar system due to any unforeseen defect in the said system unknown or beyond **your** control provided that **you** have taken all reasonable precautions to prevent such failure and shall have notified **us** immediately it becomes known to **you**.

Failure of Third Party Insurances

This section extends to include:

- a) buildings; and
- b) rent of the aforesaid buildings

at the **premises** defined below for the amount of **damage** to such buildings or 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 **you** as a result of:

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

but excluding any payments in respect **damage** or loss of rent that **you** recover from any other party.

The most **we** will pay is the **limit** as stated in the **schedule**:

No amount will be recoverable:

- a) due to the operation of any excess or deductible under any more specific insurance
- b) 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 **your** actions
- c) due to the failure of the lessee or freeholder to make or pursue a legitimate insurance claim
- d) unless **you** carry out at not less than annual intervals a check of all properties owned by **you** or leased by **you** and for which **you** are responsible to ensure that effective insurance is in force for such properties.

Definition of 'premises' applicable to this clause:

All **your** properties anywhere in the United Kingdom which are leased to or by **you** 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 **you**.

Special Conditions applicable to this clause:

- a) **We** 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 **we** are the sole provider of buildings insurance in respect of **your** properties owned in connection with the **business** and where **you** have an obligation to arrange such insurance.

Fire Extinguishment Expenses

We will pay the reasonable costs incurred by **you** 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.

Fly-Tipping

We will pay the reasonable costs of clearing and removing any property illegally deposited in or around any **premises**.

The most **we** will pay is the **limit** as stated in the **schedule**.

Illegal cultivation of drugs cover

We will pay for the clean up costs and remedial works from the use of the premises for the manufacture, cultivation, harvesting or processing by any other method of drugs classed as a controlled substance under the Misuse of Drugs Act (1971).

Provided that you:

- a) carry out internal and external inspections of the buildings at least every 3 months or as frequently as is permitted under the tenancy agreement and
 - i) maintain a log of those inspections and retain that log for at least 24 months
 - ii) carry out a 6 monthly management check of the inspections log
- b) obtain and record a written formal identification of any prospective tenant
- c) obtain and retain a written employers reference for any new tenant
- d) obtain and record details of your tenant's bank account and verify those details by receiving at least one payment from that account
- e) advise your tenant, where sub-letting is allowed by the tenancy agreement, that they must follow the measures laid out in items b), c) and d) above for all lettings that they arrange.

If you do not comply with the above you will not receive payment in respect of a claim.

Inadvertent Omission to Insure

This section extends to include buildings in Great Britain and Northern Ireland and rent in respect thereof whereby you have an obligation to insure whether the buildings are owned by or on lease to you or in which you are interested as mortgagees but which have inadvertently been left uninsured.

Provided always that:

- a) the most we will pay is the limit as stated in the schedule
- b) you will give notice in writing to us immediately you become aware of an omission to insure and will pay the appropriate premium from the date upon which the insurance of the property became your responsibility
- c) you will carry out at not less than annual intervals a check of all properties owned by you or leased by you and for which you are responsible to ensure that effective insurance is in force for such properties
- d) this clause will only be effective if we are the sole provider of buildings insurance in respect of your properties owned in connection with the business as defined in the schedule and where you have an obligation to arrange such insurance.

Insurance Premiums

This section includes the cost of any insurance premiums in respect of latent defect policies or technical agents fees necessarily and reasonably incurred following damage as insured hereby.

Involuntary Betterment

In the event that new property of like kind and quality is no longer obtainable, new property which is as similar as possible to that lost, damaged or destroyed and which is capable of performing the same function shall be deemed to be new property of like kind and quality and in no event shall this be considered as a betterment.

In the event of replacement with new property we will pay the cost of purchasing and installing technologically current equipment which is necessitated by incompatibility between new equipment installed to replace damaged equipment and undamaged existing equipment at the same or an interdependent location.

Provided always that:

- a) damage was directly caused by something not excluded
- b) we shall be liable only for the amount sufficient to enable you to resume operations in substantially the same manner as before the damage
- c) we shall only be liable for:
 - i) the difference between the highest sales value of the undamaged existing equipment at the same or interdependent location and the installed cost of technologically current equipment
 - ii) the reasonable costs incurred by you with our prior consent in establishing whether or not such damage has occurred.

Landscaped Gardens

This section includes costs and expenses incurred with our consent in making good damage not otherwise excluded to landscaped gardens or grounds at the premises 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) we will not be liable for the first £500 of every claim or the amount stated as the excess in the schedule whichever is the greater in respect of each and every loss arising from damage caused by storm, flood or malicious persons (excluding arson) not acting on behalf of or in connection with any political organisation
- ii) the most we will pay is the limit as stated in the schedule.

Loan and Facility Agreements Clause

Where any party or parties are noted as being composite insured in this policy then any non disclosure, fraudulent misrepresentation or failure to comply with policy conditions on their part or on your part shall not prejudice the rights of the other party or parties provided that the other party or parties shall immediately on becoming aware of such non disclosure fraudulent misrepresentation or failure to comply with policy conditions give notice in writing to us.

In the event of a claim arising under this section we agree to waive any rights, remedies or relief to which we might become entitled by subrogation against any party noted as composite insured.

We agree not to cancel the policy without giving any party noted as composite insured 30 days written notice to their last known address.

Where any party is noted as being first loss payee in the schedule of this policy and in the event of a claim in respect of the property/properties in which they have an interest for an amount exceeding the amount stated in the schedule payment shall be made to the said party or in accordance with their written direction.

Loss of Market Value

It is agreed that:

- a) if you elect not to repair or rebuild the buildings we will pay to you at your option either:
 - i) the reduction in the market value of the buildings immediately following the damage
 - ii) the reinstatement cost of the buildings less an appropriate amount for wear and tear

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 **you** 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 European Community and Public Authorities including Undamaged Property clause) and as a result there is reduction in market value thereof we 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:

- i) the total amount recoverable under any item of the **policy** will not exceed its **sum insured**
- ii) 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.

Loss Minimisation and Prevention Expenditure and Additional Security Costs

This **section** extends to include costs and expenses necessarily and reasonably incurred by **you** with our consent for the sole purpose of avoiding or diminishing the amount of a loss following **damage** which but for that expenditure would have occurred including temporary additional security protection which may include but is not limited to boarding, temporary doors, weatherproofing, making secure and securing the site.

The most we will pay is the **limit** as stated in the **schedule**.

Metered Utilities

We will pay the cost for which **you** are 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.

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:

- a) such increase in risk is without their prior knowledge or authority; and
- b) we are notified immediately they become aware of such increase in risk; and
- c) **you** will pay an appropriate additional premium if required.

Munitions of war cover

If this cover is operative it will be shown in the **schedule**.

Item e) of the **Nuclear and War Risks, Government or Public Authority and Sonic Bangs general exclusion** will not apply to **damage** to **buildings** from or occasioned by the detonation of munitions of war or parts thereof in or within one mile of the **premises**, provided that the presence of such munitions does not result from a state of war current at the time of **damage**.

Newly Acquired/Constructed/Refurbished Properties

This **section** extends to include **buildings** in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man in so far as the same are not otherwise insured:

- a) newly acquired by **you**
- b) newly constructed or refurbished during the current **period of insurance**.

Provided always that:

- i) the most we will pay is the **limit** as stated in the **schedule**
- ii) **you** undertake to give particulars of such extension of cover as soon as practicable and to effect specific insurance thereon retrospective to the date of the commencement of our liability
- iii) the provisions of this **clause** will be fully maintained notwithstanding any specific insurance effected under b) above.

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 **your** control provided always that **you** immediately on becoming aware thereof will give notice to **us** and pay an appropriate additional premium if required.

Obsolete Building Materials

This **section** covers the reasonable additional cost incurred in repair of **damage** to materials which given consideration to the knowledge at the time of installation, construction or fitting were deemed fit for purpose but at the date of loss are no longer deemed so with alternative materials currently considered appropriate for purpose.

