



Digital Commercial Property Owners

Insurance Policy



Contents

The Duty of Fair Presentation

By entering into this insurance contract **we** accept that **you** have made a reasonably clear and accessible presentation of the risk, in accordance with Section 3(3)(b) of the Insurance Act 2015.

The Contract of Insurance

This is **your** Commercial Property Owners insurance policy. It sets out the details of **your** insurance contract with **us**.

This document, any endorsements, certificates and the **schedule** must be read together as one contract as they form **your** policy.

In return for payment of the premium shown in the **schedule**, **we** agree to insure **you** against:

- loss or **damage you** sustain;
- loss resulting from interruption or interference with the **business** following **damage**;
- legal liability **you** incur for accidents

during the **period of insurance** and in accordance with the terms and conditions contained in or endorsed on this policy.

Please read the whole document carefully and keep it in a safe place. **You** should take the time to read all its terms, especially the conditions which **you** have to fulfil to ensure **your** insurance remains valid and what **you** have to do when making a claim.

It is important that **you**:

- check that the sections **you** have requested are included in the **schedule**;
- check that the information **you** have given **us** is accurate; and
- comply with **your** duties under each section and under the insurance as a whole.

If this policy does not meet **your** requirements, or if **your** requirements change, **you** should contact **your** insurance agent at **your** earliest opportunity.



Contents

If you need to make a claim	2
Important telephone numbers applicable to Section 5 – Legal expenses	3
Important information	
- changes to your circumstances;	4
- How to cancel your policy;	4
- Cancellation – instalments	4
- Privacy notice;	4
- Employers' Liability Tracing Office;	5
- Registration and Regulatory information;	5
- How to make a complaint;	6
- Financial Services Compensation Scheme;	7
- Contract (Rights of third parties) Act 1999;	7
- Choice of law;	7
- Tax.	7
- Sanction;	7
- Renewal of this insurance.	7
General definitions	8
General conditions	13
Claims conditions	19
General exclusions	22
Section 1 – Property Damage – automatic cover	25
Section 2 – Business Interruption – automatic cover	40
Section 3 – Property Owners' Liability – automatic cover	56
Section 4 – Employers' Liability – optional cover	64
Prosecution defence costs applicable to Section 3 and Section 4	68
Section 5 – Legal Expenses – automatic cover	77
Data Protection and Privacy Cover – automatic cover	86

If you need to make a claim

If **you** need to make a claim under [sections 1 o 2](#) of this policy, please telephone **us** on **0800 085 7944** or e-mail MSAmlin.property@davies-group.com or MSAmlin.liability@davies-group.com for Sections 3 and 4. It will assist if **you** have details of **your** policy and cover available when telephoning.

In all communications with **us** please quote **your** policy number.

For Section 5 - Legal expenses claims please telephone ARAG on **0117 917 1698** or download a claim form at www.arag.co.uk/newclaims.

In some cases all or part of **your** claim may be handled on **our** behalf by one of **our** trusted partners. **You** can rest assured that **we** will strive to ensure **you** are provided with exceptional service from MS Amlin Insurance, SE and **our** trusted partners.

We would refer **you** also to the claims conditions of this policy.



Important telephone numbers applicable to Section 5 – Legal Expenses

Legal and tax advice

0344 571 7978

If **you** have a legal or tax problem relating to **your business**, **we** recommend **you** call the confidential legal and tax advice helpline. Legal advice is available 24/7, and tax advice is available between 9am and 5pm on weekdays (except bank holidays). The advice covers business-related legal matters within EU law and tax matters within the UK. **Your** query will be dealt with by a qualified specialist experienced in handling legal and tax-related matters. Use of this service does not constitute reporting of a claim.

Redundancy approval

0117 917 1698

We can arrange for specialist advice if **you** are planning redundancies. This will assist **you** to implement a fair selection process and ensure that the redundancy notices are correctly served. This service is available 9am and 5pm on weekdays (except bank holidays), subject to a charge.

Crisis communication

0344 571 7964

Where **you** need help to respond to negative publicity or media attention **you** can access professional public relations support and crisis communication services. **You** are insured against the cost of crisis communication services under the Crisis communication cover when **you** use this helpline.

Counselling assistance

0333 000 2082

For an **employee** (including family members permanently living with them) needing confidential help and advice, **our** qualified counsellors are available to provide telephone support on any matter that is causing **your employee** upset or anxiety, from personal problems to bereavement.

Business legal services

Register today at www.araglegal.co.uk and enter the voucher code **X1232KC79BB5** to access the law guide and download legal documents to help with commercial legal matters.



Important information

Changes to your circumstances

Please tell **your** insurance agent as soon as reasonably practicable if there are any changes to **your** circumstances and/or the information **you** have previously provided during the **period of insurance**, to allow **us** to reassess **your** insurance risk.

Please refer to General Condition 4 of this policy.

If **your** circumstances change and **you** do not tell **your** insurance agent, **you** may find that **you** are not covered if **you** need to make a claim.

How to cancel your policy

You have a statutory right to cancel **your** policy within 14 days from the day of purchase or renewal of the contract or the day on which **you** receive **your** policy or the renewal documentation, whichever is the later.

If **you** wish to cancel and the insurance cover has not yet started, **you** will be entitled to a full refund of the premium paid. Alternatively, if **you** wish to cancel and the insurance cover has already started, provided **you** have not made a claim, **you** will be entitled to a refund of the premium paid, less a proportional deduction for the time **we** have provided cover.

If **you** do not exercise **your** right to cancel **your** policy, it will continue in force and **you** will be required to pay the premium.

For cancellation outside of this statutory cooling off period **you** can cancel this insurance at any time by telephoning or writing (by e-mail or letter) to **your** insurance agent.

If this insurance is cancelled outside the statutory cooling off period, provided **you** have not made a claim and there hasn't been an incident that could give rise to a claim, **you** will be entitled to a refund of any premium paid, less a deduction for any time for which **you** have been covered. This will be calculated on a proportional basis. For example, if **you** have been covered for 6 months, the deduction for the time **you** have been covered will be half the annual premium.

If **we** pay any claim, in whole or in part, then no refund of premium will be allowed.

Cancellation – instalment payments

Time is of the essence in relation to **your** payment of the premium. If **you** pay **your** premium by direct debit and there is any default in payment, **we** will contact **you** to request payment by a given date, which will be 14 days from the date **we** contact **you**. If payment is still not received by this date, **we** may then cancel this policy. No refund or credit of premium will be due when cancellation takes place in these circumstances.

For **our** rights to cancel **your** policy please refer to General Condition 3.

Privacy notice

Your information has been, or will be, collected or received by MS Amlin plc. **We** will manage personal data in accordance with data protection law and data protection principles. **We** require personal data in order to provide good-quality insurance and ancillary services and will collect the personal data required to do this. This may be personal information such as name, address, contact details, identification details, financial information and risk details. The full Data Privacy Notice can be found on www.msamlin.com/en/site-services/data-privacy-notice.html. A paper copy of the Data Privacy Notice can be obtained by contacting the Data Protection Officer by email (dataprotectionofficer@msamlin.com) or at the below address:



Important information

Data Protection Officer
MS Amlin plc
The Leadenhall Building
122 Leadenhall Street
London EC3V 4AG

Employers' Liability Tracing Office (ELTO)

By entering into this insurance policy **you** will be deemed to specifically consent to the use of **your** insurance policy data in the following way and for the following purposes.

1. Certain information relating to **your** insurance policy including, without limitation:
 - a) the policy number(s);
 - b) employers' names and addresses (including subsidiaries and any relevant changes of name);
 - c) dates of cover;
 - d) employer's reference numbers provided by Her Majesty's Revenue and Customs; and
 - e) Companies House reference numbers (if relevant), will be provided to the Employers' Liability Tracing Office (ELTO) and added to an electronic database.
2. This information will be made available by **us** to ELTO in a specified and readily accessible form as required by the Employers' Liability Insurance: Disclosure by Insurers Instrument 2011. This information will be subject to regular periodic updating and certification and will be audited on an annual basis.
3. The database will assist individual consumer claimants who have suffered an employment related injury or disease arising out of their course of employment in the UK for employers carrying on or who carried on business in the UK and who are covered by the employers' liability insurance of their employers (claimants):
 - a) to identify which insurer (or insurers) provided employers' liability cover during the relevant periods of employment; and
 - b) to identify the relevant employers' liability insurance policies.
4. The database will be managed by ELTO.
5. The database and the data stored on it may be accessed and used by claimants, their appointed representatives, insurers with potential liability for UK commercial lines employers' liability insurance cover and any other persons or entities permitted by law.

Registration and regulatory information

MS Amlin Insurance SE (UK Branch), The Leadenhall Building, 122 Leadenhall Street, EC3V 4AG, tel. +44 (0)20 7746 1000. MS Amlin Insurance SE is authorised by the National Bank of Belgium in Belgium and is subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of **our** regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from **us** on request. In some respects the regulatory system applying will be different from that of the United Kingdom.



Important information

How to make a complaint

Our aim is to ensure that all aspects of **your** insurance are dealt with promptly, efficiently and fairly. At all times **we** are committed to providing **you** with the highest standard of service.

If **you** have any questions or concerns about **your** policy or the handling of a claim **you** should, in the first instance, contact **your** insurance agent.

If **you** remain dissatisfied and wish to make a complaint, **you** can do so at any time. Making a complaint does not affect any of **your** legal rights. Please contact **us**:

All Sections except 5:

Our contact details are:

Post: Complaints, MS Amlin Insurance, SE, The Leadenhall Building, 122 Leadenhall Street, EC3V 4AG.
Telephone: +44 (0) 20 7746 1300
Fax: +44 (0) 20 7746 1001
Email: complaints@msamlin.com
Website: www.msamlin.com

Section 5:

Post: Please contact ARAG plc (the administrator)
Customer Relations Department, 9 Whiteladies Road, Clifton, Bristol, BS8 1NN
Telephone: +44 (0) 117 917 1561
Email: customerrelations@arag.co.uk
Website: www.arag.co.uk

If **you** remain dissatisfied after **we** have considered **your** complaint, or if **you** have not received a written final response within eight weeks from the date **your** complaint was received, **you** may be entitled to refer **your** complaint to the Financial Ombudsman Service who will independently consider **your** complaint free of charge. Their contact details are:

Post: The Financial Ombudsman Service, Exchange Tower, London E14 9SR
Telephone: (Fixed): 0800 02345671
(Mobile): 0300 1239123
(Outside UK): +44 (0) 20 7964 0500
Fax: +44 (0)20 7964 1001
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Alternatively, if **you** have bought a product or service online **you** may have the right to register **your** complaint with the European Commission's on-line dispute resolution (ODR) platform. The ODR platform will redirect **your** complaint to the appropriate alternative dispute resolution body.

For further details visit <http://ec.europa.eu/odr>

- Please note:
- a) **You** must refer **your** complaint to the Financial Ombudsman Service within six months of the date of Lloyd's final response.
 - b) To check if **you** are an eligible complainant or if **you** are unsure whether the Financial Ombudsman Service will look at **your** complaint please contact them directly for further information. **You** are entitled to contact the Financial Ombudsman Service at any stage of **your** complaint. Their contact details are shown above.

The existence of this Complaints Procedure does not affect any right of legal action **you** may have against MS Amlin Insurance, SE.



Important information

Compensation (Financial Services Compensation Scheme)

MS Amlin Insurance, SE are covered by the Financial Services Compensation Scheme. **You** may be entitled to compensation from the Scheme if MS Amlin Insurance, SE are unable to meet its obligations to **you** under this policy. If **you** were entitled to compensation from the Scheme, the level and extent of the compensation would depend on the nature of this policy. Further information about the Scheme is available from the Financial Services Compensation Scheme (10th Floor, Beaufort House, 15 St. Botolph Street, London EC3A 7QU) and on their website www.fscs.org.uk

Contracts (Rights of Third Parties) Act 1999

A person or company who was not party to this policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this policy but this condition does not affect any right or remedy of a third party which exists or is available other than by virtue of this Act and any further amendment to it.

Choice of law and jurisdiction

In the absence of any agreement to the contrary, the laws of England and Wales will apply and this policy will be subject to the exclusive jurisdiction of the courts of England unless, at the start of the **period of insurance**, **you** are either:

- a) a resident of; or
- b) a business with its registered office or principal place of business is situated in;

Scotland, Northern Ireland, the Channel Islands or the Isle of Man, in which case (in the absence of agreement to the contrary) the law of that country, crown protectorate or dependency will apply and this policy will be subject to the exclusive jurisdiction of the courts of that country, crown protectorate or dependency.

Tax

There may be circumstances where taxes may be due that are not paid via **us**. If this occurs it is **your** responsibility to ensure that these are paid direct to the appropriate authority.

Sanction

This policy will not provide any insurance cover or benefit and **we** will not pay any sum if doing so would mean that **we** are in breach of any sanction, prohibition or restriction imposed by any law or regulations applicable to **us**.

Renewal of this insurance

When **your** policy is due for renewal, **we** will write to **your** insurance agent at least 21 days before the **period of insurance** ends with full details of **your** next year's premium and policy terms and conditions. If **you** do not want to renew the policy, please contact **your** insurance agent. Occasionally, **we** may not be able to offer to renew **your** policy. If this happens, **we** will write to **your** insurance agent at least 21 days before the expiry of **your** policy to allow enough time for **you** to make alternative insurance arrangements.



General definitions

Definitions

The following definitions apply in all sections of this policy, the schedule and any endorsements attaching to the policy unless otherwise stated. Each time one of the words below is used it will have the same meaning wherever it appears in the policy or schedule. To help identify these words they will appear in bold in the policy wording.

Please also refer to the Additional Definitions which appear at the start of each section.

Asbestos

Asbestos, asbestos fibres or any derivatives of asbestos including any product or material containing asbestos, asbestos fibres or any derivatives of asbestos.

Bodily injury

Death, injury, illness, disease or nervous shock.

Buildings

- a) Buildings (being built mainly of brick, stone, concrete or other non-combustible materials unless otherwise stated in the schedule).
- b) Landlords' fixtures and fittings (including fixed glass and fitted carpets) and tenants' improvements for which the landlord is responsible in on or around the buildings.
- c) Furnishings and other contents of common parts of the buildings including seasonal items introduced to shopping centres.
- d) Gangways, pedestrian malls and pedestrian access bridges.
- e) Small outside buildings, extensions, annexes, gangways.
- f) Walls, gates and fences, yards, car parks, roads, pathways, loading bays, cess pits and septic tanks.
- g) **Services.**
- h) Roads, pavements, car parks and hardstanding.
- i) Landscaping excluding trees, shrubs, plants, turf and external ponds and lakes but including garden furniture, ornaments and statues.
- j) Patios, terraces, footpaths, swimming pools, tennis courts and drives.
- k) **Landlords' contents** up to a limit of £25,000 unless specifically insured on the schedule.