Other Interests

It is agreed that the interest of various lessees, freeholders, mortgagees or debenture holders in the property insured are noted at **your** request. **You** undertake to declare the names, nature and extent of such interests at the time of the **damage**.

Other Premises

Landlords contents and landlords' fixtures and fittings insured hereby are covered whilst temporarily removed to any other premises occupied by **you** in Great Britain and Northern Ireland provided always that they are not otherwise insured.

The most we will pay is the **limit** as stated in the **schedule**.

Party Wall

This **policy** includes the costs:

- a) of rebuilding or restoring or making safe **your building** to comply with any **stipulations** (as defined in the **European Community and Public Authorities including Undamaged Property clause**) or to restore the structural waterproofing or weatherproofing integrity of **your building** necessary as a consequence of **damage** by a cause not otherwise excluded under this **policy** to an adjoining property that is not **your responsibility**
- b) of reinstating a party wall whether such reinstatement is **your responsibility** or not where such costs are necessarily and reasonably incurred to facilitate the reinstatement of **damage** by a cause not otherwise excluded under this **policy**.

The insurance provided under **section 2** also extends to include consequential losses arising in consequence thereof.

Provided always that:

- i) we shall retain all rights of subrogation against a third party.
- ii) our liability under this **clause** shall not exceed 10% of the **declared value** of the **premises** affected.

Planning Application

This **section** extends to include the necessary and reasonable additional costs incurred by **you** in resubmitting a planning application as a result of a previous planning application failing solely due to **damage** as Insured hereby.

The most we will pay is the **limit** as stated in the **schedule**.

Privity of Contract

This **section** extends to include all such sums as **you** will become legally liable to pay during the period of insurance and will pay as indemnity to any tenant in respect of the repair or reinstatement of premises previously owned but which are no longer **your** property and where the current owner has failed to maintain adequate insurance cover.

Provided always that:

- 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) **you** will take all reasonable and appropriate steps to obtain release from **your** liabilities under the covenants to insure such property on its disposal
- c) this **clause** will only be effective if **we** are the sole provider of buildings insurance in respect of **your** properties owned in connection with the business as defined in the schedule and where **you** have an obligation to arrange such insurance
- d) the most we will pay is the **limit** as stated in the **schedule**.

Public relations expenses cover

This **section** extends to include reasonable costs incurred by **you** if as a result of **damage** to any **building** **you** need to employ suitable public relations personnel to deal with press and public announcements or other necessary activities.

Provided always that the most we will pay is the **limit** as stated in the **schedule**.

Reinstatement to Match

This **section** extends to include 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 most we will pay is the **limit** as stated in the **schedule** or the amount that would have been payable had the suite, common design or function been wholly destroyed whichever is the lesser.

Removal of debris cover

This **section** extends to include the costs and expenses necessarily incurred by **you** with our consent in:

- a) removing debris from
- b) dismantling and/or demolishing
- c) shoring up or propping the **buildings** or portions of the **buildings** necessary as a result of **damage**.

We will not pay for costs or expenses:

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

Removal of debris (tenants contents) cover

This **section** extends to include the irrecoverable costs and expenses (where they are not insured elsewhere) incurred by **you** with our consent to remove the debris of tenants contents following damage.

We will not cover costs or expenses:

- a) incurred in removing debris except from the site of the damaged **buildings** and the area immediately adjacent to the site
- b) arising from **pollution** or **contamination** of other property not insured by this **section**.

Removal of Insect Nests

This **section** extends to include the costs incurred by **you** in removing wasp, bee, hornet or other harmful insect nests from **buildings** insured by this **policy**.

Removal of Vermin

This **section** extends to include the reasonable costs incurred by **you** where they are required by a local authority or similar body to have vermin removed from any **building** insured by this **policy**.

Replacement of Keys and Resetting of Digital Locks

This **section** extends to include the costs and expenses necessarily and reasonably incurred by **you** for the replacement of locks or resetting of digital locks following the loss of keys to the **premises** or safes or strong rooms therein consequent upon theft of keys or reasonable evidence that the keys have been duplicated by an unauthorised person.

Seventy Two Hour Clause

It is agreed that all losses arising separately out of one event of storm, flood, earthquake, escape of water or fuel oil and sprinkler leakage as insured hereby occurring within each and every separate period of 72 hours during the **period of insurance** will be deemed to be one occurrence in determining the application of any **excess** amount applicable hereunder.

Subrogation Waiver

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

- a) any Company standing in the relation of parent to subsidiary or subsidiary to parent to **you** 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 **you** are **yourselves** 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
- d) the Managing Agent in respect of **damage** applicable to the **premises** if acting solely in the capacity of managing agent unless such **damage** arises out of the Managing Agents gross negligence or as a result of the Managing Agents wilful act or recklessness.

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 most we will pay is the **limit** as stated in the **schedule** 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.

Theft by Persons Lawfully on the Premises

We shall not be liable for the first £250 in respect of each and every loss arising from **damage** contributed to or caused by any person lawfully on the Premises.

The most we will pay is the limit stated in the **schedule**.

Trace and Access

Where the **buildings** have suffered **damage** or in the opinion of a competent professional there is a reasonable possibility of **damage** resulting from the escape of gas oil or water into the **premises** we will pay the costs necessarily and reasonably incurred in locating the source whether on the **premises** or not and subsequently making good. We will also pay the reasonable costs necessarily incurred by you in locating the source and subsequently making good any **damage** resulting from accidental damage to cables, underground pipes and drains serving the **premises**.

Provided always that the most we will pay is the **limit** as stated in the **schedule**.

Tree Felling or Lopping

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

Provided always that:

- a) we will not be liable for legal or local authority costs involved in removing trees
- b) we will not be liable for costs incurred solely to comply with a Preservation Order
- c) we will not be liable for the costs incurred in respect of routine maintenance
- d) the most we will pay is the **limit** as stated in the **schedule**.

Tree Removal

This **section** extends to include the costs and expenses necessarily and reasonably incurred in removing fallen trees and branches from the **premises** resulting from any cause not otherwise excluded.

The most we will pay is the **limit** as stated in the **schedule**.

Unauthorised use of Electricity, Gas, Oil, Water or Telecommunications

This **section** extends to include the cost of metered electricity, gas, oil, water or telecommunications for which you are legally responsible arising from unauthorised use by persons taking possession, keeping possession or occupying the **premises** without your authority provided always that all practicable steps are taken to terminate such unauthorised use as soon as it is discovered.

The most we will pay is the **limit** as stated in the **schedule**.

Upgrading Sprinkler Installations

This **section** extends to include the additional costs incurred following **damage** to the automatic sprinkler installation at the **premises** in the event that upon repair or reinstatement thereof we 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**.

Value Added Tax

The insurance by each item on **buildings** includes Value Added Tax paid by you which is not subsequently recoverable.

Provided always that:

- a) i) your 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) we have paid or have agreed to pay for such **damage**
- iii) if any payment made by us 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) were Value Added Tax is known to be unrecoverable or only partially recoverable an appropriate allowance has been made within the **sum insured** advised to us
- b) your 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 our 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) our liability under this **clause** will not include amounts payable by you 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 Our liability 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.

Welfare & Emergency Costs Services

This **section** includes costs incurred following loss or destruction of or **damage** caused by the Police or any Emergency Service in gaining access to the building as a result of their concern for the welfare of a resident, minimising **damage** or as a result of a criminal investigation.

Provided always that:

- a) the loss is fortuitous to you;
- b) our liability shall not exceed the **sum insured** as stated in the **schedule**.

Workmen's condition

Workmen, joiners and other tradesmen are allowed to work on the **building** to make repairs minor additions, alterations or decorations including or minor structural alterations without prejudice to this insurance.

Section 2 – Business Interruption

In the event of any **building** or other property used by the **you** at the **premises** for the purpose of the **business** suffering **damage** not otherwise excluded under this **policy** during the **period of insurance** and in consequence the **business** carried on by **you** at the **premises** be interrupted or interfered with then **we** will pay to **you** 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 **damage** there shall be in force an insurance covering **your** interest in the property at the **premises** against such **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) **our** liability 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 **damage**
 - ii) the **sum insured** (or **limit**) remaining after deduction for any other interruption or interference consequent upon **damage** occurring during the same **period of insurance** unless we have agreed to reinstate any such **sum insured** (or **limit**).

Definitions applicable to Section 2

Consequential Loss

Consequential loss will mean loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** in consequence of **damage** to property used by **you** at the **premises** for the purpose of the **business**.

Estimated Rent Receivable

The amount declared by **you** to **us** 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

Damage to property used by **you** 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

- 1 To the extent that **you** are accountable to the tax authorities for Value Added Tax all terms in this **section** will be exclusive of such tax.
- 2 For the purpose of these definitions any adjustment implemented in current cost accounting will be disregarded.

The Cover

Item 1 – Rent Receivable

The insurance under this item is limited to a) Loss of **rent receivable**, b) Increase in cost of working and c) Accelerated reinstatement expenditure 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**
- c) in respect of Accelerated reinstatement expenditure: the further additional expenditure (other than that recoverable under b) Increase in cost of working and the cost of reletting clause) necessarily and reasonably incurred during the **indemnity period** and with **our** prior consent in consequence of the **incident** solely to avoid or minimise any loss of **rent receivable** not recoverable by **you** under this or any other **policy** during the period of 12 months immediately after the expiry of the **maximum indemnity period** but not exceeding the amount of the reduction in **rent receivable** avoided by such expenditure.

Provided always that:

- i) **we** shall not be liable for any costs in respect of any loss where the **maximum indemnity period** is less than 36 months
- ii) there has been no undue delay in reinstatement caused by or contributed to by **your** actions
- iii) the most **we** will pay is the **limit** as stated in the **schedule**

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**.

Item 2 – Increased Cost of Working

The insurance under this item is limited to Increased Cost of Working and the amount payable as indemnity hereunder will be the increased expenditure reasonably incurred by **you** during the **indemnity period** in order to minimise any interruption of or interference with the **business** in consequence of **damage**.

Provided always that in the event of **damage** **we** 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 **damage** 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**.

Notwithstanding proviso b) to section 2:

- a) **our** liability 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 **limit of liability** stated herein

- b) in the absence of written notice by **you** or **us** to the contrary **our** liability will not stand reduced by the amount of any loss by **you** undertaking to pay the appropriate additional premium for such automatic reinstatement of cover.

Clauses applicable to Section 2

1. Action of Competent Authorities

The insurance by this section will be 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 within one mile of the **premises** whereby access thereto shall be prevented provided always that there will be no liability under this clause 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 as stated in the **schedule**
- b) Maximum Indemnity Period will mean 3 months.

2. Alternative Residential Accommodation and Rent

Where as a result of **damage** by any cause not otherwise excluded to a residential property which renders it uninhabitable or access is prevented thereto **we** will indemnify **you** in respect of each separate dwelling by one of the following:

- a) the reasonable additional costs of comparable accommodation incurred by the owner, lessee or tenant plus the temporary storage of their residents furniture plus the reasonable costs of accommodation for domestic pets during the period until the residential property is habitable and accessible
- b) the loss of rent received or receivable being the amount by which the **rent receivable** by **you** during the **indemnity period** shall in consequence of the **damage** fall short of the **standard rent receivable**
- c) a cash allowance not exceeding 25% of the amount payable under 1) above during the period until the **residential property** is habitable and accessible.

Provided that:

- i) cover for such costs shall only apply to the extent that such costs are not otherwise insured
- ii) the maximum payment under this clause shall not exceed 33% of the **sum insured** applying to the **residential property** or to the parts of the **residential property** that have suffered **damage**
- iii) for the purposes of this clause the **maximum indemnity period** shall be as declared to **us** but no less than 36 months.

3. Anchor Tenant

If property in any part of the **premises** is **damaged** by any cause not excluded hereby and such **damage** directly results 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 **your business** it will be deemed that an **incident** has occurred.

For the purpose of this clause:

- a) the **limit** is as stated in the schedule
- b) **maximum indemnity period** will mean 12 months.

4. Anticipated Rent

If the **buildings** are **unoccupied** at the commencement of the **indemnity period** where **rent receivable** is insured **you** must show that but for the **damage rent receivable** would have been earned.

We will have regard:

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

If required the advice of a professional valuer acceptable to both **you** and **us** will be sought and such fees will be included in the indemnity under this section.

5. Insurance Premiums

Rent receivable is deemed to include insurance premiums only where there is a **clause** in the lease which enables the lessee to cease paying such premiums or part thereof in the event of **damage**.

6. Alternative Trading

If during the **indemnity period** the **business** is conducted elsewhere than at the **premises** the money paid or payable to **you** in respect of such other premises will be brought into account in arriving at the **rent receivable** during the **indemnity period**.

This clause will not apply where **you** are able to prove that the alternative premises used for this purpose would otherwise have been let to another party. Such proofs to consist of signed lease or licence agreements or similar.

7. Break Clause

Cover under this section shall not be prejudiced by any clause contained within the lease agreement that allows the lessee to determine the lease in the event of **damage**.

8. Buildings Awaiting Sale

If at the time of the Incident **you** shall have contracted to sell **your** interest in any **premises** and the sale is cancelled or delayed solely in consequence of **damage** the amount payable may at **your** option be either:

- a) during the period prior to the date upon which but for the **damage** the **premises** would have been sold the loss of rent being the actual amount of the reduction in the **rent receivable** by **you** during the **indemnity period** solely in consequence of **damage**
- b) during the period commencing with the date upon which but for the **damage** the **premises** would have been sold and ending with the actual date of sale or with the expiry of the **indemnity period** if earlier the loss in respect of interest being:
 - i) the actual interest incurred on capital borrowed solely to offset in whole or in part the loss of use of the sale proceeds for the purpose of financing the **business**
 - ii) the investment interest lost to **you** 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 **our** consent 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.

9. Capital Additions Rent Receivable

Item 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 1** of this **policy** in so far as such **rent receivable** is not otherwise insured.

Provided always that:

- a) at any one situation **our** liability will not exceed the limit stated in the **schedule** during any one **period of insurance** whichever is the lesser
- b) **you** 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 **our** liability
- c) the provisions of this **clause** will be fully maintained notwithstanding any specific insurance effected under b) above.

10. Cost of Reletting

Item 1 also covers costs and expenses necessarily and reasonably incurred with **our** consent during the **indemnity period** in reletting the **premises** including legal fees in connection with the reletting solely in consequence of **damage**.

11. 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 **you** 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 **clause**:

- 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) **we** will not be liable for any costs incurred in cleaning, repair, replacement or checking of property other than costs and expenses not exceeding the limit stated in the **schedule** in any one **period of insurance** necessarily incurred with **our** 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) **we** will have no liability under this **extension** if **you** are at the time of the outbreak in breach of **your** statutory obligations in respect of the control of Legionellosis
- e) **our** liability under this **clause** will not exceed the **limit** as stated in the **schedule** 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.

12. Loss of Attraction

If property within one mile of the **premises** suffers **damage** by any cause not excluded and as a direct result there is a fall in the number of customers attracted to **your premises** it will be deemed that an **incident** has occurred.

Provided always that:

- a) there is an identifiable reduction in **your business** solely in consequence of the **incident**
- b) there is no liability for loss resulting from interruption of or interference with the **business** for less than 12 hours duration
- c) Maximum Indemnity Period will mean 3 months
- d) the **limit** is as stated in the **schedule**.

13. Loss of Investment Income on Late Payment

Where following **damage** **we** are making a payment in respect of **rent receivable** and the payment to **you** by **us** is made later than the date upon which **you** would normally expect to receive such rent from the lessee **we** will pay a further sum representing the interest which **you** would have earned by placing the money in **your** normal deposit account on the earlier date.