Business

The business stated in the schedule and additionally for Sections 3 and 4 the following activities:

- a) use, repair, maintenance and decoration of premises owned or occupied by **you**;
- b) repair or maintenance of vehicles or plant owned or used by **you**;
- c) the provision and management of canteen, social, sports, educational and welfare organisations for the benefit of any **employee** and first aid, fire, security and ambulance services;



General definitions

- d) participation in exhibitions held in the **territorial limits**, in connection with the business specified in the schedule; and
- e) private work undertaken for **you** by any **employee** or for any director or **employee** with **your** consent.

Consequential loss

Loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** following **damage** to property used by **you** at the **premises** for the purpose of the **business**.

Clean up

- a) Testing for or monitoring of **pollution**.
- b) Cleaning up, removing, containing, treating, detoxifying or neutralising **pollution**.

Computer system(s)

A computer or other equipment or component or system or item which processes, stores, transmits or receives **data**.

Costs and expenses (applicable to Sections 3 and 4 only)

- a) Claimants costs and expenses arising for any claim against **you** which may be the subject of cover under this policy.
- b) All cost and expenses incurred by **you** with **our** written consent for any claim against **you** which may be the subject of cover under this policy.

Damage

Loss, destruction of or damage insured by this policy.

Declared value

Your assessment of the cost of **reinstatement** of the **property insured** at the level of costs applying at the start of the **period of insurance**. **You** should ignore any inflationary factors which may operate later. **You** should also make an allowance for:

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

Data

Data of any sort, including but not limited to, tangible or intangible data and any programs of software, bandwidth, cryptographic keys, databases, documents, domain names or network addresses or anything similar, files, interfaces, metadata, platforms, processing capability, storage media, transaction gateways, user credentials, website or any information.

Denial of service attack

Any actions or instructions constructed or generated with the ability to **damage**, interfere with or otherwise affect the availability or performance of networks, network services, network connectivity or **computer** systems. Denial of service attacks include, but are not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks and the procurement of those actions or instructions by other **computer systems**.



General definitions

Employee

Any person who is

- a) under a contract of service or apprenticeship with **you**;
- b) a labour master or supplied by a labour master;
- c) employed by labour only sub-contractors;
- d) self-employed and working for **you** and under **your** control;
- e) hired to or borrowed by **you**;
- f) supplied to **you** for the purposes of study, work or training experience;
- g) a prospective employee who is undergoing practical work experience whilst being assessed by **you** as to his or her suitability for employment;
- h) a voluntary helper while working under **your** supervision and control in connection with the **business**; or
- i) an outworker or homeworker employed under a contract to personally carry out any work in connection with the **business** while they are engaged in that work.

Excess

This is the first part of any claim that **you** will have to pay after the application of all other terms and conditions of the insurance including average (General condition 2).

Hacking

Unauthorised access to any **computer system** whether **your** property or not.

Landlord's contents

Furniture, furnishings, building management systems, security equipment and other similar property or property for which **you** are responsible all whilst contained in or on the **buildings**.

Money

Coins, bank and currency notes, postal and money orders, bankers' drafts, cheques, giro cheques, giro drafts, national giro payment orders, travellers cheques, crossed warrants, bills of exchange, securities for money, postage revenue, national insurance and holiday with pay stamps, stamped national insurance and holiday with pay cards, national savings certificates, national savings stamps, war bonds, premium savings bonds, franking machine impressions, credit company sales vouchers, luncheon vouchers, trading stamps, VAT invoices, travel vouchers, travel tickets, airline tickets, uncrossed dividend warrants, consumer redemption vouchers, gift tokens, certificates of deposit and credit cards.

Period of insurance

The period from the effective date shown in the schedule until midnight on the expiry date shown in the schedule.

Pollution

Pollution or contamination by naturally occurring or man-made substances, forces, organisms or any combination of them whether permanent or transitory and all loss, **damage** or injury, caused by such pollution or contamination.

Premises

The premises stated in the schedule.



General definitions

Principal

The other party to a contract or agreement for whom **you** are undertaking work or services where that party is responsible for setting out the terms of the contract or agreement.

Property insured

Buildings, landlords' contents, all other contents and other property at the **premises** (in accordance with any specific exclusions) all as defined below or more fully described in the schedule and all belonging to **you** or for which **you** are responsible but excluding:

1. property which is more specifically insured.
2. unless specifically notified to and accepted by **us** as insured:
 - a) land, piers, jetties, bridges, culverts or excavations; and
 - b) livestock, growing crops or trees unless they form part of all other property.

Reinstatement

- a) the rebuilding or replacement of property lost or destroyed which, provided **our** liability is not increased, may be carried out in any manner suitable to **you** or on another site; or
- b) the repair or restoration of property damaged

in either case to a condition equal to but not better or more extensive than its condition when new.

Services

Telephone, gas, electricity, water mains, drains and sewers, electrical instruments, meters, piping, cabling and the accessories thereto providing services to or from the **buildings** and for which **you** are responsible

Tenancy agreement

- a) A tenancy agreement in writing made between **you** and the **tenant** which is an Assured Shorthold Tenancy Agreement within the meaning of the Housing Acts 1988 and 1996 or a Short Assured tenancy or an Assured Tenancy as defined in the Housing (Scotland) Act 1988. In Northern Ireland the Agreement between **you** and the **tenant** to let the **premises** must not be a Protected Tenancy or a Statutory Tenancy within the meaning of the Rent (NI) Order 1978 nor a Protected Shorthold Tenancy within the meaning of Housing (NI) Order 1983. Tenancy Agreements in which the **tenant** is a limited company or a tenancy agreement or lease of commercial premises are not included in this definition.
- b) Any other residential tenancy as agreed and accepted by **us** in writing.

Tenant(s)

A person or company occupying **your premises** by virtue of a **tenancy agreement**.

Territorial limits

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

Terrorism

- a) 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 legitimate government or accepted (illegitimate) government.



General definitions

- b) Any action in controlling, preventing, suppressing, retaliating against or responding to any act or preparation for action or threat of action described in a) above.

Unoccupied

Any **building** or part of any **building** which is empty or not in use by **you** or **your tenant** for more than 90 consecutive days.

Virus or similar mechanism

Program code, programming instruction or any set of instructions intentionally constructed with the purpose and ability, or purposely used, to **damage**, interfere with, adversely affect, infiltrate or monitor **computer systems**, computer programs, **data** or operations, whether involving self-replication or not. The definition of virus or similar mechanism includes but is not limited to Trojan horses, worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

We/us/our

MS Amlin Insurance, SE.

You/your

- a) The policyholder named in the **schedule** and additionally for Sections 3 and 4 includes:
- b) any associated or subsidiary company of the insured provided it has been notified to and agreed by **us**;
- c) At your request:
- i) any director or **employee** while they are acting on behalf of or in course of their employment or engagement with **you** for liability for which **you** would have been entitled to cover under this policy if the claim against that person had been made against **you**;
 - ii) any officer, member or **employee** in their respective capacities of your social, sports or welfare organisation or fire, first aid or ambulance service;
 - iii) any of your directors, partners or senior officials for private work carried out by any **employee** for them with your consent;
 - iv) any principal for legal liability for which you would have been entitled to cover under this policy if the claim had been made against you arising out of work carried out by you under a contract or agreement;
 - v) your personal representatives (in the event of your death) for liability incurred by you, provided that if cover is extended to any party described in paragraphs i) to iv) above that party will be in accordance with the terms of this policy so far as they can apply and in any event **our** liability will not exceed the **limit of liability**.



General conditions

These are the conditions of the cover and apply throughout your policy. There may be additional conditions under each section of cover and any applicable endorsements. If you do not comply with these conditions you may not receive payment for a claim, a claim may be reduced, or you may lose all right to cover under your policy.

If you are unsure about any of these conditions or whether you need to notify us about any matter, please contact your insurance agent.

1. Adjustment of premium

If the premium has been calculated on estimates given by **you**, **you** must keep an accurate record of all relevant particulars which must be available to **us** for inspection.

Within a reasonable time after the end of each **period of insurance**, **you** will supply to **us** an accurate statement in the form required so that the premium for that period can be calculated and the difference paid by or returned to **you**.

If **you** do not supply a statement within a reasonable time after the end of the **period of insurance**, **we** will be entitled to charge an additional premium for that **period of insurance**.

2. Average *(Applicable to Section 1 – Property damage and Section 2 – Business interruption)*

- a) If at the time of **damage** the **sum insured** of the **buildings, landlords contents** or all other contents by each item is less than 85% of the cost of **reinstatement** at the start of the **period of insurance**, then **our** liability for any **damage** will be limited to the proportion that the **sum insured** bears to the cost of **reinstatement**; but
- b) where a Day one reinstatement clause applies, if at the time of **damage** the **declared value** of the **buildings, landlords contents** or all other contents by each item is less than the cost of **reinstatement** at the start of the **period of insurance**, then **our** liability for any **damage** will be limited to the proportion that the **sum insured** bears to the cost of **reinstatement**;
- c) For any other item listed in the **schedule**, if at the time of **damage** the **sum insured** on any of these items is less than the value of the property covered by the item (or for any item on rent, less than the amount of rent during the period to which the item relates), then **you** will be considered as being the insurer for the difference and will bear a ratable share of the loss accordingly. The amount payable by **us** will be proportionately reduced.

If it is stated in the **schedule** that average does not apply at the time of the **damage**, the maximum amount payable will be the **sum insured** for that item.

3. Cancellation – our rights

We may cancel this policy or any section by giving 30 days' notice in writing by registered letter to **you** at **your** last known address and in this case **you** will be entitled to a proportionate return of premium for the unexpired term of this policy (other than in circumstances where **we** invoke the Fraudulent claims condition under the Claims conditions section or a claim has been made).

Reasons **we** may decide to cancel **your** policy include if:

- a) there is a material change in **your business**;



General conditions

- b) there is reasonable suspicion of fraud or where there has been a deliberate or reckless misrepresentation of material facts and/or other non-disclosure;
- c) **you** do not co-operate or supply information or documentation that **we** request which materially affects our ability to process this policy or **our** ability to defend **our** interests;
- d) following a survey at any of **your** properties or sites **we** have required **you** to make risk improvements and **you** have not completed these within a reasonable period of time advised by **us**;
- e) the first or renewal premium has not been paid;
- f) **you** or **your** agent engage in threatening or abusive behaviour or the use of threatening or abusive language, intimidation or bullying of **our** staff or suppliers;

Where a claim has been made during the current **period of insurance**, the full annual premium will still be payable despite cancellation of cover and **we** reserve the right to deduct this from any claim payment.

4. Change in circumstances or alteration to the risk

If **you** would like to make changes to **your** policy please contact **your** insurance agent.

If **you** are aware of any material changes to the information provided or if **you** become aware of any material changes **you** must tell **your** insurance agent about those changes. **You** must take care when answering any questions **we** ask by ensuring that all information provided is accurate and complete.

If **you** need to change the information **you** have given **us** please contact **your** insurance agent as soon as reasonably practicable on becoming aware of that change.

Examples where **we** would need **you** to notify **your** insurance agent of a change include:

- if any **sums insured** **you** have declared to **us** have increased or decreased;
- there is a change to the **business** **you** undertake that **we** do not know about;
- **you** move **premises** or make alterations to the **premises** **you** occupy; and
- the security and fire protections **you** have declared to **us** change.

These are just some examples and there may be other circumstances **we** would want **you** to tell **us** about. If **you** are in any doubt, please contact **your** insurance agent directly as failure to notify **us** of any changes could lead to **your** policy being cancelled, or a claim rejected or not fully paid.

If **you** are unsure whether a change to the information **you** have given **us** is material please contact **your** insurance agent.

In addition **you** must notify **us** of any alteration to the information provided at the start, renewal or occurring during the **period of insurance** at which time **we** may apply an additional premium or other additional terms or conditions.



General conditions

It is important to remember that you have a duty to make a fair presentation of the risk to us at the start of the policy, when any mid-term changes are notified and at the renewal of the policy.

5. **Index linking** *(only applies if shown in the schedule)*

a) **Renewal**

We will adjust the amounts insured to take into account movements in the appropriate index shown below.

- i) *Building and tenants improvements items*
The General Building Cost Index issued by the Building Cost Information Service of the Royal Institute of Chartered Surveyors.
- ii) *Other items*
The Producer Price Index for Home Sales of Manufactured Products issued by the Department of Trade and Industry.

*NOTE: If either of the above indices is not available, **we** may select a suitable alternative.*

In the event of a negative index **we** will retain **your** existing amounts insured, unless **you** advise **us** otherwise.

b) **Claims**

For claims settlement purposes (except Section 2 - Business interruption) the adjustments set out above will continue during the **period of insurance** and the period of repair, replacement or **reinstatement** as long as the work is carried out and completed without undue delay.

6. **Maintenance and reasonable precautions**

You will at **your** own expense:

- a) take all reasonable precautions to prevent or reduce **damage**;
- b) stop any activity which may result in a claim under this policy;
- c) maintain all **buildings**, furnishings, ways and works machinery in sound condition and good repair;
- d) remedy any defect or danger as soon as reasonably practicable after discovery and in the meantime take additional precautions as the circumstances may require;
- e) comply with all statutory requirements and other safety regulations imposed by any authority;
- f) act promptly to gain vacant possession of the **buildings** and recover any rent arrears;
- g) not breach any of the conditions of the **tenancy agreement(s)** or legal charge affecting this policy; and
- h) ensure that all protections installed for the protection of the **building** must be regularly maintained and be in use when the **building** is left unattended.



General conditions

7. Multiple insureds

The most **we** will pay is the relevant amount shown in the **schedule** or this policy.

If more than one insured is named in the **schedule**, the total amount **we** will pay will not exceed the amount **we** would be liable to pay were there only one insured named in the **schedule**.

You agree that if there is more than one insured named in the **schedule**, the first insured listed is authorised to receive all notices and agree any changes to this policy.

8. Non vitiation

This policy will not be vitiated or avoided

- a) so far as the facility agent is concerned, as a result of any misrepresentation, act or neglect of failure to disclose on the part of any insured party or any circumstance beyond an insured party's control; and
- b) so far as any finance party is concerned, for failure to pay any premium due without **us** first giving to the facility agent at least 14 days' notice in writing.

9. Remedies following a breach in your duty of fair presentation

Before this policy was entered into

If **you** have breached **your** duty to make a fair presentation of the risk to **us** before this policy was entered into, then:

- a) where the breach was deliberate or reckless, **we** may avoid this policy and refuse all claims, and keep all premiums paid;
- b) where the breach was neither deliberate nor reckless, and but for the breach:
 - i) **we would not have agreed to provide cover under this policy on any terms:**
we may avoid this policy and refuse all claims, but will return any premiums paid;
 - ii) **we would have agreed to provide cover under this policy but on different terms** (other than premium terms):
we may require that this policy includes those different terms with effect from its start; and/or
 - iii) **we would have agreed to provide cover under this policy but would have charged a higher premium,**
 - a. if the discovery of the breach arose because of a claim, at **your** option:
 - i. **we** will reduce proportionately the amount paid on a claim. **We** will pay only X% of what **we** would otherwise have been required to pay, where $X = \frac{\text{premium actually charged}}{\text{higher premium that would have been charged}} \times 100$; or



General conditions

- ii. **we** will pay the claim in full provided that **you** pay to **us** the additional premium that **we** would have charged, but for **your** breach of the duty of fair presentation, calculated from the start of the **period of insurance**.

NOTE: In the case of underinsurance option ii. is not available.

- b. If the discovery of the breach did not arise because of a claim **you** must pay to **us** the additional premium that **we** would have charged, but for **your** breach of the duty of fair presentation, calculated from the start of the **period of insurance**.

Before a variation was agreed

If **you** have breached **your** duty to make a fair presentation of the risk to **us** before any variation to this policy was agreed, then:

- a) If the breach was deliberate or reckless, **we** may terminate this policy with effect from the date of the variation, and keep all premiums paid;
- b) where the breach was neither deliberate nor reckless, and but for the breach:
 - i) **we would not have agreed to the variation on any terms:**
we may treat this policy as though the variation was never made, but will return any additional premiums paid in relation to the variation;
 - ii) **we would have agreed to the variation but on different terms** (other than premium terms):
we may require that the variation includes those different terms with effect from the date the variation was made; and/or
 - iii) **we would have agreed to the variation but would have increased the premium, or would have increased it by more than we did, or would not have reduced it or would have reduced it by less than we did:**
 - a. if the discovery of the breach arose because of a claim, at **your** option:
 - i. **we** may reduce proportionately the amount paid on a claim arising out of events after the variation. In those circumstances, **we** will pay only Y% of what **we** would otherwise have been required to pay, where $Y = \text{total premium actually charged} / \text{the premium that would have been charged} \times 100$; or
 - ii. **we** will pay the claim in full provided that **you** pay to **us** the additional premium that **we** would have charged, but for the breach of the duty of fair presentation, calculated from the date the variation was entered into.

NOTE: In the case of underinsurance option ii. is not available.

- b. If the discovery of the breach did not arise because of a claim, **you** must pay to **us** the additional premium that **we** would have charged, but for the breach of the duty of fair presentation, calculated from the date the variation was entered into.



General conditions

- iv) **where we would have agreed to the variation but on different terms and we would also have increased the premium, or would have increased it by more than we did, or would not have reduced it or would have reduced it by less than we did**
 - a. **we** may require that the variation includes those different terms with effect from the date the variation was made; and
 - b. before a variation was agreed b) iii) as shown above will also apply.

10. Survey

If **we** require a survey of the risk covered by this policy as a condition of providing cover but the survey has not been completed before the policy documents have been issued, **you** must comply with any risk improvements required as a result of the survey within the agreed time limits specified by **us**.

We reserve the right to cancel, suspend or alter the terms applying to any part of this policy for which cover has been provided if, as a result of the survey, the risk or any part of it is in **our** opinion unacceptable to **us**.

11. Unoccupied property notification

We must be notified in writing by e-mail, letter or fax, as soon as reasonably practicable after **you** become aware that any insured occupied building becomes **unoccupied**.

We will have the right to impose additional terms, conditions and exclusions and charge a suitable additional premium which will be paid by **you** if required.

12. Unoccupied property security

For **unoccupied buildings** **you** must ensure that:

- a) the gas, electricity (other than power required for an intruder alarm or fire alarm system) and water supplies are turned off at the mains and all water pipes, apparatus and tanks are drained down (unless the central heating system is kept running to maintain a temperature of 5 degrees centigrade) during the period 1st December to 31st March;
- b) all devices for preventing access to the building(s) are in full and effective operation at all times;
- c) the **premises** and yards are clear of all waste materials and redundant contents;
- d) all accessible windows and doors are securely boarded over (not applicable to residential properties);
- e) the letter box is permanently sealed shut or a non-combustible receptacle is permanently fixed to the letter box;
- f) the **premises** are inspected at least once a fortnight by a responsible person to ensure that there is no deterioration in the fabric of the building and that compliance with conditions a) - e) continues.



Claims conditions

1. Claims procedures

If **you** need to make a claim **you** must comply with the following conditions. If **you** fail to do so, **we** may not pay **your** claim, or any payment could be reduced.

- a) **You** must notify **your** insurance agent as soon as reasonably practicable giving full details of what has happened.
- b) **You** must provide **your** insurance agent with any other information **we** may reasonably require.
- c) **You** must forward to **your** insurance agent as soon as reasonably practicable, if a claim for liability is made against **you**, any letter, claim, writ, summons or other legal document **you** receive.
- d) **You** must inform the police as soon as reasonably practicable following any loss caused by malicious acts, violent disorder, riots or civil commotion, theft, attempted theft or lost property.
- e) **You** must not admit liability or offer or agree to settle any claim without **our** written permission.
- f) **You** must take practical steps to prevent further **damage** or **bodily injury**, recover property lost and otherwise minimise the claim.

Claims procedure applicable to Section 5 – Legal Expenses only

We have appointed ARAG plc to deal with all claims under this section on **our** behalf. If an **insured person** needs to make a claim they must notify ARAG plc as reasonably practicable.

1. Under no circumstances should an **insured person** instruct their own lawyer or accountant as **we** will not pay any costs incurred without **our** written consent;
2. An **insured person** can request a claim form between 9am and 5pm Monday to Friday (except bank holidays) by telephoning **0117 917 1698** or anytime by downloading one at www.arag.co.uk/newclaims;
3. Where an **insured person** is making a claim to repossess an **insured property**, they must have issued the necessary notices informing their **tenant** of their intention to repossess the **insured property**;
4. ARAG plc will issue an **insured person** with a written acknowledgement within one working day of receiving their claim form.
5. Within five working days of receiving all the information needed to assess the availability of cover under this section of the policy, ARAG plc will write to an **insured person** either:
 - a) confirming the appointment of a qualified representative who will promptly progress the claim for them; or
 - b) if the claim is not covered, explaining in full why and whether ARAG plc can assist in another way.

When a lawyer is appointed they will try to resolve the **insured person's** dispute without delay, arranging mediation whenever appropriate. Matters cannot always be resolved quickly particularly if the other side is slow to cooperate or a legal timetable is decided by the courts.



Claims conditions

2. Claims co-operation

You must provide all help, assistance and co-operation reasonably required by **us** in connection with any claim.

3. Arbitration

If **we** agree to pay **your** claim and **you** disagree with the amount to be paid it may be referred to an arbitrator who is jointly appointed. Whether **we** or **you** bear the costs of the arbitration, or these are shared by **us** and **you**, will be determined at the discretion of the arbitrator. Alternatively, depending on **your** circumstances, **you** may be able to refer **your** case to the Financial Ombudsman Service (FOS). In either case, this will not affect **your** right to take action against **us** over the disagreement.

4. Discharge of liability

Where in **our** opinion, the **limit of liability** or the **sum insured** of any claim may exceed the available **limit of liability** or **sum insured** **we** will be entitled at **our** discretion, to discharge **our** liability by paying the available **limit of liability** or **sum insured** to **you** or on **your** behalf and pay defence costs up to the date of that payment. In this situation, if at the time of payment **we** are conducting the defence of the claim, **we** will also relinquish that conduct.

5. Fraudulent claims

If **you** or anyone acting on **your** behalf makes a fraudulent claim under **your** policy, including providing fraudulent information or documentation, **we** may:

- a) refuse to pay the claim;
- b) seek to recover any of costs already incurred by **us** relating to the fraudulent claim;
- c) have the option to cancel the policy from the date of the fraudulent act; and
- d) keep any premium paid to **us**.

This will not affect separate claims made before the fraudulent act unless they too were fraudulent.

If **your** policy covers more than one insured and a fraudulent claim is made by one of those insureds, **we** will treat that claim in accordance with the above, but the rights of the other insured(s) under the policy will not be affected.

6. Other insurance

If **you** have any other insurance which covers the same loss, **damage** or liability, **we** will only pay **our** pro rata share of any claim.

7. Salvage

We may enter the **premises** where **damage** has occurred and take possession of or require to be delivered to **us** any property insured and deal with it in a reasonable manner but property may not be abandoned to **us**.



Claims conditions

8. Subrogation

We are entitled to:

- a) take over and conduct the defence or settlement of any claim in **your** name or on **your** behalf at **our** discretion; and
- b) take steps to enforce rights against any other party before or after payment is made by **us**.



General exclusions

This policy will not insure or pay any claims for:

1. **Asbestos** *(not applicable to Section 4)*

liability arising from the manufacture, mining, processing, distribution, testing, **remediation**, removal, storage, disposal, sale, use or exposure to **asbestos** or materials or products containing **asbestos**.

2. **Cyber terrorism**

digital or cyber risks, that is:

- a) any loss caused by or contributed to, by, or arising from or occasioned by or resulting from:
 - i) the alteration, modification, distortion, corruption of or **damage** to any computer or other equipment or component or system or item which processes, stores, transmits or receives data or any part of it whether tangible or intangible (including but without limitation any information or programs or software); or
 - ii) any alteration, modification, distortion, erasure or corruption of data processed by any computer or other equipment or component or system or item;

whether **your** property or not, where the loss is caused by a **virus or similar mechanism, phishing or hacking or denial of service attack**, or

- b) any legal liability or financial loss or expense, including but not limited to consequential loss, caused by or contributed to, by, or arising from or occasioned by or resulting from a **virus or similar mechanism, phishing or hacking or denial of service attack**.

3. **Date recognition**

damage caused by, contributed to or arising from the failure of equipment (including hardware and software) to correctly recognise any given date or to process data or to operate properly due to failure to recognise any given date.

We will cover further **damage** resulting from an insured cover, providing **damage** is covered elsewhere in this policy.

4. **Radioactive contamination**

bodily injury, disablement or **damage** to any property, or any resulting loss or expense or any legal liability caused by, contributed to or arising from:

- a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or its nuclear components;
- c) any weapon of war employing atomic or nuclear fission or fusion or other like reaction or radioactive force or matter; or



General exclusions

- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this exclusion d) will not apply to radioactive isotopes other than nuclear fuel when those isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other peaceful purposes.

5. Riot and civil commotion

riot or civil commotion in Northern Ireland. **Damage** is excluded regardless of any other cause, event or intervention that contributes concurrently or in any sequence to the **damage**.

6. Terrorism

damage or financial loss or expense, occasioned by or happening through or following **terrorism**. In any action, suit or other proceedings where **we** allege that any **damage** is not covered by this policy the burden of proving that **damage** is covered will be upon **you**.

This exclusion will apply to all sections of this policy, other than liability covered under section 4 to the extent that it is necessary to comply with the minimum requirements of the laws of the countries, crown protectorates and dependencies in the **territorial limits**, relating to compulsory insurance of liability to **employees** and provided that the maximum limit for any one loss or series of claims arising from one source or original cause will not exceed £5,000,000.

7. Unoccupied property

damage caused by the following If the **premises** has been left **unoccupied**:

- a) escape of water from, and frost damage to, fixed water tanks, apparatus and pipes;
- b) leakage of oil or gas from any fixed domestic heating system;
- c) collision or impact involving:
 - i) any vehicle, aircraft or other aerial devices (including anything dropped from them) or animal;
 - ii) aerials, satellite dishes or their fittings.
- e) riots, violent disorder, civil commotion, labour disturbances, vandalism and acts of malicious persons;
- f) accidental breakage of fixed glass and double glazing (including the cost of replacement frames), mirrors, glass tops, glass furniture, solar panels, fixed sanitary ware and ceramic hobs;
- f) loss of oil or metered water;
- g) costs for finding a leak;
- h) rent;
- i) alternative accommodation costs;
- j) physical loss or damage to **your** garden;
- k) theft;



General exclusions

- l) attempted theft;
- m) accidental damage caused by **tenants**.

8. **War**

any consequence which is the result of any of the following, or anything connected with any of the following, whether or not the consequence has been contributed to by any other cause or event:

- a) war, hostile or warlike action in time of peace or war (whether or not declared) including action in hindering, combating or defending against an actual, impending or expected attack:
 - a) by government or sovereign power (legal or illegal) or by any authority maintaining or using military, naval or air forces, or any other armed forces or militia; or
 - ii) by military, naval or air forces, or any other armed forces or militia; or
 - iii) by an agent of any government, power, authority or force;
- b) any weapon of war employing nuclear or radioactive force or contamination whether in time of peace or war (whether or not declared), whether or not its discharge was accidental;
- c) insurrection, rebellion, or action taken by a government authority in hindering, combating, or defending against an occurrence, seizure or destruction.



Section 1 – Property damage

This cover is automatically included

Additional definitions

*The following words will have the same meaning wherever they appear in this section of the policy or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording. Please also refer to the General definitions section.*

Day one rebuilding value

the total cost of reinstating the **buildings** insured to a condition substantially the same as when new at the level of costs applying at the beginning of the **period of insurance** in which the **damage** occurred.

Insuring clause

We will at **our** option pay for, repair or reinstate any **property insured** that sustains **damage** at the **premises** directly caused by any of the covers listed below provided they are shown as applying in the schedule.

Our liability in any one **period of insurance** will not exceed:

1. the total sum insured;
2. for any item its sum insured; or
3. any other stated limit of liability.