14. Managing Agents

If property at the premises of any managing agents employed or engaged to collect **rent receivable** suffers **damage** by any cause not excluded and as a direct result there is a loss of **rent receivable** it will be deemed that an **incident** has occurred.

Provided always that:

- a) such **rent receivable** is not paid to **you** 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 as stated in the **schedule**.

15. New Business

For the purpose of any claim arising from **damage** 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 **damage** would have been obtained during the relative period after the **incident**.

16. 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 **you** 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 or murder or suicide at the **premises**.

Provided always that for the purposes of this **clause**:

- a) '**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
- b) '**premises**' will mean only those locations stated in the **premises** definition. In the event that this **policy** includes an extension which deems **damage** at other locations to be an incident such extension will not apply to this **clause**
- c) '**notifiable disease**' will mean illness sustained by any person resulting from:
 - i) food or drink poisoning
 - ii) one of the following specified human infectious or human contagious diseases:

Acute encephalitis	Ophthalmia neonatorum
Acute poliomyelitis	Paratyphoid fever
Bubonic Plague	Rabies
Anthrax	Relapsing fever
Cholera	Rubella
Diphtheria	Scarlet fever
Dysentery	Smallpox
Leprosy	Tetanus
Leptospirosis	Tuberculosis
Malaria	Typhoid fever
Measles	Typhus fever
Meningitis	Viral hepatitis
Meningococcal Infection	Viral haemorrhagic
Mumps	Whooping cough
Yellow fever	
- d) we will not be liable under this **clause** for any costs incurred in the cleaning, repair, replacement, recall or checking of property
- e) we will only be liable for the loss arising at those **premises** which are directly affected by the occurrence, discovery or accident
- f) **maximum indemnity period** will mean 3 months
- g) the **limit** is as stated in the **schedule**.

17. Payments on Account

Payments on account may be made during the **indemnity period** if required by you subject to any necessary adjustments at the end of the **indemnity period**.

18. Prevention of Access

If property within one mile of the **premises** suffers **damage** by a **defined peril** and shall prevent or hinder the use of the **premises** or access thereto whether the **premises** or property belonging to you therein shall be **damaged** or not it shall be deemed to be an **incident** but excluding loss or destruction of or **damage** to property of any supply undertaking from which you obtain electricity, gas, water or telecommunications services which prevents or hinders the supply of such services to the **premises**.

The **Limit** is 100% of the Rent Receivable or £10,000,000 whichever is the lesser.

19. Professional Accountants

Any particulars or details contained in your books of account or other business books or documents which may be required by us under the **claims procedure general 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 you and their reports will be prima facie evidence of the particulars and details to which such reports relate.

We will pay to you the reasonable charges payable by you to your professional accountants for producing such particulars or any other proofs, information or evidence as may be required by us under the terms of the **claims procedure general condition** of this **policy** and reporting that such particulars or details are in accordance with your 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 our liability as stated.

20. Public Utilities

- a) If property at any of the following locations within Great Britain or Northern Ireland from which you obtain electricity, gas, water or telecommunications services suffers **damage** by a **defined peril** which shall prevent or hinder the use of the **premises** it shall be deemed to be an **incident**:
 - i) a generating station or sub-station of the public electricity supply undertaking
 - ii) land based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith
 - iii) water works or pumping station of the public water supply undertaking
 - iv) land based premises of the public telecommunications undertaking
- Limit** 100% of the Rent Receivable or £10,000,000 whichever is the lesser.
- b) If the use of the premises is hindered due to the failure of the public supply of:
 - i) electricity at the terminal ends of the supply undertaking's service feeders at the **premises**
 - ii) gas at the supply undertaking's meters at the **premises**
 - iii) water at the supply undertaking's main stop cock serving the **premises**
 - iv) telecommunications services other than satellite services at the incoming line terminals or receivers at the **premises**

as a direct result of **damage** to cables or pipes conveying the said services to the **premises** but excluding any failure which does not involve a cessation of supply for at least 24 consecutive hours it shall be deemed to be an **incident**.

Maximum Indemnity Period will mean 6 months.

Limit 25% of the Rent Receivable or £5,000,000 whichever is the lesser.

21. Renewal

You will prior to each renewal provide us with the **estimated rent receivable** for the financial year most nearly concurrent with the ensuing year of insurance.

22. Rent Free Periods

If at the date of **damage** 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**.

23. Subrogation Waiver

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

- a) any Company standing in the relation of Parent to Subsidiary or Subsidiary to Parent to **you** 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 **you** are **yourselves** a Subsidiary in each case within the meaning of the Companies Act or Companies (N.I.) Order as appropriate current at the time of **damage**
- c) any tenant or lessee in respect of **damage** or **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 **damage** or **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
- d) the Managing Agent in respect of **damage** or **consequential loss** applicable to the **premises** if acting solely in the capacity of managing agent unless such **damage** or **consequential loss** arises out of the Managing Agent's gross negligence or as a result of the Managing Agents wilful act or recklessness.

24. 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
- d) closed down or sealed off in accordance with instructions issued by the police or by any other statutory body except where the cause of such closure or sealing off is:
 - i) the condition of the **buildings** or the **business** carried on within the **buildings**
 - ii) **your** or the lessee's non-compliance with a prior order of the police or any statutory body
 - iii) action taken as a result of drought or diseases or other hazards to health.

Provided always that we will not be liable for:

- a) loss arising from any cause within the control of **you** or the lessee
- b) loss arising from physical loss or destruction of or **damage** to property
- c) 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
- d) any **incident** involving prevention or hindrance of access to or use of the **premises** of less than 12 consecutive hours duration.

For the purpose of this clause the limit is £250,000.

Sections 1 and 2 Buildings and Business Interruption – Conditions

Unoccupied properties condition

You must tell us as soon as practicable, but always within 30 days of **you** becoming aware:

- a) that the **building** is **unoccupied**
- b) of any **damage** to the **unoccupied building** whether the **damage** is insured or not.

Whenever a Building or portion thereof becomes unoccupied:

- a) for a period in excess of 90 days we will not be liable for the first £500 of each and every loss following damage resulting from acts of Malicious damage other than by Fire or Explosion not acting on behalf of or in connection with any political organization, Storm, Flood, Escape of Water or Fuel Oil, Sprinkler Leakage or Theft
- b) the following action must be implemented by **you** within 30 days from the date that **you** or **your** managing agent becomes aware that the building is unoccupied:
 - i) all mains services, except electricity supply to maintain any fire or intruder alarm system must be turned off and the water system must be completely drained or during the period 1 October to 1 April each year, central heating systems must be kept working at a minimum temperature of 5 degrees Celsius. Where sprinkler systems are installed and water supplies must be maintained heating must be maintained at a minimum temperature of 5 degrees Celsius
 - ii) Unless **you** are notified by **us** in writing to the contrary an inspection of the building internally and externally must be carried out at least every 14 days by an authorized representative or such other frequency as notified in writing by **us** and any waste removed
 - iii) All letter boxes must be sealed up and steps taken to prevent accumulations of mail
 - iv) Buildings must be secured against unlawful entry by closing and locking doors and windows and setting any security and alarm systems.

It is agreed that the above actions do not apply:

- a) in respect of premises solely occupied as shop, office and residential buildings where the upper floors of an otherwise occupied building becomes unoccupied unless **you** are notified by **us** to the contrary
- b) in respect of multi-tenure premises or shopping centre premises where less than 20% is unoccupied.

Sections 1 and 2 Buildings and Business Interruption – What is not covered

Brittle articles exclusion

We will not cover **you** for **damage** to glass (other than fixed glass) china, earthenware, marble, curiosities, works of art or other fragile or brittle objects other than **damage** caused by a **defined peril** which is covered by these sections.

Collapse exclusion

We will not cover **you** for **damage** or **consequential loss** to the **building** or structure caused by its own collapse or cracking other than for **damage** and **consequential loss** caused by a **defined peril** which is covered by these sections.