Covers

1. **Fire, lightning and explosion** but not **damage** caused by:
 - i) earthquake, subterranean fire, riot, civil commotion;
 - ii) its undergoing any heat process or any process involving the application of heat;
 - iii) explosion of non – domestic steam pressure machinery or equipment under **your** control.
2. **Aircraft** or other aerial devices or articles dropped from them but not **damage** caused by:
 - i) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds;
 - ii) fire.
3. **Riot, civil commotion, strikers, locked out workers** or persons taking part in labour disturbances or **malicious persons** but not **damage** arising from:
 - i) confiscation, requisition or destruction by order of the government or any public authority;
 - ii) stopping work;
 - iii) fire caused by strikers, locked out workers or persons taking part in labour disturbances or malicious persons;
 - iv) theft or attempted theft directly caused by malicious persons to any **building** which is **unoccupied**;
 - v) **damage** caused by **tenant(s)**.
4. **Earthquake or subterranean fire.**



Section 1 – Property damage

5. **Storm** but not **damage**:
 - i) caused by lightning, frost, subsidence, ground heave or landslip;
 - ii) for movable property in the open, fences and gates.
6. **Flood** but not **damage**:
 - i) attributable solely to change in the water table level;
 - ii) caused by lightning, frost, subsidence, ground heave or landslip;
 - iii) for movable property in the open, fences and gates.
7. **Escape of water or oil** from any tank apparatus or pipe but not **damage**:
 - i) by water discharged or leaking from any automatic sprinkler installation;
 - ii) for any **building** which is **unoccupied**.
8. **Accidental escape of water** from any automatic sprinkler installation in the **premises** but not **damage** caused by:
 - i) freezing whilst the **building** is **unoccupied**;
 - ii) explosion, earthquake, subterranean fire or heat caused by fire.
9. **Impact** by any road or rail vehicle or animal.
10. **Accidental damage** but not
 - i) **damage** caused by:
 - a) any of the covers specified above;
 - b) the causes expressly excluded from the covers specified above whether or not insured;
 - c) inherent vice, latent defect, gradual deterioration, wear and tear, faulty or defective design or materials;
 - d) faulty or defective workmanship, operational error or omission on the part of **you** or any **employee** but this will not include subsequent **damage** which itself results from a cause not otherwise excluded;
 - e) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects;
 - f) change in temperature, colour, flavour, texture or finish;
 - g) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunication services;
 - h) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any steam and feed piping connected to them;
 - i) mechanical, electronic, electrical or computer breakdown or derangement of the particular machine, apparatus or equipment in which such breakdown or derangement originates but this will not exclude subsequent **damage** so long as it is not excluded above;
 - j) **pollution**;
 - k) normal settlement or bedding down of new structures;
 - l) acts of fraud or dishonesty;
 - m) disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
 - n) **damage** to a **building** or structure caused by its own collapse or cracking.
 - o) any process of production, packing, treatment, testing, commissioning, servicing or repair;
 - p) nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority.
 - ii) **damage** to:



Section 1 – Property damage

- a) movable property in the open, fences and gates caused by wind, rain, hail, sleet, snow, flood or dust;
 - b) vehicles licensed for road use (including accessories) caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
 - c) property or structures in course of construction or erection and materials or supplies in connection with this other than internal alterations or refurbishments not more specifically insured under a contract works policy;
 - d) glass;
 - e) any **building** or structure caused by its own collapse or cracking.
11. a) **Glass breakage** at the **premises** all being plain sheet or plain plate glass unless stated otherwise in the schedule including the cost of any lettering and artwork. Cover includes reasonable costs and expenses incurred in temporary glazing and any boarding up as necessary.
- b) **Damage to:**
- i) the contents of display windows;
 - ii) windows and doorframes, vitrolite, marble, marmerile and similar materials, intruder alarm foils and other detection devices and circuits;
 - iii) electric light fittings; or
 - iv) neon and illuminated signs
- as a direct result of glass breakage as defined under paragraph 11a) provided that **our** liability will not exceed £2,500 in total in any one **period of insurance**.
12. **Breakage of fixed sanitaryware** but not breakage or **damage**:
- i) in vehicles, vending machines or to stock in trade;
 - ii) in any **building** which is **unoccupied**;
 - iii) in transit or while being fitted;
 - iv) due to settlement, expansion or contraction of frames or fittings in **buildings** under construction and during a period of six months after the date of completion;
 - v) existing before the start of the **period of insurance**;
 - vi) of neon and illuminated signs and electric light fittings;
 - vii) by wear and tear, gradual deterioration, mechanical or electrical breakdown or removal from the fixed position other than by theft or attempted theft;
 - viii) of bulbs or tubes unless the signs or fittings are also damaged;
 - ix) caused by fire or explosion.
13. **Theft** or **attempted theft** but not **damage**:
- i) which does not involve:
 - a) entry to or exit from a **building** by forcible and violent means; or
 - b) actual or threatened assault or violence.
 - ii) from any part of the **building** not occupied by **you** for the purpose of the **business**.
 - iii) from the open or from any outbuilding not communicating with the main **building** unless otherwise specified;
 - iv) to property in transit;
 - v) to **money** and securities of any description.
14. **Subsidence, ground heave** or **landslip** of any part of the site on which the property stands but not **damage**
- i) to yards, carpark, roads, pavements, walls, gates and fences unless also affecting the structure of a **building**.
 - ii) caused by:
 - a) normal settlement or bedding down of new structures;
 - b) settlement or movement of made up ground;
 - c) coastal or river erosion;



Section 1 – Property damage

- d) fire, subterranean fire, explosion, earthquake or the escape of water from any tank apparatus or pipe;
- iii) which originated before the start of this cover;
- iv) resulting from:
 - a) demolition, construction, structural alteration or repair of any property; or
 - b) groundwork or excavationat the same **premises**.

Special condition to cover 14

- a) **You** must notify **us** as soon as **you** become aware of any demolition, groundworks or excavation being carried out on any adjoining site.
- b) **We** will then have the right to vary the terms or cancel this cover.

Excess

An **excess** applies to the covers under this section as shown in the schedule.

Extensions of cover – provided as standard

1. Additional metered water or gas charges

We will pay for costs incurred by **you** as a result of **damage** except any loss which has not been discovered and remedial action taken within 30 days of occurrence of the **damage**.

We will not pay more than £25,000 any one loss.

2. Additional sprinkler costs

We will pay for the costs incurred in upgrading an automatic sprinkler installation to the current Loss Prevention Council (LPC) Rules solely as imposed upon **you** by **us** following **damage** to the **buildings** provided that at the time of **damage** the installation conformed:

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

3. Capital Additions

The insurance extends to include alterations, additions and improvements to **buildings**, adding new or bettering existing assets at the **property insured**, anywhere in the **territorial limits** to the extent that they are not insured elsewhere in accordance with the following:

- a) cover under this extension in any one situation is limited to the value of the alterations, additions or improvements;
- b) **you** must pay the appropriate additional premium from the date on which the items become **your** responsibility.



Section 1 – Property damage

4. Clearing of drains

We will pay for costs and expenses necessarily incurred in clearing, cleaning and repairing drains, gutters, sewers and the like at **your premises** and in the immediate vicinity for which **you** are responsible because of **damage**.

We will not pay more than the sum insured.

5. Contract works

We will pay for contract works to the extent to which **you** have contracted to arrange cover with a limit of £100,000 any one loss at any **premises** and excluding the first £250 of each loss. This insurance will only apply in so far as the contract works are not otherwise insured.

6. Contracting purchaser's interest

If at the time of **damage**, **you** have contracted to sell **your** interest in any **building** insured and the purchase has not been but will be completed, the purchaser on completion will be entitled to benefit under this policy without prejudice to the rights and liabilities of **you** or **us** from the date of the **damage** until completion as long as the purchaser has not otherwise insured the **building** against such **damage**.

7. Contractor's 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 noted, with details of any single contract valued in excess of £150,000 having been advised to **us** before work starts and an additional premium being paid as appropriate.

8. Debris removal

a) **We** will pay for costs and expenses **you** necessarily incur with **our** consent for:

- i) removing debris from;
- ii) dismantling and/or demolishing;
- iii) shoring or propping up of;
- iv) clearing, cleaning or repairing **services** to

those parts of the **property insured** damaged by any cover insured.

b) **We** will pay for costs and expenses necessarily incurred with **our** prior consent for the removal of **tenant(s)** contents at the **property insured**.

We will not pay:

- i) more than the sum insured for each item;
- ii) for any costs or expenses:



Section 1 – Property damage

- a) incurred in removing debris except from the site of property damaged and the area immediately adjacent to it;
- b) arising from **pollution** of property not insured by this policy; or
- c) for **damage** which occurred before the granting of cover under this insurance.

9. European Union and public authorities' requirements

We will pay for the additional cost of rebuilding or repair as may be incurred with **our** consent in complying with any regulations or requirements of the European Union, public authority or other statutory requirements first imposed upon **you** following the **damage**.

However, **we** will not be liable for any rate, tax, duty, development or other charge or assessment which may arise out of any capital appreciation as a result of complying with any of the requirements referred to in this extension.

10. Failure of third party insurances

(applicable to **buildings** and rent of the **buildings**).

We will pay for **damage** to **buildings** or loss of rent in accordance with the terms, conditions, exclusions, provisions and definitions of this policy at the premises defined below, but only to the extent that the lessee or freeholder is unable to recover such amount, equivalent to that which could be payable under this policy if the lessee or freeholder were the insured, as a result of

- a) the lessee or freeholder having failed to arrange or maintain insurance to comply with the terms of the lease; or
- 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 for **damage** or loss of rent that **you** recover from any other party.

We will not pay more than £500,000 any one premises.

No amount will be recoverable:

- i) due to the operation of any excess or deductible under any more specific insurance;
- ii) where the lessee or freeholder's policy fails due to the breach of any condition or warranty contained within their policy as a result of **your** action;
- iii) due to the failure of the lessee or freeholder to make or pursue a legitimate insurance claim; or
- iv) unless **you** carry out at least annually a check of all properties owned or leased by **you** and for which **you** are responsible to ensure that effective insurance is in force for such properties.

For the purpose of this clause, "premises" is defined as all **your** properties anywhere in the **territorial limits** 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**.



Section 1 – Property damage

Special conditions

- A. **We** will not pay for rent unless the **building** to which the rent relates is damaged so 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 **damage** sustained but not exceeding 36 months.
- B. This clause will only take effect if **we** are the sole provider of **buildings** insurance for **your** properties owned in connection with the **business** and where **you** have an obligation to arrange such insurance.

11. Fire extinguishing expenses

We will pay for the reasonable costs incurred by **you**:

- a) for refilling fire-extinguishing appliances and replacing any used sprinkler heads solely in consequence of **damage**;
- b) in extinguishing operations in order to minimise loss;
- c) for **damage** to lawns, trees, shrubs and gardens caused by extinguishing operations;
- d) for resetting of fire alarms up to a limit of £25,000 any one loss.

12. Fire protection equipment

You will take all reasonable measures to ensure that:

- a) any sprinkler or alarm installation or other fire protection equipment, for which a reduced premium rate is allowed, is maintained in efficient working order;
- b) the routine tests prescribed by **us** are carried out and any defects revealed by such tests are promptly remedied; and
- c) **our** written consent is obtained to any proposed changes, repairs or alterations to any sprinkler or alarm installation.

13. Fly tipping

Costs and expenses necessarily and reasonably incurred in clearing and removing any properly illegally deposited in, on or around the **premises** up to a limit of £2,500 in total in any one **period of insurance**.

14. Further investigation expenses

Where a **building** has suffered **damage** and in the opinion of a competent construction professional there is a reasonable possibility of other **damage** to portions of the same **building** which is not apparent straight away, **we** will pay for:

- a) the reasonable costs incurred by **you** with **our** prior consent in establishing whether or not such **damage** has occurred;



Section 1 – Property damage

- b) the reasonable costs incurred by **you** in establishing whether or not other **buildings** in the vicinity have suffered **damage** in the same incident but only if such **buildings** are subsequently found to have suffered such **damage** for which **we** are liable.

We will not pay more than £25,000 any one loss.

15. Landscaping

We will pay for costs and expenses incurred with **our** consent in making good landscaped gardens or grounds at the **premises** damaged by any cover insured but excluding:

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

We will not pay more than £25,000 any one loss.

16. Loss minimisation and prevention expenditure

We will pay for costs and expenses 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.

We will not pay more than £25,000 any one loss.

17. Loss of market value

If

- a) **you** choose not to repair or rebuild, **we** will pay to **you** the reduction in market value of the **buildings** following **damage** but not exceeding the amount that would have been payable had the **buildings** been repaired or rebuilt.
- b) as a result of **damage**, **you** are required to rebuild or reinstate the **buildings** in a manner different from that before **damage** solely to comply with any regulations or requirements of the European Union, public authority or other statutory requirements (as shown under extension 12 and as a result there is reduction in market value, **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 before the **damage**.

The above are in accordance with the following:

- i) the total amount recoverable under any item of the policy will not exceed its sum insured; and



Section 1 – Property damage

- ii) all other terms and conditions of the policy will apply as if they had been incorporated in this clause.

18. Privity of contract

We will pay for all such sums as **you** become legally liable to pay and will pay to any **tenant** for 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, in accordance with the special conditions stated below.

Special conditions

- a) The insurance by this clause will not contribute for any more particular insurance effected by the new owner, **tenant(s)** or sub-**tenant(s)**.
- 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.

19. Professional fees

The sum insured for each item on **buildings** and **landlord's contents** includes an amount for professional fees necessarily and reasonably incurred in the **reinstatement** of the **property insured** but not for preparing any claim.

20. Reinstatement to match

Where a **building** has suffered **damage**, **you** may replace, repair or restore the property with equivalent property which employs current technology and replacement, repair or restoration will not for the purposes of this policy be regarded as being better or more extensive than when new.

This policy further extends to include the replacement or modification of undamaged property insofar as it is necessary to adapt it to operate in conjunction with that property which has been replaced, repaired or restored, provided that **our** total liability is not increased beyond the amount that would otherwise have been payable for the replacement, repair or restoration of the property destroyed or damaged in its original form.

When the **buildings** are damaged or destroyed in part only, **our** liability will not exceed the sum representing the cost which **we** could have been called upon to pay for **reinstatement** if such property had been wholly destroyed.

21. Replacement locks

We will pay for the reasonable expenses necessarily incurred in replacing locks to the **buildings** or safes or strongrooms in them for which **you** are responsible following:

- a) the theft of keys; and
- b) reasonable evidence that the keys have been duplicated by an unauthorised person.

We will not pay more than £5,000 any one loss.



Section 1 – Property damage

22. Residential property

In the event of any **damage** resulting in:

- a) a residential **building** or residential portion of any **building** being uninhabitable; or
- b) access being prevented to such property

we will pay for rent receivable as defined in section 2 – Business interruption and the reasonable additional cost of comparable accommodation incurred by the lessee or owner for any resident, including pets, who normally live in the **building** until the property is habitable or accessible.

We will not pay more than 25% of the sum insured applicable to the residential **building** or residential portion of the **building** concerned in total in any one **period of insurance**.

23. Subrogation waiver

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

- a) any company standing in relation of parent (subsidiary to parent) to **you** as defined in the Companies Act or Companies (N.I.) Order current at the time of the **damage**; or
- b) any company which is a subsidiary of a parent company of which **you** are a subsidiary as defined in the Companies Act or Companies (N.I.) Order current at the time of the **damage**.
- c) any tenant, lessee or managing agent for **damage** applicable to the **premises** unless such **damage** arises out of a criminal or malicious act of the tenant, lessee or managing agent.

24. Temporary removal

We will pay for **damage** to any landlords' fixtures and fittings or other property within the definition of **buildings** not otherwise insured whilst temporarily at other premises for cleaning, renovation or repair or other similar purposes and whilst in transit by road, rail or inland waterway.

We will not pay more than £25,000 for any one loss.

25. Tenants damage

We will pay for **damage**, including malicious damage and theft, caused by the **tenant** to the **buildings** or **landlords' contents**.

However **we** will not cover:

- i) any amount recoverable by **you** from the deposit paid by the **tenant** as detailed on the **tenancy agreement** (proof of deposit payment must be submitted following a claim);
- ii) **damage** which is insured by a policy issued to the **tenant**.



Section 1 – Property damage

We will not pay more than £1,000 for any one loss by theft or £5,000 for any one loss resulting from malicious damage.

26. Trace and access

In the event of **damage** resulting from escape of water or oil as covered by this policy, **we** will pay for the costs necessarily and reasonably incurred in locating the source of such **damage**. **We** will not pay more than £25,000 any one loss.

27. Tree removal

We will pay for costs and expenses incurred in removing fallen trees and branches from the **premises** resulting from any of the covers insured under this policy.

We will not pay more than £500 any one loss or £2,500 in total in any one **period of insurance**.

Cover to include the costs and expenses incurred as a result of **damage** caused to the **property insured** during any necessary tree felling, lopping or topping up to a limit of £5,000 in total in any one **period of insurance**.