Data exclusion

We will not cover you for damage or consequential loss arising from erasure, loss, distortion or corruption of information on computer systems or other records, programs or software.

Excess exclusion

We will not cover you for the amount shown in your schedule for each and every loss and applied after the application of all other terms and conditions of the policy including any condition of average.

Faulty or defective workmanship exclusion

We will not cover you for damage or consequential loss caused by or consisting of faulty or defective workmanship, operational error or omission by you, any employed persons or anyone on your behalf, other than for damage and consequential loss caused by a defined peril which is covered by these sections.

Miscellaneous damage exclusion

We will not cover you for damage or consequential loss caused by or consisting of:

- a) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
- b) change in temperature, colour, flavour, texture or finish
- c) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping connected to them
- d) mechanical or electrical breakdown or derangement for the particular machine, apparatus or equipment where the breakdown or derangement originates
- e) acts of fraud or dishonesty

other than for damage and consequential loss caused by a defined peril which is covered by these sections.

More specific insurance exclusion

We will not cover you for any buildings more specifically insured by you or on your behalf.

Other property exclusion

We will not cover you for damage or consequential loss:

- a) to property or structures in course of construction or erection and materials or supplies in connection with all such property
- b) to land, piers, jetties, bridges, culverts and excavations
- c) to trees or growing crops
- d) to pitch fibre pipes
- e) defective design or workmanship or the use of defective materials, unless specifically covered by other clauses in this policy.

Subsidence exclusion

We will not cover you for damage or consequential loss:

- a) to land unless also affecting a building insured hereby
- b) arising from coastal or river erosion
- c) arising from the normal bedding down of new structures
- d) arising from the settlement or movement of made-up ground
- e) which originated prior to the inception of this policy
- f) resulting from demolition, construction, structural alteration or repair of any property at the premises
- g) arising from groundworks or excavation at the premises.

Supply Authority

We will not cover you for 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.

Pollution or contamination exclusion

We will not cover you for any damage or consequential loss caused by pollution or contamination unless the damage and consequential loss is caused by:

- a) pollution or contamination which itself results from a defined peril which is covered by these sections
- b) any defined peril which itself results from pollution or contamination which is covered by these sections.

Property in the open exclusion

We will not cover you for damage or consequential loss to moveable property in the open caused by wind, rain, hail, sleet, snow, flood, dust or theft.

Steam pressure exclusion

We will not cover you for damage or consequential loss caused by or consisting of the bursting by steam pressure of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel, machine or apparatus where internal pressure is due to steam only belonging to you or under your control.

But we will cover subsequent damage and consequential loss which results from a defined peril which is covered by these sections.

Storm or Flood exclusion

We will not cover you for damage or consequential loss:

- a) attributable solely to change in the water table level other than for an amount not exceeding the limit stated in the schedule during any one period of insurance
- b) caused by frost
- c) to fences and gates unless caused by falling trees or there is damage to structural parts of the buildings at that same time
- d) to trees plants shrubs and turf unless there is damage to the buildings at the same time.

Terrorism

We will not cover you for loss, damage, consequential loss, cost or expense directly or indirectly caused by, contributed to by, resulting from, or arising out of or in connection with any act or acts of terrorism.

In any action, suit or other proceedings where we allege that by reason of this exclusion cover is not provided under this policy the burden of proving that such loss, damage, consequential loss, cost or expense is covered shall be upon you.

Definitions

For the purposes of this exclusion 'terrorism' shall 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 and Northern Ireland but not the territorial seas adjacent thereto as defined by the Territorial Seas Act 1987: 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

Section 3 – Property Owners Liability

- b) in respect of any occurrence elsewhere than as described in a) above or the Isle of Man or Channel Islands: any act or preparation in respect of action or threat 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 whether acting alone or on behalf of or in connection with any organisation or government 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.

Unexplained loss exclusion

We will not cover you for **damage** or **consequential loss** caused by or consisting of disappearance, unexplained or inventory shortage, misfiling or misplacing of information.

Wear and tear, deterioration exclusion

We will not cover you for **damage** or **consequential loss** caused by or consisting of inherent vice, latent defect, gradual deterioration, wear and tear, or its own faulty or defective design or materials. But we will cover subsequent **damage** which itself results from a **defined peril**.

The Cover

We will indemnify you or your legal representative during the period of insurance subject to the **limits of indemnity** shown in the **Schedule** for this section against **damages** and claimants costs and expenses incurred in conjunction with the business during the period of insurance for which you are legally liable in respect of:

- a) accidental **injury** to any person
- b) accidental **damage** to property
- c) accidental interference with or loss of enjoyment of any right of light air water way easement or property as a result of obstruction trespass nuisance stoppage of or interference with pedestrian vehicular rail air or waterborne traffic other than legal liability for damages which result from a deliberate act or omission by you or which is a natural consequence of the ordinary conduct of the business and which could reasonably have been expected by you having regard to the nature and circumstances of such act or omission in respect of the **premises**.

Our liability for all damages payable to any claimant or number of claimants in respect of any one event or series of events arising out of one original cause shall not exceed the amount stated in the **schedule** as the **limit of indemnity**.

Additional Costs and Fees

We will in addition pay in respect of any claim which may be the subject of indemnity under the terms of this section:

- a) legal fees for representation at any coroner's inquest or inquiry in respect of any death or proceedings in any court arising out of any alleged breach of statutory duty resulting in any occurrence which may be the subject of indemnity under this section
- b) all other costs and expenses incurred with our written consent.

Exclusions

We shall not provide indemnity in respect of:

- a) Injury to any **employee** arising out of and in the course of employment or engagement by you in the **business**
- b) Damage to property belonging to or in your custody or control other than directors partners **employees** or visitors personal effects including motor vehicles and their contents
- c) liability caused by or arising from the ownership possession or use by or on your behalf of any craft designed to travel on or through water, air or space
- d) liability caused by or arising from the ownership possession or use by or on your behalf of any mechanically propelled vehicle (or trailer attached to it) if being used in circumstances for which compulsory insurance or security is required under any legislation governing the use of the vehicle
- e) the exercise of professional skill or breach of professional duty whether by way of instruction advice direction treatment or otherwise supplied given or administered by you or on your behalf whether or not a fee be charged
- f) liability caused by or arising from works to any premises other than repairs and or maintenance and or alterations
- g) i) liquidated damages or fines or penalties which attaches solely because of a contract or agreement
ii) punitive exemplary vindictive or aggravated damages or compensation ordered or awarded by a court of law outside Great Britain, Northern Ireland, Isle of Man or the Channel Islands
- h) liability arising from **products** after they have ceased to be in your custody or control other than food or beverages for consumption on your **premises** or at any other premises where the you are carrying on the **business**
- i) loss of or damage to that part of any property upon which you or any servant or agent of yours is or has been working where the loss or damage is the direct result of such work

- j) any associated or subsidiary company of **yours** or branch office or representative of **yours** with power of attorney domiciled elsewhere than in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- k) 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
- l) We will not cover claims:
 - i) caused by or arising from any deliberate act, error or omission
 - 1) where the results are intended or expected, or are reasonably foreseeable by **you**
 - 2) by anyone other than **you**, so far as cover is requested for their own liability
 - ii) for clean up costs in circumstances where **you** have knowingly
 - 1) deviated from any regulatory notice, order or protection ruling
 - 2) omitted to inspect, maintain or perform necessary repairs to plant or machinery for which **you** are responsible.

For the purposes of this exclusion the following definition applies:

Clean up costs

Costs and expenses of remediation of environmental damage or environmental harm.

- m) We will not cover claims caused by or arising from:
 - i) authorised or unauthorised transmission of electronic data
 - ii) the content of any website, **your** email, intranet or extranet
 - iii) loss, distortion, erasure, corruption or alteration of electronic data or any loss of use resulting in reduction of functionality
 - iv) failure of electronic, electromechanical data processing or electronically controlled equipment or electronic data to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.