28. Value Added Tax (VAT)

The insurance by each item on **buildings** extends to include Value Added Tax paid by **you** which is not subsequently recoverable in accordance with the following:

- a)
 - i) **your** liability for such tax arises solely as a result of the **reinstatement** or repair of the **buildings** to which such item relates following **damage**;
 - ii) **we** have paid or agreed to pay for the **damage**;
 - iii) if payment made by **us** for **reinstatement** or repair of such **damage** is less than the actual cost of **reinstatement** or repair, any payment under this provision resulting from the **damage** will be reduced in like proportion;
 - iv) an allowance has been made in the sum insured for Value Added Tax where necessary, it being understood that **you** will still be entitled to cover if such allowance has inadvertently not been made.
- b) **your** liability for such tax does not arise from the replacement **buildings** having greater floor area than or being better or more extensive than the destroyed or damaged **buildings**;
- c) where an option to reinstate on another site is exercised, **we** will not pay more than the amount of tax that would have been payable had the **buildings** been rebuilt on their original site;
- d) **we** will not pay for amounts payable by **you** as penalties or interest for non-payment or late payment of tax.

For the purpose of paragraph c), rebuilding costs will be exclusive of Value Added Tax. **Our** liability may exceed the sum insured by an item or in the whole the total sum insured where such excess is solely for Value Added Tax.



Section 1 – Property damage

29. Workmen

Workmen may be employed for repairs and minor structural alterations in any of the **buildings** without prejudice to the insurance.

30. Removal of wasp and bee nests

Costs incurred in the removal of any wasp or bee nest found at the **property insured**, removal to be carried out by specialist persons at a limit of £500 any one loss.

31. Unauthorised use of public utilities

This insurance includes loss resulting from the unauthorised use of electricity, gas and water at the **property insured** but only to the extent that:

- a) the loss is determined by measurement from the relevant service provider's meter or;
- b) if the service provider demands excess charges.

We will not pay more than £25,000 any one loss

Conditions

Included here are the conditions of the insurance that **you** need to meet as **your** part of this policy. If **you** do not meet these conditions, **we** may need to reject a claim or a claim payment could be reduced.

1. Automatic reinstatement after a loss

Unless **we** advise **you** to the contrary, **our** liability will not be reduced by the amount of any loss as long as:

- a) **you** pay the appropriate additional premium for reinstatement of cover; and
- b) **you** carry out any reasonable recommendations **we** put forward to prevent further loss.

If the **damage** is by theft (if insured) automatic reinstatement will apply once in each **period of insurance**.

2. Delays in rebuilding

We will not be liable for increases in costs attributable to unreasonable delays in rebuilding or restoring or complying with any regulations or requirements of the European Union, public authority or other statutory requirements unless such delays are wholly outside **your** control.

3. Designation of property

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



Section 1 – Property damage

4. Inflation provision (day one basis)

- a) In accordance with the following special conditions, the basis upon which the claim will be settled for material **damage** will be the **reinstatement** of the property damaged.
- b) The premium has been calculated according to the **declared value** which **you** gave to **us**.

Special conditions

- 1. **You** will notify **us** of the declared value of the **property insured** for each item at the beginning of each **period of insurance**. In the absence of the declaration, the last amount declared by **you** will be taken as the declared value for the ensuing **period of insurance**.
- 2. If at the time of **damage** the declared value of the property is less than the cost of **reinstatement** at the start of the **period of insurance**, then **our** liability for the **damage** will not exceed that proportion of the amount of the **damage** which the declared value bears to the cost of **reinstatement**.
- 3. **Our** liability for the **reinstatement** of property partly damaged will not exceed the amount which would have been payable had such property been wholly destroyed.
- 4. No payment beyond the amount which would have been payable in the absence of this clause will be made:
 - a) unless **reinstatement** starts and proceeds as quickly as possible;
 - b) until the cost of **reinstatement** will have been actually incurred; or
 - c) if the **property insured** at the time of its **damage** will be insured by any other insurance effected by or on **your** behalf which is not upon the same basis of **reinstatement**.
- 5. All the other terms and conditions of the policy will apply:
 - a) for any claim payable under this clause unless they are varied;
 - b) where claims are payable as if this clause had not been incorporated except that the sum insured will be limited to the percentage of the declared value stated in the schedule.

5. Rebuilding on another site

The **buildings** may be wholly or partially rebuilt upon another site and in any manner suitable to **your** requirements provided that it does not increase **our** liability.



Section 1 – Property damage

6. 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 that:

- a) the increase in risk is without their prior knowledge or authority;
- b) **we** are notified as soon as practicable when they become aware of such increase in risk; and
- c) **you** pay any additional premium required.

7. Non-invalidating

This insurance will not be invalidated by any act, omission or alteration whereby the risk of **damage** is increased unknown to or beyond **your** control provided that as soon as **you** become aware of it **you** tell **us** and pay any additional premium required.

8. Our option to rebuild

We may at **our** option rebuild or restore the **buildings** destroyed or portions damaged but without being bound to rebuild or restore the property exactly or completely and only as circumstances permit and in reasonably sufficient manner. **You** will at **your** own expense produce and give to **us** all such plans, documents, books and information as **we** may reasonably require.

9. Reinstatement

In accordance with the following special conditions, the basis upon which the amount payable for **buildings** and **landlords' contents** is to be calculated will be the **reinstatement** of the property lost, destroyed or damaged.

Special conditions

- a) **Our** liability for the repair or restoration of property damaged in part only will not exceed the amount which would have been payable had such property been wholly destroyed.
- b) No payment beyond the amount which would have been payable in the absence of this condition will be made:
 - i) unless **reinstatement** starts and proceeds without unreasonable delay;
 - ii) until the cost of **reinstatement** will have been actually incurred; or
 - iii) if the **property insured** at the time of its **damage** will be insured by any other insurance effected by or on **your** behalf which is not upon the same basis of **reinstatement**.
- c) All other terms and conditions of the policy will apply:
 - i) for any claim payable under the provisions of this condition; or
 - ii) where claims are payable as if this condition had not been incorporated.



Section 1 – Property damage

- d) If, at the time of **reinstatement**, the sum representing 85% of the cost which would have been incurred in reinstating the whole of the property covered by any item in accordance with this condition exceeds its sum insured at the start of any **damage**, **our** liability will not exceed that proportion of the amount of the **damage** which said sum insured will bear to the sum representing the total cost of reinstating the whole of such property at that time.

Paragraph d) above does not apply to **buildings** and contents indicated in the schedule to be indexed linked.

10. Seventy two hour provision

For covers 5 - Storm, 6 - Flood, 7 - Escape of water or oil and 8 - Accidental escape of water from a sprinkler installation only, **damage** occurring continuously or intermittently during any period of seventy two hours will be deemed to constitute one loss at each separate **premises** for the purpose of the application of the **excess**.

11. Security requirements

The following security precautions apply for **buildings** occupied by **you**, for which the security is the direct responsibility of **you** or **your** agents or for any empty or disused **buildings** of which **we** have been notified.

- a) Any additional protection required by **us** will be fitted in accordance with **our** requirements and, together with all other devices for the protection of the **property insured**, will be kept in good order and put into full and effective operation whenever the **premises** are closed for business or are left unattended.
- b) All keys, including duplicate keys, relative to the security of a portion of the **premises** or to any safe or strong room containing **property insured** will be removed from that portion of the **premises** whenever they are closed for business or left unattended.

Exclusions applicable to this section

We will not cover **you** for:

1. the following items unless specifically agreed otherwise and shown as insured in the **schedule**:
 - a) **money**, jewellery, precious stones, precious metals (except where parts of machinery or tools) bullion, bonds, furs, curiosities, rare books or works of art;
 - b) goods held in trust or on commission, documents, manuscripts, business books, computer systems, records, explosives, video tapes or cassettes for sale or hire;
 - c) property in transit;
 - d) patterns, models, moulds, plans and designs.
2. **damage** caused by **pollution** except **damage** caused by:
 - a) **pollution** which results solely and directly from an insured cover;
 - b) any insured cover which results from **pollution**.



Section 2 – Business interruption

This cover is automatically included

Additional definitions

The following words will have the same meaning wherever they appear in this section of the policy or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording. Please also refer to the General Definitions section.

Note 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.

Note 2

For the purpose of these definitions any adjustment implemented for current cost accounting will be disregarded.

Indemnity period

The period beginning with the occurrence of **damage** and ending not later than the **maximum indemnity period** thereafter during which the results of the **business** will be affected in because of the **damage**.

Maximum indemnity period

As stated in the schedule.

Notifiable disease

Injury or illness sustained by any person resulting from:

- a) food or drink poisoning; or
- b) any human infectious or human contagious disease as specified below an outbreak of which the competent public authority has stipulated will be notified to them.

Acute encephalitis;	Acute poliomyelitis;
Anthrax;	Chicken pox;
Cholera;	Diphtheria;
Dysentery;	Legionellosis;
Legionnaires Disease;	Leprosy;
Leptospirosis;	Lyme Disease;
Malaria;	Measles;
Meningitis;	Meningococcal septicaemia;
Mumps;	Ophthalmia neonatorum;
Paratyphoid fever;	Plague;
Rabies;	Rubella;
Scarlet fever;	Smallpox;
Tetanus;	Tuberculosis;
Typhoid fever;	Viral hepatitis;
Whooping cough;	Yellow fever;



Section 2 – Business interruption

Rent receivable

The **money** paid or payable to **you** for accommodation and services provided in course of the **business** at the **premises**.

Insuring clause

If any **building** or other property used by **you** at the **premises** for the purpose of the **business** suffers **damage** by any of the covers specified in the schedule and there is a **consequential loss**, **we** will pay **you** for each item in the schedule the amount of the loss provided that:

1. at the time of the happening of the **damage** there is in force an insurance covering **your** interest in the property at the **premises** against the **damage** and that:
 - a) payment has been made or liability admitted; or
 - b) payment would have been made or liability admitted but for the operation of a clause in the insurance excluding liability for losses below a specified amount.
2. **our** liability under this section will not exceed
 - a) in the whole the total sum insured or for 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 remaining after deduction for any other **consequential loss** occurring during the same **period of insurance** unless **we** have agreed to reinstate any sum insured.

Covers

1. **Fire, lightning and explosion** but not **consequential loss** caused by:
 - i) earthquake, subterranean fire, riot, civil commotion;
 - ii) its undergoing any heat process or any process involving the application of heat;
 - iii) explosion of non – domestic steam pressure machinery or equipment under **your** control.
2. **Aircraft** or other aerial devices or articles dropped from them but not **consequential loss** caused by:
 - i) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds;
 - ii) fire.
3. **Riot, civil commotion, strikers, locked out workers** or persons taking part in labour disturbances **or malicious persons** but not **consequential loss** arising from:
 - i) confiscation, requisition or destruction by order of the government or any public authority;
 - ii) stopping work;
 - iii) fire caused by strikers, locked out workers or persons taking part in labour disturbances or malicious persons;
 - iv) theft or attempted theft directly caused by malicious persons to any **building** which is **unoccupied**;
 - v) **damage** caused by tenants.
4. **Earthquake or subterranean fire**.



Section 2 – Business interruption

5. **Storm** but not **consequential loss**:
 - i) caused by lightning, frost, subsidence, ground heave or landslip;
 - ii) for movable property in the open, fences and gates.
6. **Flood** but not **consequential loss**:
 - i) attributable solely to change in the water table level;
 - ii) caused by lightning, frost, subsidence, ground heave or landslip;
 - iii) for movable property in the open, fences and gates.
7. **Escape of water or oil** from any tank apparatus or pipe but not **consequential loss**:
 - i) caused by water discharged or leaking from any automatic sprinkler installation;
 - ii) for any **building** which is **unoccupied**.
8. **Accidental escape of water** from any automatic sprinkler installation in the **premises** but not **consequential loss** caused by:
 - i) freezing whilst the **building** is **unoccupied**;
 - ii) explosion, earthquake, subterranean fire or heat caused by fire.
9. **Impact** by any road vehicle or animal.
10. **Accidental damage** but not:
 - i) **consequential loss** caused by:
 - a) any of the covers specified above;
 - b) the causes expressly excluded from the covers specified above whether or not insured;
 - c) inherent vice, latent defect, gradual deterioration, wear and tear, faulty or defective design or materials;
 - d) faulty or defective workmanship, operational error or omission on the part of **you** or any **employee** but this will not include further **damage** which itself results from a cause not otherwise excluded;
 - e) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects;
 - f) change in temperature, colour, flavour, texture or finish;
 - g) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services;
 - h) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any steam and feed piping connected to them;
 - i) mechanical, electronic, electrical or computer breakdown or derangement of the particular machine, apparatus or equipment in which the breakdown or derangement originates but this will not exclude **consequential loss** caused by subsequent **damage** so long as it is not excluded above;
 - j) **pollution**;
 - k) normal settlement or bedding down of new structures;
 - l) acts of fraud or dishonesty;
 - m) disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
 - n) **damage to a building** or structure caused by its own collapse or cracking.
 - o) any process of production, packing, treatment, testing, commissioning, servicing or repair;
 - p) nationalisation, confiscation, requisition, seizure or destruction by the government or any public authority.
 - ii) **consequential loss** for:
 - a) movable property in the open, fences and gates caused by wind, rain, hail, sleet, snow, flood or dust;



Section 2 – Business interruption

- b) vehicles licensed for road use (including accessories) caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
 - c) property or structures in course of construction or erection and materials or supplies in connection with this other than internal alterations or refurbishments not more specifically insured under a contract works policy;
 - d) glass.
11. a) **Glass breakage** at the **premises** all being plain sheet or plain plate glass unless stated otherwise in the schedule including the cost of boarding up and any lettering and artwork.
- b) **Damage to:**
- i) the contents of display windows;
 - ii) windows and doorframes, vitrolite, marble, marmerile and similar materials, intruder alarm foils and other detection devices and circuits;
 - iii) electric light fittings; or
 - iv) neon and illuminated signs
- as a direct result of **glass breakage** as described under paragraph 11 a) provided that **our** liability will not exceed £2,500 in total in any one **period of insurance**.
12. **Breakage of fixed sanitaryware** but not breakage or **consequential loss**:
- i) in vehicles, vending machines or to stock in trade;
 - ii) in any **building** which is empty or not in use unless specifically agreed by **us**.
 - iii) in transit or while being fitted;
 - iv) due to settlement, expansion or contraction of frames or fittings in **buildings** under construction and during a period of six months after the date of completion;
 - v) existing before the start of the **period of insurance**;
 - vi) of neon and illuminated signs and electric light fittings;
 - vii) by wear and tear, gradual deterioration, mechanical or electrical breakdown or removal from the fixed position other than by theft or attempted theft;
 - viii) of bulbs or tubes unless the signs or fittings are also damaged;
 - ix) caused by fire or explosion.
13. **Theft or attempted theft** but not **consequential loss**:
- i) which does not involve:
 - a) entry to or exit from a **building** by forcible and violent means; or
 - b) actual or threatened assault or violence;
 - ii) from any part of the **building** not occupied by **you** for the purpose of the **business**.
 - iii) from the open or from any outbuilding not communicating with the main **building** unless otherwise specified;
 - iv) to property in transit;
 - v) to **money** and securities of any description.
14. **Subsidence, ground heave or landslip** of any part of the site on which the property stands but not **consequential loss**:
- i) to yards, car parks, roads, pavements, walls, gates and fences unless also affecting the structure of a **building**;
 - ii) caused by:
 - a) normal settlement or bedding down of new structures;
 - b) settlement or movement of made up ground;
 - c) coastal or river erosion;
 - d) fire, subterranean fire, explosion, earthquake or the escape of water from any tank apparatus or pipe;
 - iii) which originated before the start of this cover;
 - iv) resulting from:
 - a) demolition, construction, structural alteration or repair of any property; or



Section 2 – Business interruption

- b) groundwork or excavation
at the same **premises**.

Special condition applicable to cover 14

- a) **You** must notify **us** as soon as practicable when **you** become aware of any demolition, groundworks or excavation being carried out on any adjoining site;
- b) **We** will then have the right to vary the terms or cancel this cover.

Extensions of cover – provided as standard

1. Action of competent authorities

We will pay for loss resulting from interruption or interference with the **business** in consequence of action by the police or other competent local, civil or military authority following a danger or disturbance in the vicinity of the **premises** whereby access will be prevented provided that there will be no liability under this extension for loss resulting from interruption of the business during the first 12 hours of the **indemnity period**.

We will not pay:

- i) more than £1,000,000; or
- ii) for more than 3 months **maximum indemnity period**

under this extension.

2. Capital additions

The insurance extends to include alterations, additions and improvements to **buildings**, adding new or bettering existing assets at the **property insured**, anywhere in the **territorial limits** to the extent that they are not insured elsewhere in accordance with the following:

- a) Cover under this extension in any one situation is limited to the value of the anticipated amount of additional rent
- b) **You** must pay the appropriate additional premium from the date on which the items become **your** responsibility.

3. Buildings awaiting sale

If, at the time of the **damage**, **you** have contracted to sell **your** interest in the **buildings** or have accepted an offer in writing to purchase **your** interest in the **buildings** awaiting contract and the sale is cancelled or delayed solely in consequence of the **damage**, provided that **you** have made all reasonable efforts to complete the sale of the **buildings** as soon as practicable after the **damage**, **you** may opt for the amount payable by **us** to be as follows:

- a) loss of rent, being the actual amount of the reduction in the **rent receivable** by **you** solely because of the **damage**, during the period before the date upon which, but for the **damage**, the **buildings** would have been sold;
- b) loss of interest during the period commencing with the date upon which, but for the **damage**, the **buildings** would have been sold and ending with the actual date of sale or with the expiry of the **indemnity period** if earlier. Loss of interest will be:



Section 2 – Business interruption

- i) the actual interest incurred on capital borrowed (solely to offset in whole or part the loss of use of the sale proceeds) for the purpose of financing the **business**;
 - ii) the investment interest lost to **you** on any balance of the sale proceeds (after deduction of any capital borrowed as provided under paragraph i) less any amount receivable for rent.
- c) Additional expenditure, being:
- i) the expenditure necessarily and reasonably incurred because of the **damage** solely to avoid or minimise the loss payable under paragraphs a) or b) above but not exceeding the amount of loss avoided by the expenditure; and
 - ii) the additional legal fees and other expenditure incurred solely as a result of the cancellation or delay because of the **damage** but not exceeding either an amount equivalent to the expenditure incurred before the **damage** or £50,000 whichever is the lesser except:
 - 1) the amount payable will be adjusted to provide for any benefit derived by **you** from cancellation of or delay in the sale so that it represents as nearly as may be reasonably practicable the actual loss suffered by **you**;
 - 2) in the event of underinsurance the amount payable will be adjusted in accordance with General condition 2. Average.

4. Contingency rent

Where there is provision in the lease agreed between the landlord and tenant of the **buildings** for an abatement of rent in the event of any loss as described below, or where the **rent receivable** by the landlord is reduced as a direct consequence of the turnover of the lessee's business being reduced by any loss, the insurance by the item on rent is extended to include the following:

A) Failure of utilities

Loss as insured caused by the failure of the supply of:

- i) electricity at the terminal ends of the supply authority's service feeders at the **buildings**;
- ii) gas at the supply authority's meters at the **buildings**; or
- iii) water at the supply authority's main stop cock serving the **buildings**

by any accidental cause other than the deliberate act of any supply authority or by any authority exercising its power to withhold or restrict supply or by drought.

B) Notifiable disease, vermin, defective sanitary arrangements, murder and suicide

Loss as insured caused by:

- i) the closure of or restrictions placed on the whole or part of the **buildings** by order of a competent public authority as a direct result of:



Section 2 – Business interruption

- a) any occurrence of **notifiable disease** at the **buildings** or attributable to food or drink supplied from the **buildings**;
- b) any discovery of an organism at the **buildings** likely to result in the occurrence of a **notifiable disease** at the **buildings**;
- ii) the discovery of vermin or pests at the **buildings** which causes restrictions on the use of the **buildings** on the order or advice of a competent public authority.
- iii) any accident causing defects in the drains or other sanitary arrangements at the **buildings** which causes restrictions on the use of the **buildings** on the order or advice of a competent public authority;
- iv) any occurrence of murder or suicide at the **buildings**.

For the purpose of this clause the **indemnity period** will start:

- a) in the case of paragraphs i) and iv) above with the occurrence or discovery of the **damage**.
- b) in the case of paragraphs ii) and iii) above with the date from which the restrictions on the **buildings** are applied.
- c) the **maximum indemnity period** any one loss is restricted to 3 months.

We will not be liable under this clause for:

- i) any costs incurred in the cleaning, repair, replacement recall or checking of property;
- ii) loss arising at **buildings** which are not directly affected by the occurrence or accident;
- iii) more than £250,000 any one loss.

5. Cost of reletting

We will pay for the costs necessarily and reasonably incurred with **our** consent during the **indemnity period** in reletting the **buildings** (including legal fees in connection with the reletting) solely because of the **damage**.



Section 2 – Business interruption

6. Increased cost of working

The insurance under this item is limited to increased cost of working and the amount payable as indemnity 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** because of the **damage**.

We will not be liable for:

- i) more than one third of the sum insured for the additional expenditure arising in the first quarter of the **maximum indemnity period** following the date of the **damage**; or
- ii) more than an equal proportion of the balance of the sum insured per month for the additional expenditure in the remainder of the **maximum indemnity period**.

7. Legionellosis

We will pay for loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** because of any outbreak of legionellosis at the **premises** causing restrictions on their use on the order or advice of the competent local authority in accordance with the following:

- a) **Premises** will mean only those **premises** which are stated in the schedule to be insured and which are directly affected by the **damage**;
- b) **Indemnity period** will mean the period during which the results of the **business** will be affected because 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.

We will not pay:

- i) for any costs incurred in cleaning, repair, replacement or checking of property except those costs and expenses 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;
- ii) more than £1,000,000 at any one situation; or
- iii) for more than 3 months' **maximum indemnity period**

under this extension.

8. Loss of attraction (leased premises)

The insurance by the item on rent is extended to include loss as insured resulting solely from **damage** by any of the covers insured to **buildings** or other property at any location in the immediate vicinity of the **premises** because of which the turnover of the lessee's business is affected and **rent receivable** by **you** is reduced.

We will not pay under this clause more than 5% of the sum Insured or £250,000 whichever is the lesser any one occurrence.



Section 2 – Business interruption

9. Loss of investment income on late payment of rent

If, as a result of **damage**, **we** are paying indemnity for loss of rent and the payment by **us** to **you** is made later than the date upon which **you** would normally have expected to receive the rent from a lessee, **we** will pay a further sum representing the investment interest lost to **you** during the delay period.

10. Managing agents' premises

The insurance by each item on rent is extended to include loss as insured resulting solely from **damage** by any of the covers insured to buildings or other property at any location in the **territorial limits** owned or occupied by **your** managing agents for the purposes of their business because of which **rent receivable** by **you** is reduced.

11. New business

For the purpose of any claim arising from an **damage** occurring before the completion of the first year's trading of the **business** at the **premises**, the term "standard rent receivable" will be defined as follows.

Standard rent receivable

The proportional equivalent for a period equal to the **indemnity period** of the **rent receivable** realised during the period between the start of the **business** and the date of the **damage**, to which the 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 **damage** or which would have affected the **business** had the **damage** 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 **damage**.

12. Notifiable diseases, murder and suicide

We will pay for loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** directly caused by:

- a)
 - i) any occurrence of a **notifiable disease** at the **premises** or attributable to food or drink supplied from the **premises**; or
 - 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**.
- d) any occurrence of murder or suicide at the **premises**

which causes restrictions on the use of the **premises** on the order or advice of the competent local authority in accordance with the following:

- A. **Indemnity period** will mean the period during which the results of the **business** will be affected because of the occurrence, discovery or accident, beginning with the date from which the restrictions on the **premises** are applied (or in the case of paragraph d) above, with the date of the occurrence) and ending not later than the **maximum indemnity period** thereafter.



Section 2 – Business interruption

- B. **Premises** will mean only those **premises** which are stated in the schedule to be insured and which are directly affected by the occurrence.

We will not pay for:

- i) any costs incurred in the cleaning, repair, replacement, recall or checking of proper;
- ii) any loss arising at **premises** not directly affected by the occurrence, discovery or accident;
- iii) more than £1,000,000 in total in any one **period of insurance**; or
- iv) for more than 3 months' **maximum indemnity period**.

13. Prevention of access

The insurance by each item on rent is extended to include loss as insured caused by prevention or hindrance of access to the **buildings** or prevention of use of the **buildings** because of **damage** by any cover insured to property in the immediate vicinity of the **buildings**.

14. Professional accountants and legal fees clause

For each item on rent if any of the **buildings** suffer **damage**, **we** will pay the reasonable charges payable by **you** and incurred with **our** consent to:

- a) **your** professional accountants for producing the information as may be required by **us** under the terms of Claims condition 2 applicable to property damage insurance and for reporting that the information is in accordance with **your** accounts.
- b) **your** lawyers for determining **your** contractual rights under any rent cesser clause or insurance break clause contained in the lease but not for any other purposes in the preparation of any claim.

15. Utilities

We will pay for loss resulting from interruption of or interference with the **business** carried on by **you** at the **premises** because of any **damage** arising at any:

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

from which **you** obtain electricity, gas, water or telecommunications services in the **territorial limits**.

16. Rent free periods

If at the date of the **damage** the **premises** are affected by a rent free 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**.



Section 2 – Business interruption

17. Rent of residential property

If **buildings** occupied solely or partly for residential purposes suffer **damage** and no sum insured on rent for the residential portions has been allocated, then this insurance extends to include loss of rent including the cost of reletting and any additional expenditure as detailed above.

For the purposes of the cover by this extension:

- a) **indemnity period** will mean the maximum period of three years from the date of the **damage** for which **we** will be liable to pay any loss.
- b) Average is deleted.

This clause will also cover **you** for any expenditure incurred in the provision of comparable accommodation for the benefit of any lessee to comply with the requirements of the lease.

We will not pay under this provision more than 25% of the sum insured applicable to the residential **building** or residential portion of the **building** concerned.

18. Subrogation waiver

In the event of a claim arising under this policy, **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 **yourself** 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, lessee or managing agent for **consequential loss** applicable to the **premises** unless the **consequential loss** arises out of a criminal or malicious act of the tenant, lessee or managing agent.

19. Unlawful occupation

Loss as insured by this section is extended to include loss resulting from interruption of or interference with the **business** because 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; or
- c) thought to contain or actually containing a harmful device provided that the police are immediately informed.

We will not be liable for:

- i) loss arising from any cause within **your** control;
- ii) loss as a result of physical **damage** to property;



Section 2 – Business interruption

- iii) loss which is the direct result of repairs or maintenance being carried out to property as a result of inherent defect or wear and tear;
- iv) any **damage** involving prevention or hindrance of access to or use of the **premises** for less than 12 hours duration;
- v) more than £10,000 any one loss.

Conditions

Included here are the conditions of the insurance that **you** need to meet as **your** part of this policy. If you do not meet these conditions, **we** may need to reject a claim or a claim payment could be reduced.

1. Alternative accommodation - reduction of loss

If, because of the **damage**, **you** will use other premises to provide accommodation to tenants, the rent received from those premises during the **indemnity period** will be taken into account in assessing the loss of rent.

2. Automatic reinstatement after a loss

Unless **we** advise **you** to the contrary, **our** liability will not be reduced by the amount of any loss as long as:

- a) **you** pay the appropriate additional premium for reinstatement of cover; and
- b) **you** carry out any reasonable recommendations **we** put forward to prevent further loss.

If the **damage** is by theft (if insured) automatic reinstatement will apply once in each **period of insurance**.

3. Payments on account

Payments on account will be made to **you** for claims for loss of rent on the date upon which, but for the **damage**, the rent would have been due from the lessee.

4. Renewal

Before each renewal, **you** will provide **us** with the estimated **rent receivable** for the financial year most nearly concurrent with the ensuing year of insurance.

5. Service charges

Rent is deemed to include service charges unless otherwise stated in the schedule.

6. Savings

If any charge or expense payable out of rent will cease or reduce during the **indemnity period** because of the **damage**, the sum saved will be deducted from the amount otherwise payable under this insurance before the application of average.



Section 2 – Business interruption

Appendix A – Rent receivable

Note 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.

Note 2

For the purpose of these definitions any adjustment implemented for current cost accounting will be disregarded.

Additional definitions

Annual rent receivable

The **rent receivable** during the twelve months before the date of the **damage**.

Standard rent receivable

The **rent receivable** during that period in the twelve months before the date of the **damage** which corresponds with the **indemnity period**. **We** will adjust the figures as necessary to provide for trends or special circumstances affecting the **business** before or after the **damage** or which would have affected the **business** had the **damage** not occurred.

Claims - basis of settlement

The insurance by this item is limited to

1. loss of **rent receivable**;
2. cost of reletting;
3. additional expenditure; and
4. accelerated reinstatement expenditure

and the amount payable will be:

- a) for loss of **rent receivable**, the amount by which the **rent receivable** during the **indemnity period** will because of the **damage** fall short of the **standard rent receivable**;
- b) for cost of reletting, the costs necessarily and reasonably incurred during the **indemnity period** in reletting the **buildings** (including legal fees in connection with the reletting) solely because of the **damage**;
- c) for additional expenditure, the expenditure (other than that recoverable under cost of reletting) necessarily and reasonably incurred because of the **damage** solely to avoid or minimise the loss of **rent** during the **indemnity period** but not exceeding the amount of the reduction avoided by such expenditure;
- d) for accelerated reinstatement expenditure, the further additional expenditure (other than that recoverable under cost of reletting or the additional expenditure) necessarily and reasonably incurred because of the **damage** solely to avoid or minimise any loss of rent not recoverable by **you** under this or any other policy during the period of twelve months after the expiry of the **indemnity period** but not exceeding the loss of rent thereby avoided during that period of twelve months by **you**



Section 2 – Business interruption

less any sum saved during the **indemnity period** for the charges and expenses of the **business** payable out of **rent receivable** as may cease or be reduced because of the **damage**.