For the purposes of this exclusion the following definition applies:

Electronic data

Facts, concepts or information in a form usable for communications, interpretation or processing by electronic or electro-mechanical data processing or electronically controlled equipment which includes programmes, software, firmware, operating systems or other coded instructions for the processing or manipulation of data.

- n) Employment Dispute Exclusion

We will not cover claims caused by or arising from a dispute with, or proceedings brought by, any person for

 - i) their existing, past or prospective contract of employment with **you**
 - ii) a breach of employment related legislation.

Financial Loss

Any liability for financial loss.

Special Provisions

1 Pollution

We shall not provide indemnity in respect of **pollution or contamination** unless the **pollution or contamination** is caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific moment in time and place during any **period of insurance**.

All **pollution or contamination** arising out of one incident shall be deemed to have occurred at the time such incident takes place

The total amount payable by **us** in respect of all such **pollution or contamination** which is deemed by **us** to have occurred during any **period of insurance** shall not exceed the **limit of indemnity** shown 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 **injury** directly or indirectly caused by such **pollution or contamination**.

2 Terrorism

The **limit of indemnity** in respect of any claim or claims against or by **you** arising directly or indirectly from **terrorism** will be the **limit of indemnity** shown in the **schedule** during any one **period of insurance**.

For the purposes of this special provision 'terrorism' means any act:

- a) involving violence against one or more persons
- b) involving **damage** to property
- c) endangering a person's life other than that of the person committing the act
- d) creating a risk to health and safety of the public or a section of the public
- e) designed to interfere with or 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.

Extensions

1 Compensation for Court Appearance

We will pay **you** at the daily rates detailed in the **schedule** for the attendance of any director partner or any individual employed by **you** under a contract of service or apprenticeship at court as a witness at **our** request in connection with a claim under this section.

2 Contingent Liability for Motor Vehicles

Notwithstanding **exclusion 4** of this section we will indemnify **you** in respect of legal liability caused by or in connection with any motor vehicle not the property of or provided by **you** which is being used in the course of the **business** provided that we will not be liable in respect of:

- a) liability arising when such vehicle is being driven
 - i) by **you**
 - ii) with **your** general consent
 - iii) by any person who to **your** knowledge 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
- b) physical damage to any such vehicle
- c) any occurrence arising outside the **territorial limits**
- d) any occurrence for which **you** are entitled to indemnity under any other insurance.

3 Contractual Liability

As far as concerns liability assumed by **you** by agreement and which would not have attached in the absence of such agreement we will only indemnify **you** if the conduct and control of claims is vested in **us** but this will not apply to liability in respect of any contract for or including the performance of work outside the **territorial limits**.

4 Corporate Manslaughter

We will indemnify **you** in respect of legal costs and expenses incurred with **our** 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 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) **our** 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 Isle of Man or the Channel Islands
- c) **we** must consent in writing to the appointment of any solicitor or counsel who are to act for **you** or on **your** behalf
- d) **you** will give **us** immediate notice of any summons or other process served upon **you** 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) **we** will be under no liability:
 - i) where the **you** have 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 etc. Act 1974 or the Health and Safety at Work (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 **we** have already indemnified **you** 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 or investigation connected with corporate manslaughter or corporate homicide under another clause applicable to this section of this **policy** the amount paid under that clause will be taken into account in arriving at the **our** liability payable under this extension.

5 Data Protection Act

We will indemnify **you** and at **your** request any director or partner of **yours** or any **employee** against legal liability to pay damages and claimants costs and expenses for damage or distress as described in Section 13 of the Data Protection Act 1998 not otherwise insured hereunder and first made against **you** in connection with the business during the **period of insurance**.

Provided that:

- a) **our** liability for **damages** costs and expenses shall for the purpose of this **extension** apply in respect of the total of all claims during any one **period of insurance**
- b) **you** have registered in accordance with the terms of the said Act or has applied for such registration which has not been refused or withdrawn
- c) **we** shall not provide indemnity:
 - i) for 10% of each claim subject to a minimum of £500 and a maximum of £5,000

- ii) against liability caused by or arising from a deliberate act by or omission of any person entitled to indemnity under this **extension** if the result thereof could reasonably have been expected having regard to the nature and circumstances of such act or omission for the costs of replacing reinstating rectifying erasing blocking or destroying any personal data
- iii) against liability caused by or arising from any incident or circumstances known to **you** at inception of this **extension** which may give rise to a claim
- iv) against liability caused by or arising from the recording processing or provision of data for reward or the determining of the financial status of a person
- v) against liability which attaches by virtue of a contract or agreement and would not have attached in the absence of such contract or agreement regardless of whether the sole conduct and control of claims is vested in **us**
- vi) for the payment of fines or penalties
- vii) for the cost of replacing, reinstating, rectifying or erasing any personal data.

6 Defective Premises Act 1972

We will indemnify **you** in respect of liability which **you** incur under Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective Premises (Northern Ireland) Order 1975 in respect of premises which **you** have disposed of.

Provided that **we** shall not be liable for:

- a) the cost of remedying any defect or alleged defect
- b) any **damage** to such premises
- c) any loss for which **you** are entitled to indemnity under any other insurance.

7 Environmental Clean up Costs

We will indemnify **you** in respect of all sums including statutory debts that **you** are 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) **our** 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 **we** 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) **we** will be under no liability:
 - i) in respect of **clean up costs** for damage to **your** land, premises, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in **your** 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 **your** land, premises, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in **your** 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 **you** or where **you** have knowingly deviated from environmental protection rulings or where **you** have knowingly omitted to inspect, maintain or perform necessary repairs to plant or machinery for which **you** are responsible
- x) in respect of fines or penalties of any kind
- xi) for damage caused by the ownership or operation on **your** behalf 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 **you**.

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

'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.

'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.

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

'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 **injury** directly or indirectly caused by such **pollution or contamination**.

8 Indemnity to Other Persons

We will also indemnify:

- a) at **your** request:
 - i) any director partner or **employee** of **yours** while acting in connection with the **business** in respect of liability for which **you** would have been entitled to indemnify if the claim had been made against **you**
 - ii) any officer member or **employee** of **your** catering social sports and welfare organisations or first aid fire security or ambulance services in his/her respective capacity as such
 - iii) any director partner or **employee** of **yours** in respect of private work carried out with **your** consent for such person by an **employee of yours**

- b) any principal to the extent that the contract or agreement between **you** and such principal requires indemnity
- c) the legal representative of any person entitled to indemnity under this **extension** in respect of liability incurred by such person.

Provided that:

- a) any person entitled to indemnity under this **extension** shall observe and be subject to the terms and conditions of this **policy** so far as they can reasonably apply
- b) such person shall not be entitled to indemnity under any other insurance
- c) We shall have the sole conduct and control of any claim.

9 Libel and Slander

We will also indemnify **you** in respect of **your** legal liability to pay compensation and claimants costs and expenses in respect of claims made against **you** during the **period of insurance** arising from any act of libel or slander committed or uttered by **you** in good faith 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 **your** in-house and trade publications
- b) **our** liability under this extension will not exceed the amount stated in the **schedule** in any one **period of insurance**.

10 Managing Agent

In the event of a claim arising which **you** would be entitled to receive indemnity under this **section** being brought or made against a managing agent whilst acting in their capacity of managing agent for **you**, we will indemnify such party if **you** so request against such claim and any costs, charges and expenses in respect thereof.

Provided that:

- a) such party shall as though he were **you** observe, fulfil and be subject to the terms, limitations and conditions of this **policy**
- b) we shall not be liable under this **extension** unless we have sole conduct and control of the claims
- c) **our** total liability under this **extension** to pay compensation will not exceed the **limit(s) of indemnity**.

11 Legal Defence Costs

We will pay legal costs and expenses incurred by **you** or at **your** request by any director partner or **employee** for the defence of a prosecution (including an appeal against a conviction) for a breach of:

- a) the Health and Safety at Work etc Act 1974
- b) the Health and Safety at Work (Northern Ireland) Order 1978
- c) Part II of the Consumer Protection Act 1987.

committed or alleged to have been committed during the **period of insurance** in the course of the business resulting in accidental injury to any person or accidental **damage** to property.