However, if the sum insured by this item is less than the **annual rent receivable** (proportionately increased where the **maximum indemnity period** exceeds twelve months) the amount payable will be proportionately reduced.

Our liability will in no case exceed:

1. for paragraph a), 200% of the estimated **rent receivable** stated in the schedule;
2. for paragraphs b) – d), the sum insured stated in the schedule for any one item; or
3. for paragraphs a) – d) in total, 200% of the estimated **rent receivable** stated in the schedule.

Conditions

Included here are the conditions of the insurance that **you** need to meet as **your** part of this policy. If **you** do not meet these conditions, **we** may need to reject a claim or a claim payment could be reduced.

1. Return of premium

If the **rent receivable** earned (proportionately increased where the **maximum indemnity period** exceeds twelve months) during the accounting period of twelve months most nearly concurrent with any **period of insurance** as certified by **your** auditors is less than the sum insured, **we** will make a pro rata return of premium not exceeding 50% of the premium paid on the sum insured for the **period of insurance**. If any **damage** will have occurred giving rise to a claim under this section the return of premium will be made in respect only of so much of the difference as is not due to the **damage**.



Section 2 – Business interruption

Appendix B – Loss of book debts

Note 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.

Note 2

For the purpose of these definitions any adjustment implemented for current cost accounting will be disregarded.

Additional definitions

Book debts

The financial amounts due to **you** but not yet paid for goods or services supplied by **you** to customers on a credit or hire purchase basis and for which they have accepted delivery.

Outstanding debit balances

Where there are monthly declarations, the total declared under the last statement adjusted for

- a) bad debts;
- b) amounts debited (or invoiced but not debited) and credited to customer accounts in the period between the date to which the statement applied and the date of **damage**; and
- c) any abnormal trade condition which had or could have a material effect on the **business**

OR

A reasonable estimate of the total outstanding debits at the date of the **damage** after adjustment for bad debts and as agreed between **you** and **us** provided that this estimate does not exceed 75% of the sum insured as set out in the schedule.

We will not pay more than £25,000 any one loss unless otherwise stated in the schedule.

Claims - basis of settlement

The insurance by this item is limited to the loss not exceeding the sum insured sustained by **you** for

- 1. loss of **book debts**; and
- 2. additional expenditure

and the amount payable will be:

- a) for loss of **book debts**, the amount of total **outstanding debit balances** less the total of amounts of **outstanding debit balances** traced or received.
- b) for additional expenditure, the amount necessarily and reasonably incurred solely because of the **damage** in order to trace and establish the amount of customer debit balances, but the amount payable under this heading will not exceed the additional amount that would have been payable under paragraph 1. above for loss of **book debts** if no increase in additional expenditure had been incurred.



Section 2 – Business interruption

Conditions

Included here are the conditions of the insurance that **you** need to meet as **your** part of this policy. If **you** do not meet these conditions, **we** may need to reject a claim or a claim payment could be reduced.

1. Declaration

Within 30 days of the end of each calendar month, **you** will advise **us** in writing of the total amount of **outstanding debit balances** as shown in **your** accounts. If you **do** not advise **us**, **we** will take the maximum sum insured as the total amount declared.

At the end of each **period of insurance** the actual premium will be calculated on the average amount insured i.e. the total of the amounts declared divided by the number of declarations. If the actual premium is greater than the first or annual premium paid, **you** will pay **us** the difference. If it is less, **we** will refund the difference to **you** but only up to one half of the first or annual premium paid.

2. Fire resisting cabinets

Your books of account and other business books or records in which **you** record customer accounts must be kept in fire resisting safes or cabinets when not in use.



Section 3 – Property owners' liability

This cover is automatically included

Additional definitions

*The following words will have the same meaning wherever they appear in this section of the policy or in the schedule relating to this section. To help identify these words they will appear in **bold** in the section wording. Please also refer to the General Definitions section.*

Property

Property which is both material and tangible.

Insuring clause

We will cover **you** under this section of the policy against

1. all sums which **you** will become legally liable to pay as damages; and
2. **costs and expenses**

in the event of

- a) accidental **bodily injury** to any person other than any **employee**;
- b) accidental loss of or damage to **property**;
- c) accidental obstruction, loss of amenities, trespass, nuisance or interference with any right of way, light, air or water; or
- d) wrongful arrest or false imprisonment

occurring during the **period of insurance** and arising out of **your business** in the **territorial limits**.

Limit of indemnity

1. **Our** liability for all claims arising out of one original cause will not exceed the limit of indemnity detailed in the schedule irrespective of the number of claims or claimants.
2. **Costs and expenses** are payable in addition to the limit of indemnity detailed in the schedule.



Section 3 – Property owners' liability

Extensions of cover – provided as standard

These extensions are in accordance with all other terms of this policy so far as they can apply unless otherwise stated.

1. Additional benefit

We will pay costs incurred with **our** consent for

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

2. Compensation for court attendance

In the event of any of **your** directors, partners or **employees** attending court as a witness at **our** request in connection with a claim for which **you** are entitled to cover under this policy, **we** will provide compensation at the following rates for each day on which attendance is required.

- a) Any director or partner £250 per day
- b) Any **employee** £100 per day

We will not pay more than £2,500 in total in any one **period of insurance**.

3. Contingent liability (non-owned vehicles)

We will cover **you** for legal liability for **bodily injury** and loss of or damage to **property** arising out of the use of any motor vehicle, which is not **your property** or leased or hired to **you** and is not provided by **you**, being used in connection with the **business**.

This cover does not apply for

- i) loss of or damage to the vehicle;
- ii) **bodily injury** or **damage to property** while the vehicle is being driven by **you**;
- iii) liability arising from circumstances in which it is compulsory for **you** to insure or provide security of the vehicle as a requirement of relevant Road Traffic Act legislation; or
- iv) a vehicle being used outside the **territorial limits**.

For the purposes of this extension the definition of "**you**" is restricted to paragraphs a) and b) only.



Section 3 – Property owners' liability

4. Contractual liability

Regardless of the Contracts (rights of Third Parties) Act 1999 clause contained under General information, **we** will cover **you** under this extension against liability for **bodily injury** or **damage to property** assumed by **you** to the extent that any contract or agreement entered into by **you** with any **principal** so requires, provided that

- a) the liability arises out of the performance by **you** of the contract or agreement;
- b) the conduct and control of claims is vested in **us**;
- c) nothing in this extension will increase **our** liability to pay any amount in excess of the limit of indemnity under this section.

5. Cross liabilities

If **you** comprise more than one party, **we** will treat each party as though a separate policy had been issued to each of them.

However, nothing in this extension will increase **our** liability to pay any amount in excess of the limit of indemnity under this section.

6. Defective premises

We will cover **you** against liability for **bodily injury** or **damage to property** arising for any **premises** disposed of by **you**. This cover does not apply to any **costs or expenses** incurred in repairing, replacing or making any refund for any **premises**.

7. Discharge of liability

We may at any time pay to **you** or on **your** behalf

- a) the maximum sum payable under this policy for any one occurrence;
- b) the balance of the maximum sum should any payments have already been made for claims arising out of the same occurrence; or
- c) the balance of the maximum sum payable in any one **period of insurance** if this is less than either of the amounts specified in paragraphs a) and b) because of any payments made in connection with any previous claims together with the amount of any legal costs incurred before the time of the payment

and **our** liability for any further payment arising out of or in connection with the occurrences will be fully discharged and at an end.

If the sum payable for any claim or claims occurring in connection with or arising out of any one source or original cause exceeds the sum payable under this policy, **you** will pay

- a) the **excess**; and
- b) the proportion of the law costs payable to any claimants or incurred in the defence of any claim or claims for the occurrence as the **excess** bears to the total sum payable for the occurrences.



Section 3 – Property owners’ liability

8. Environmental statutory clean-up costs

We will pay for all sums including statutory debts that **you** are legally liable to pay for remediation or clean-up costs arising from environmental damage caused by **pollution** where the liability arises under an environmental Directive, Statute or Statutory Instrument.

The following conditions apply.

- a) Liability must arise from **pollution** 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** which arises out of one incident will be deemed to have occurred at the same time the incident takes place.
- b) **Our** liability will not exceed £1,000,000 in total 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) **We** will not be liable:
 - i) for remediation or clean-up costs for **damage to your** land, **premises**, watercourses or bodies of water whether owned, leased, hired, tenanted or otherwise in **your** care, custody or control;
 - ii) for primary, complementary or compensatory remediation costs for damage to **your** land, **premises**, watercourses or bodies of water whether owned, leased, hired, tenanted or otherwise in **your** care, custody or control;
 - iii) for removal of any risk of an adverse effect on human health on **your** land, **premises**, watercourses or bodies of water whether owned, leased, hired tenanted or otherwise in **your** care, custody or control;
 - iv) for 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 starts;
 - v) for costs for prevention of imminent threat of environmental damage where the costs are incurred without there being **pollution** caused by a sudden, identifiable, unintended and unexpected incident.
 - vi) for costs for the reinstatement or reintroduction of flora or fauna; or
 - vii) for fines or penalties of any kind.

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

Clean up

- a) Testing for or monitoring of **pollution**.
- b) Cleaning up, removing, containing, treating, detoxifying or neutralising **pollution**.

Remediation

Remedying the effects of **pollution**.



Section 3 – Property owners' liability

9. Indemnity to directors and employees

In the event of any claim for which **you** would be entitled to receive cover under this policy being brought or made against:

- a) any of **your** directors or **employees**; or
- b) any officer, member or **employee** of **your** social, sports or welfare organisations, first aid, fire or ambulance services

we will cover them if **you** request it against any claim and any costs, charges and expenses with the following conditions.

- a) The person must not be entitled to cover under any other insurance.
- b) The person must observe, fulfil and be in accordance with the terms, limitations and conditions of this policy as though they were **you**.
- c) **We** will not be liable under this extension unless **we** have the sole conduct and control of all claims.
- d) **Our** total liability under this extension to pay compensation will not exceed the limit of indemnity.

10. Indemnity to principal

In the event of any claim for which **you** would be entitled to receive cover under this policy being brought or made against any public or local authority or other **principal**, **we** will cover them against the claim and its costs, charges and expenses provided that **we** will not be liable under this extension unless **we** have the sole conduct and control of all claims.

11. Leased premises

We will cover **you** against liability for **damage** to premises or their fixtures or fittings which are leased to **you**. This cover does not apply to liability for:

- i) **damage** if the liability is assumed under any tenancy or other agreement and would not have attached in the absence of an agreement; or
- ii) the first £250 of **damage**.

12. Legal costs

In addition to the cover provided by this section, **we** will cover **you** for all legal costs awarded to any claimant or incurred in the defence of any claim that is contested by or with **our** consent.



Section 3 – Property owners' liability

13. Legionellosis

We will provide cover to **you** against legal liability for damages and **costs and expenses** for **bodily injury** caused by legionellosis arising out of the **business** and for which:

- a) a claim first made in writing to **you** during the **period of insurance**; or
 - b) the first notification of any circumstance which:
 - i) has caused or is alleged to have caused **bodily injury**; or
 - ii) can be reasonably expected to give rise to a claim under this policy
- is made to **us** during or within 30 days after expiry of the **period of insurance**.

Provided that the total amount payable by this extension of cover will not exceed the amount stated in the **schedule**.

14. Libel and slander

We will cover **you** for legal liability to pay compensation and **costs and expenses** for claims made against **you** during the **period of insurance** arising from any act of libel or slander committed or uttered in good faith by **you** during the **period of insurance** in the course of the **business**.

This extension is in accordance with the following.

- a) The cover granted by this extension will apply solely to **your** in-house and trade publications; and
- b) **our** liability under this extension will not exceed £250,000 in any one **period of insurance**.

15. Personal liability overseas

This policy applies to the personal liability of any of **your** directors or **employees** or any member of their family whilst accompanying them during temporary visits anywhere in the world in connection with **your business**.

This extension does not apply to

- i) legal liability arising from:
 - a) any agreement or contract unless liability would have existed otherwise;
 - b) the ownership or occupation of land or buildings;
 - c) the carrying on of any trade or profession; or
 - d) the ownership, possession or use of fire arms (other than sporting guns), mechanically propelled vehicles, craft designed to travel through air or space, hovercraft, watercraft or animals of a dangerous species.
- ii) **damage** to property owned or held in trust by any of **your** directors, **employees** or any members of their family.



Section 3 – Property owners' liability

- iii) liability more specifically insured under any other insurance.
- iv) legal liability for accidental death or personal injury to any of **your** directors, **employees** or members of their family.

This extension is in accordance with the following:

- a) Any person indemnified under this extension will observe, fulfil and be in accordance with the terms, limitations and conditions of this policy as if they were **you**.
- b) **We** will not be liable under this extension unless **we** have the sole conduct and control of all claims.
- c) **Our** total liability under this extension to pay compensation will not exceed the limit of liability.

16. Personal representatives

In the event of **your** death, the cover provided by this policy will apply to **your** personal representatives for liability incurred by **you**, provided that the personal representatives will observe, fulfil and be in accordance with the terms, limitations and conditions of this policy as though they were **you**.

17. Terrorism

We will cover **you** for legal liability to pay compensation and **costs and expenses** for claims made against **you** during any one **period of insurance** arising from terrorism up to an amount of £5,000,000 or the limit of indemnity as stated in the schedule whichever is the lower.

Conditions

Included here are the conditions of the insurance that **you** need to meet as **your** part of this policy. If **you** do not meet these conditions, **we** may need to reject a claim or a claim payment could be reduced.

1. Use of heat

It is a condition of **our** liability under this section that the following precautions are complied with on each occasion that the use or application of heat as defined below takes place elsewhere than on **your** own **premises**.

- a) **Application of heat by means of electric oxyacetylene or other welding or cutting equipment or angle grinders, blow lamps, blow torches, hot air guns or hot air strippers.**
 - i) The area in the immediate vicinity of the work (including in the case of work carried out on one side of a wall or partition, the opposite side of the wall or partition) must be cleared of all loose combustible material; other combustible material must be covered by sand or over-lapping sheets or screens of non-combustible material.
 - ii) At least 2 adequate and appropriate portable fire extinguishers in proper working order must be kept in the area of the work and used as soon as smoke or smouldering or flames are detected.
 - iii) A fire safety check of the working area must be made approximately 60 minutes after the completion of each period of work and steps taken to extinguish any smouldering or flames discovered.



Section 3 – Property owners' liability

- iv) Blow lamps and blow torches must be filled in the open and must not be lit until immediately before use and must be extinguished immediately after use.
- v) A person must be appointed by **you** to act as an observer to watch for signs of smoke or smouldering or flames.