We shall not be liable for:

- a) the payment of fines or penalties
- b) legal costs and expenses in connection with any breach of duty arising from a deliberate or premeditated act event or omission which the person claiming to be indemnified knows or should have known would be likely to constitute an offence under the above Act or Order
- c) proceedings brought outside the **territorial limits**
- d) for the cost of any investigation or inquiry other than a solicitor's investigation restricted to criminal proceedings as above defined
- e) any costs unless we have the sole conduct and control of all claims

- f) any costs relating to an appeal against improvement or prohibition notices
- g) costs expenses or reimbursements incurred in connection with proceedings brought in respect of a breach of a statutory duty to an **employee**.

12 Movement of Obstructing Motor Vehicles

Exclusion 4 shall not apply to liability caused by or arising from any motor vehicle (not owned or hired by or lent to **you**) being driven by **you** or by any **employee** with **your** permission whilst such vehicle is being moved for the purpose of allowing free movement of any vehicle owned hired by or lent to **you** or any **employee** of **yours**.

Provided that:

- a) movements are restricted to motor vehicles parked on or obstructing the premises
- b) the vehicle causing obstruction will not be driven by any person unless such person is competent to drive the vehicle
- c) the vehicle causing obstruction is driven by use of the owner's ignition key
- d) **we** shall not provide indemnity against liability
 - i) in respect of damage to such vehicle
 - ii) in respect of which compulsory insurance or security is required under any legislation governing the use of the vehicle.

13 Overseas Personal Liability

We will indemnify **you** and if so requested by **you**:

- a) any director partner or **employee** of the **yours**
- b) any spouse or child of such director partner or **employee** of **yours** accompanying such persons against legal liability to pay damages incurred in a personal capacity whilst temporarily outside the **territorial limits** in connection with the **business**.

We will not provide an indemnity in respect of liability:

- a) where indemnity is provided by any other insurance
- b) arising from ownership possession or use of wild animals firearms (other than sporting guns) mechanically propelled vehicles aircraft spacecraft hovercraft or watercraft
- c) arising out of the ownership or occupation of land or buildings
- d) arising from the carrying on of any trade or profession not connected with **your business**.

14 Vehicles (Tool of Trade Use)

Notwithstanding **Exclusion 4** of this section **we** will indemnify **you** in respect of **your** liability arising out of:

- a) the use in the course of the **business** of any mechanically propelled vehicle (or trailer attached to it) as a tool of trade
- b) the loading or unloading of or the bringing of a load to or the taking of a load from any vehicle machine or trailer but this indemnity shall not apply if in respect of such liability for which compulsory insurance or security is required under any legislation governing the use of the vehicle.

15 Wrongful Arrest

We will indemnify **you** against all sums which **you** become legally liable to pay as damages costs and claimants expenses as the result of charges of wrongful arrest, false imprisonment, assault, slander or other actionable wrong being made against **you** arising out of any allegation of shoplifting or other improper conduct by any customer or customers or any other person or persons other than **employees** of **yours** at **your premises** during the **period of insurance** provided always that **we** will not indemnify **you** against costs and expenses incurred by **you** or **your** solicitors in defending any charge arising out of any incident which might or does give rise to a claim.

Section 4 – Employers' Liability

The Cover

We will indemnify you subject to the **limit of indemnity** shown in the schedule for this section against legal liability for damages and claimants costs and in respect of injury to any **employee** caused during any **period of insurance** and arising out of and in the course of employment or engagement of such person by you in the **business** within the **territorial limits** or while temporarily engaged in work outside the **territorial limits**.

Our liability (inclusive of all costs and expenses payable) for all damages payable to any claimant or number of claimants in respect of any one event shall not exceed the amount stated in the schedule as the **limit of indemnity** for any one event.

Costs and Fees

We will pay in respect of any claim which may be the subject of indemnity under the terms of this section:

- a) legal fees for representation at any coroner's inquest or inquiry in respect of any death or proceedings in any court arising out of any alleged breach of statutory duty resulting in any occurrence which may be the subject of indemnity under this section
- b) all other costs and expenses incurred with the our written consent.

Provided that all such legal fees costs and expenses in respect of any one claim are included within the **limit of indemnity** for any one event stated in the schedule.

Exclusions

1 Motor

We will not provide indemnity in respect of liability for injury to any **employee** when the **employee** is:

- a) carried in or upon any motor vehicle or is
- b) entering or getting onto or alighting from a motor vehicle

in circumstances where you are required to arrange motor insurance or security in respect of such injury in accordance with any road traffic legislation within the European Union.

2 Work Offshore

We will not provide indemnity in respect of any claim for damages or injury 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.

3 Compensation for Court Appearance

We will pay you at the daily rates detailed in the schedule for the attendance of any director partner or any individual employed by you under a contract of service or apprenticeship at court as a witness at our request in connection with a claim under this section.

4 Corporate Manslaughter

We will indemnify you in respect of legal costs and expenses incurred with our 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 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) our 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 apply only to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- c) we must consent in writing to the appointment of any solicitor or counsel who are to act for you or on your behalf
- d) you will give us immediate notice of any summons or other process served upon you 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) we will be under no liability:
 - i) where the you have 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 etc. Act 1974 or the Health and Safety at Work (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 we have already indemnified you 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 or investigation connected with corporate manslaughter or corporate homicide under another clause applicable to this section of this policy the amount paid under that clause will be taken into account in arriving at the our liability payable under this extension.

5 Indemnity to Other Persons

We will also indemnify:

- a) at your request:
 - i) any director partner or **employee** of yours while acting in connection with the **business** in respect of liability for which you would have been entitled to indemnity if the claim had been made against you
 - ii) any officer member or **employee** of your catering social sports and welfare organisations or first aid fire security or ambulance services in his/ her respective capacity as such
 - iii) any director partner or **employee** of yours in respect of private work carried out with your consent for such person by your **employee**
- b) any principal to the extent that the contract or agreement between you and such principal requires indemnity
- c) the legal representative of any person entitled to indemnity under this extension in respect of liability incurred by such person.

Provided that:

- i) any person entitled to indemnity under this extension shall to observe and be subject to the terms and conditions of this policy so far as they can reasonably apply
- ii) We shall have the sole conduct and control of any claim

6 Legal Defence Costs

We will pay legal costs and expenses incurred by you or at your request by any director partner or employee for the defence of a prosecution (including an appeal against a conviction) for a breach of:

- a) sections 36 or 37 of the Health and Safety at Work etc 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** in the course of the **business** resulting in **injury to any employee**.

We shall not be liable for:

- a) the payment of fines or penalties
- b) costs where you or any of your directors or employees is insured by any other policy
- c) in respect of any proceedings not related to the health, safety or welfare of an employee
- d) legal costs and expenses in connection with any breach of duty arising from a deliberate or premeditated act event or omission which the person claiming to be indemnified knows or should have known would be likely to constitute an offence under the above act or order
- e) proceedings brought outside the **territorial limits**
- f) costs expenses or reimbursements incurred in connection with proceedings brought in respect of a breach of a statutory duty to an **employee**.

Provided always that you or any of your directors or employees will give to us immediate notice of any summons or other process served upon the you or any of your directors or employees and of any event that may give rise to proceedings against you or any of your directors or employees.

7 Unsatisfied Court Judgements

We will pay to an employee (or his legal personal representative) at your request the amount of the damages and awarded costs remaining unsatisfied six months after the date a judgement was obtained against another party domiciled in the **territorial limits** for injury to that **employee** occurring during the **period of insurance** and arising out of and in the course of the **employees** engagement by you in the **business**.

Whereupon the **employee** (or legal personal representative) shall assign the judgement to us.

We will not be liable:

- a) for Judgements obtained in any Court situated outside the **territorial limits**
- b) where an appeal against a judgement remains outstanding
- c) in respect of any judgement obtained against you or any director partner or **employee of yours** in those respective capacities.

Terrorism Restriction

The **limit of indemnity** payable under this section in respect of any one claim against or by you or series of claims against or by you arising directly or indirectly from **terrorism** will be the amount stated in the Schedule.

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

- a) involving violence against one or more persons
- b) involving damage to property
- c) endangering a person's life other than that of the person committing the act
- d) creating a risk to health and safety of the public or a section of the public
- e) designed to interfere with or 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.

Provisions – Sections 3 and 4

1 Acquisitions

We will indemnify any subsidiary company which is a property owner founded or acquired by you after the inception date of this policy.

For the purposes of this provision a subsidiary company is a company registered in the **territorial limits** and conforming to the description of a subsidiary company in the Companies Act 1985.

2 Employers' Liability Recovery (applicable to Section 4 Employers' Liability only)

You will repay to us all sums paid by us solely due to the provisions of any law relating to the compulsory insurance of liability to **employees** in the **territorial limits** which we would not have been liable to pay but for the provision of such law.

3 Our Rights (applicable to Section 3 Property Owners Liability only)

We may at any time pay any **limit of indemnity** for any one event shown in the Schedule (after deduction of any sum or sums already paid) or any less amount for which any claim or claims can be settled and then relinquish the conduct and control of the claim or claims and be under no further liability in respect of the claim or claims except for the payment of costs and expenses incurred with our written consent prior to the date of such payment.

General Conditions

1. Alteration

You must notify us as soon as possible during the **period of insurance** if there is any change in circumstances or to the material facts previously disclosed by you to us or stated as material facts by us to you which increases the risk of accident, injury, loss, **damage** or liability.

Upon notification of any such change we will be entitled to vary the premium and terms for the rest of the **period of insurance**.

If the changes make the risk unacceptable to us then we are under no obligation to agree to make them and may no longer be able to provide you with cover.

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 us.

3. Cancellation

We may cancel this **policy** or any section or part thereof by giving 14 days notice in writing by special delivery mail to you at your last known address and in such event you 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 you will:
 - i) as soon as reasonably possible give notice to us
 - 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 us any writ or summons issued against you 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 your 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 2**
 - 3) 30 days of any other loss or **damage**, interruption or interference with the **business** or **injury**

supply full details of the claim in writing to us together with any evidence and information that may be reasonably required by us 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 our consent.

5. Contractual Right of Renewal (Tacit)

If you pay the premium to us using our Direct Debit instalment scheme, we will have the right (which we may choose not to exercise) to renew the **policy** each year and continue to collect premiums using this method. We may vary the terms of the **policy** (including the premium) at renewal. If you decide that you do not want us to renew the **policy**, provided you tell us (or your insurance intermediary) before the next renewal date, we 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) our liability 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 our liability will be limited to such proportion of the claim as the **sum insured** bears to the value of the property.

7. Fraudulent claims

If you or anyone acting on your behalf:

- a) make a fraudulent or exaggerated claim under this **policy**; or
- b) use fraudulent means or devices including the submission of false or forged documents in support of a claim whether or not the claim is itself genuine; or
- c) make a false statement in support of a claim whether or not the claim is itself genuine; or
- d) submit a claim under this **policy** for loss or damage which you or anyone acting on the your behalf or in connivance with you deliberately caused; or
- e) realise after submitting what you reasonably believed was a genuine claim under this **policy** and then fails to tell us that you have not suffered any loss or damage; or
- f) suppresses information which you know would otherwise enable us to refuse to pay a claim under this **policy**

we will be entitled to refuse to pay the whole of the claim and recover any sums that we have already paid in respect of the claim.

We may also notify you that we will be treating this **policy** as having terminated with effect from the date of any of the acts or omissions set out in clauses a) to f) of this **general condition**.

8. Our Rights

We will:

- a) be entitled to take over the defence or settlement of any claim made upon you by any other party and you will give all assistance as may be reasonably required by us
- 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 you will not be entitled to abandon any property to us
- c) be entitled to take benefit of any rights of yours against any other party before or after you have received indemnification under this **policy** and you will give all assistance as may be reasonably required by us
- d) at our option indemnify you by payment, reinstatement, replacement or repair in respect of any property lost or damaged or part thereof. If we elect to reinstate or replace any property we 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 your death we will indemnify your legal personal representatives in respect of liability at law previously incurred by you provided they observe, fulfil and be subject to the terms, conditions and limitations of this Policy in so far as they can apply.

10. Reasonable Care

You 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 you 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.

11. Sanctions

Notwithstanding any other terms of this policy we will be deemed not to provide cover nor will we make any payment or provide any service or benefit to you or any other party to the extent that such cover, payment, service or benefit would violate any applicable trade or economic sanctions law or regulation.

12. Conditions Precedent

Every condition precedent to which this policy or any section or item thereof is, or maybe, made subject shall, from the time the condition precedent attaches, apply and continue to be in force during the whole currency of this policy.

Non-compliance with any such condition precedent shall be a bar to any claim under the relevant section(s) of this policy, where the subject matter of the claim was caused by the non-compliance or to the extent that it was increased by the non-compliance.

General Exclusions

Sections 1, 2 and 3 of this policy do 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 your property or not and whether operating before during or after the Year 2000 or any other date but in respect of all insurances other than property owners liability this will not exclude subsequent loss, destruction or damage or consequential loss, additional expenditure or extra expenses which itself results from a defined peril.

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.

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 or 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 will not exclude 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
- g) any chemical, biological, bio-chemical or electromagnetic weapon.

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.

3. Cyber Liability

We will not pay for any loss arising out of the use, misuse or unauthorised access to or operation of:

- (a) any computer, electronic device, equipment or system; or
- (b) any application, software, code, programme or website;

which processes, stores, transmits or receives data.

However, unless otherwise excluded we will pay for damage which results from fire, explosion or escape of water from any tank, apparatus or pipe arising from use, misuse or unauthorised access to or operation of (a) or (b) above.

Policy Index

Additions to the Premises	6	Overseas Personal Liability	23
Alterations to the Premises	6	Pollution or contamination	18
Alternative Accommodation	14	Premises	4, 10
Anticipated Rent	14	Prevention of Access	16
Arbitration	26	Public Authorities	7
Average and Other Insurances	6	Rebuilding on Another Site	7
Basis of Settlement of Claims	5	Reinstatement	5, 6
Buildings Awaiting Sale	14	Reinstatement to Match	11
Business	3	Removal of Debris	11
Capital Additions	6, 15	Removal of Nests	11
Complaints	2	Rent	13, 14, 15
Contract Works	7	Rent Free Period	16
Contracting Purchaser's Interest	6	Subrogation Waiver	11, 17
Contractors Interest	7	Territorial Limits	4
Contribution	26	Terrorism	18, 20, 25
Cost of Reletting	15	Trace and Access	12
Court Attendance	20, 24	Unauthorised Use of Utilities	12
Damage	3	Underground Pipes and Cables	12, 16
Debris Removal	11	Unoccupied	4
Declared Value	5	Unoccupied Buildings	14, 17
Defective Premises Act	21	Value Added Tax	12
Definitions	13, 27, 28		
Employee	4		
Employers' Liability Recovery	25		
Eviction of Squatters	8		
Exclusions	19, 24, 27		
Failure of Other Insurances	8		
Failure of Public Supply	16		
Falling Trees	18		
Fire Extinguishment Expenses	8		
Fly-Tipping	8		
Fraud	3, 26		
Indemnity to Other Persons	22, 24		
Keys	11		
Landscaped Gardens	9		
Late Payment of Rent	15		
Legionellosis	15		
Loss of Attraction	15		
Loss of Market Value	9		
Loss of Metered Gas or Water	10		
Managing Agents Premises	15		
Murder, Suicide or Disease	15		
Non-invalidation	10		
Obsolete Building Materials	10		
Omission to Insure	9		
Other Interests	10		

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