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

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

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

Exclusions

We will not cover **you** under this section against liability:

1. for **damage to property** belonging to **you** or in the custody or control of **you** or any **employee** other than:
 - a) **property** including motor vehicles belonging to an **employee** or visitor;
 - b) any premises or their contents which are temporarily occupied by **you** for the purpose of carrying out work in or to such premises.
2. arising from the ownership, possession or use under the control of **you** or any **employee** of any mechanically propelled vehicle in circumstances where compulsory insurance or security is required under any Road Traffic Act legislation;
3. arising out of the ownership, possession or use by **you** or on **your** behalf of any aircraft or other aerial devices, hovercraft, **offshore** installation or watercraft (other than hand-propelled or wind-powered watercraft whilst on inland waterways);
4. arising from any products after they have ceased to be in **your** custody or control other than food or drink for consumption on **your premises**;
5. caused by or arising out of the deliberate, conscious or intentional disregard of **your** obligation to take all reasonable steps to prevent **bodily injury** or **damage to property**;
6. caused by or arising out of liquidated damages clauses, penalty clauses or performance warranties unless such liability would have attached in the absence of such clauses or warranties;
7. caused by or arising out of **pollution**. But **we** will cover **you** against liability for accidental **bodily injury** or accidental **damage to property** caused solely by **pollution** which results from a sudden, identifiable, unintended and unexpected incident and such incident takes place in its entirety at a specific and identified time and place during the **period of insurance** provided that:
 - a) all **pollution** which arises out of any one incident will be deemed to have occurred at the time such incident takes place;
 - b) nothing in these provisos will increase **our** liability to pay damages, costs, fees and expenses in excess of the limit of indemnity in the schedule in total in any one **period of insurance**.



Section 4 – Employers' liability

This cover is optional and only applies if shown as insured in your schedule

Insuring clause

We will cover **you** against

1. all sums which **you** will become legally liable to pay as damages; and
2. **costs and expenses**

in the event of **bodily injury** sustained by any **employee** which arises out of and in the course of their employment by **you** in the **business** and which is caused

- a) in the **territorial limits**.
- b) elsewhere in the world for temporary manual visits by any **employee** provided that such **employee** is normally resident in the **territorial limits**.

Limit of indemnity

1. The amount specified in the schedule.

Our liability for all compensation payable to any claimant or any number of claimants for or arising out of any one event or all events of the series consequent on or attributable to one source or original cause will not exceed the limit of indemnity.
The limit of indemnity will be the maximum amount payable including **costs and expenses**.

2. Regardless of anything contained in paragraph 1. above, **our** liability under this section for damages and **costs and expenses** payable for any one loss arising out of any one event or all events of a series consequent on or attributable to one source or original cause and arising out of terrorism will not exceed £5,000,000.
3. Regardless of anything contained in paragraph 1. above, **our** liability under this section for damages and **costs and expenses** payable for any one loss arising out of any one event or events of a series consequent on or attributable to one source or original cause and arising out of or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use or exposure to asbestos or materials or products containing asbestos will not exceed £5,000,000.

Employers' liability compulsory insurance

The cover granted by this section is deemed to be in accordance with the provisions of any law enacted in the United Kingdom relating to compulsory insurance of liability to **employees**.

If, however, **we** pay any sum which would not have been paid but for the provisions of such law then **you** will repay such sum to **us**.



Section 4 – Employers' liability

Extensions provided as standard

These extensions are in accordance with all other terms of this policy so far as they can apply unless otherwise stated.

1. Compensation for court attendance

In the event of any of **your** directors, partners or **employees** attending court as a witness at **our** request in connection with a claim for which **you** are entitled to cover under this policy, **we** will provide compensation at the following rates for each day on which attendance is required.

- a) Any director or partner £250 per day
- b) Any **employee** £100 per day

We will not pay more than £2,500 in total in any one **period of insurance**.

2. Contractual liability

Regardless of the Contracts (rights of Third Parties) Act 1999 clause contained under General information, **we** will cover **you** under this section against liability for **bodily injury** assumed by **you** to the extent that any contract or agreement entered into by **you** with any **principal** so requires provided that

- a) the liability arises out of the performance by **you** of such contract or agreement;
- b) the conduct and control of claims is vested in **us**;
- c) the cover granted will apply only for liability to any **employee**;
- d) nothing in this extension will increase **our** liability to pay any amount in excess of the limit of indemnity under this section.

3. Cross liabilities

If **you** comprise more than one party, **we** will treat each party as though a separate policy had been issued to each of them.

However, nothing in this extension will increase **our** liability to pay any amount in excess of the limit of indemnity under this section.

4. Indemnity to principal

In the event of any claim for which **you** would be entitled to receive cover under this policy being brought or made against any public or local authority or other **principal**, **we** will cover them against such claim and its costs, charges and expenses provided that **we** will not be liable under this extension unless **we** have the sole conduct and control of all claims.



Section 4 – Employers' liability

5. Injury to partner or proprietor

For **bodily injury** to any partner or proprietor named in the schedule as the policyholder, **we** will deem them to fall within the definition of **employee** in accordance with the following conditions.

- a) **Bodily injury** arises out of and in the course of **your business**;
- b) **Bodily injury** is caused by another partner or **employee** working for **you** in connection with **your business**; and
- c) the partner or the proprietor has a valid right of action against the party responsible for **bodily injury**.

6. Solicitors' fees

We will pay solicitors' fees incurred with **our** consent for

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

which may be the subject of cover under this section.

7. Unsatisfied court judgements

If:

- a) a judgement for damages is obtained against any company or individual operating from premises within the **territorial limits** by any **employee** for **bodily injury** caused during any **period of insurance** arising out of and in the course of their employment by **you** in the **business** and
- b) it remains unsatisfied in whole or in part six months after the date of such judgement

we will cover the **employee** or their personal representative up to the limit of indemnity for the amount of damages and awarded costs which remain unsatisfied as long as

- i) there is no appeal outstanding;
- ii) any payment made by **us** will only be for **bodily injury** which would otherwise be within the scope of cover of this section of the policy;
- iii) any payment made by **us** will only be for liability for which **you** would have been entitled to cover under this section of the policy if the judgement had been made against **you**; and
- iv) **we** will be entitled to take over and prosecute for **our** own benefit any claim against any other party and **you**, the **employee** or their personal representatives will give all information and assistance required.



Section 4 – Employers' liability

Exclusions

1. **We** will not cover **you** under this section against liability for **bodily injury** to an **employee** in circumstances where compulsory insurance or security is required by Road Traffic Act legislation.
2. **We** will not cover **you** under this section against liability arising **offshore**.



Prosecution defence costs applicable to sections 3 and 4

Additional definitions

*The following words will have the same meaning wherever they appear in this section of the policy or in the **schedule** or any endorsement relating to this section. To help identify these words they will appear in **bold** in the section wording. Please also refer to the General definitions.*

Applicable legislation

- a) Health and Safety at Work etc. Act 1974 including the Control of Substances Hazardous to Health Regulations 2002 concerning the risk from exposure to legionella;
- b) Management of Health and Safety at Work Regulations 1999;
- c) Corporate Manslaughter and Corporate Homicide Act 2007;
- d) Health and Safety Inquiries (Procedure) Regulations 1975;
- e) Protection from Harassment Act 1997;
- f) Part II of the Consumer Protection Act 1987 and Part II of the Food Safety Act 1990.

or similar legislation in force in the **territorial limits**.

Appointed advisor

The solicitor, accountant, mediator or other suitably qualified person, who has been appointed to act for an **insured person** in accordance with the terms of this section.

Costs and expenses (this definition replaces the General definition of costs and expenses for this section only)

Reasonable legal costs, fees and disbursements reasonably and proportionately incurred by the **appointed advisor** on the **standard basis** and agreed in advance by **us**.

Insured person

- a) **You** and **your** directors, partners, managers, officers and the **employees** of **your business**.
- b) The estate, heirs, legal representatives or assigns of any persons mentioned in a) in the event of the person dying.
- c) Any other person who is contracted to perform work for **you**, who in all other respects **you** have arranged to insure on the same basis as **your** other **employees** and who performs work under **your** supervision.

Reasonable prospects of success

In criminal prosecution claims where the **insured person**:

- i) pleads guilty, a greater than fifty per cent chance of the **insured person** successfully reducing any sentence or fine;
- ii) pleads not guilty, a greater than fifty per cent chance of that plea being accepted by the court.



Prosecution defence costs applicable to sections 3 and 4

Standard basis

The basis of assessment of costs where the court only allows recovery of costs which are proportionate to the claim and which have been reasonably incurred.

Insuring clause

We will pay the **insured person's costs and expenses** up to £1,000,000 in total (but up to the **sum insured** shown in the **schedule** for the Corporate Manslaughter and Corporate Homicide Act 2007); during the **period of insurance** for all claims related by time or original cause including the cost of appeals, for:

- a) the defence of any criminal proceedings brought against **you** for an offence or breach, whether actual or alleged, of any **applicable legislation**;
- b) any prosecution costs awarded against **you** arising from those proceedings described in a) above;
- c) **costs and expenses** incurred with **our** consent for **your** legal representation at an inquiry ordered under any applicable legislation;
- d) appeals against improvement and prohibition notices incurred with **our** consent.

Provided that:

- 1. the claim arises in connection with **your business** and occurs within the **territorial limits**;
- 2. the claim always has **reasonable prospects of success**; and
- 3. the prosecution or proceedings relate to an offence alleged to have been committed during the **period of insurance**.

Conditions

Included here are the conditions of the insurance that **you** need to meet as **your** part of this policy. If **you** do not meet these conditions, **we** may need to reject a claim or a claim payment could be reduced.

1. Acts of parliament, statutory instruments, civil procedure rules and jurisdiction

All legal instruments and rules referred to within this section of the policy include equivalent legislation in Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any later amendment or replacement legislation.

2. Consent

The **insured person** must agree to **us** having sight of the **appointed advisor's** file relating to the **insured person's** claim. The **insured person** is considered to have provided consent to **us** or **our** appointed agent to have sight of the **appointed advisor's** file for auditing and quality and cost control purposes.



Prosecution defence costs applicable to sections 3 and 4

3. Freedom to choose an appointed advisor

- a) **We** will choose the **appointed advisor**; however, the **insured person** is free to choose an **appointed advisor** if they wish.
- b) Where the **insured person** wishes to exercise their right to choose, they must write to **us** (by e-mail, fax or letter) with their preferred representative's contact details. If the **insured person** does choose their own **appointed advisor**, the amount payable for their services will be on the basis of **our** standard terms of appointment for legal representation or other reasonable terms of appointment to which **we** agree, **our** agreement not to be unreasonably withheld.
- c) If the **insured person** dismisses the **appointed advisor** without good reason, or withdraws from the claim without **our** written agreement or if the **appointed advisor** refuses with good reason to continue acting for the **insured person**, cover will end with immediate effect.

4. Barrister's opinion

At any time **we** may seek an independent barrister's opinion as to the **reasonable prospects of success** in defending the prosecution.

If the opinion is that a "not guilty" plea does not have a **reasonable prospect of success** then **we** will advise **you** of that opinion.

Should **you** elect to continue with a "not guilty" plea then **we** will withdraw **our** support for the **insured person's** defence and be under no further obligation to cover **you** for any costs incurred from the date of **your** refusal to accept that opinion, unless **you** obtain an independent barrister's opinion at **your** own expense which contradicts the opinion that **we** have obtained, in which case **we** will ask the chairperson or vice-chairperson of the bar council to appoint a queen's counsel to give a final opinion, at **our** expense, as to the prospects of success in defending the prosecution.

If the opinion of the queen's counsel agrees with the **insured person's** barrister's opinion then **we** will continue to support the **insured person's** defence, but if it does not **we** will withdraw **our** support for the **insured person** and be under no further obligation to cover the **insured person's** costs incurred from the date of the queen's counsel final opinion.

This does not affect the **insured person's** right under the Arbitration clause contained within the Claims conditions section.

5. The insured person's responsibilities

An **insured person** must:

- a) tell **us** as soon as is practicably possible of anything that may make it more costly or difficult for the **appointed advisor** to resolve a claim in their favour;
- b) cooperate fully with **us**, give the **appointed advisor** any instructions **we** require, and keep them updated with progress of the claim and not hinder them;
- c) take reasonable steps to recover **costs and expenses** and pay them to **us**; and



Prosecution defence costs applicable to sections 3 and 4

- d) keep **costs and expenses** as low as reasonably possible.

Exclusions

We will not be liable under this section for any claim arising from or relating to:

1. **Costs and expenses incurred without consent**

costs and expenses incurred without **our** consent;

2. **Fines & penalties**

fines or penalties of any kind;

3. **Prior losses**

any actual or alleged act, omission or dispute happening before, or existing at the inception of the policy, and which the **insured person** knew or ought reasonably to have known could lead to a claim; and

4. **Legal expenses insurance**

costs and expenses incurred as a result of any criminal proceedings, appeals or inquiries which arise independently of any legal liability **you** may have to pay damages.



Section 5 – Legal expenses

This cover is automatically included

Additional definitions

*The following words will have the same meaning wherever they appear in this section or in the **schedule** or any endorsements relating to this section. To help identify these words they will appear in **bold** in the section wording. Please also refer to the General definitions section.*

Appointed advisor

The solicitor, accountant, mediator or other suitably qualified person, who has been appointed by **us** to act for an **insured person** in accordance with the terms of this section.

Collective conditional fee agreement

A legally enforceable agreement entered into on a common basis between the **appointed advisor** and **us** to pay their professional fees on the basis of “no-win no-fee”.

Conditional fee agreement

A legally enforceable agreement between the **insured person** and the **appointed advisor** for paying their professional fees on the basis of “no-win no-fee”.

Costs and expenses (this definition replaces the General definition of costs and expenses for this section only)

- a) Reasonable legal costs, fees and disbursements reasonably and proportionately incurred by the **appointed advisor** on the **standard basis** and agreed in advance by **us**;
- b) In civil claims, the other side’s costs, fees and disbursements where the **insured person** has been ordered to pay them or pays them with **our** written consent;
- c) The professional fees and expenses of an **appointed advisor** selected by **us** to reduce the actual or anticipated adverse or negative publicity or media attention directed towards **you** arising from an event insured under Part B - Cover 3. Crisis communication.
- d) **Your employee's** basic wages or salary under Part B - Cover 9. Loss of earnings in the course of their employment with **you** while attending court, tribunal, arbitration, disciplinary hearing or regulatory proceedings at the request of the **appointed advisor** or whilst on jury service where **you** do not pay for time lost and lost wages or salary cannot be claimed back from the court, tribunal or other relevant body; and
- e) Reasonable accountancy fees reasonably incurred under Part B - Cover 11. Tax protection by the **appointed advisor** and agreed by **us** in advance;

Employee (this definition replaces the General definition of employee for this section only).

A worker who has or alleges they have entered into a contract of service with **you**.

Full enquiry

An extensive examination by the HM Revenue & Customs which considers all aspects of **your** tax affairs, or where applicable the personal tax affairs of **your** directors or partners excluding those enquiries which are limited to one or more specific aspects of the self-assessment and/or corporate tax return.



Section 5 – Legal expenses

Insured person

- a) **You** and **your** directors, partners, managers, officers and **employees of your business**;
- b) The estate, heirs, legal representatives or assigns of any persons mentioned in a) in the event of that person dying; and
- c) any other person who is contracted to perform work for **you**, who in all other respects **you** have arranged to insure on the same basis as **your** other **employees** and who performs work under **your** supervision.

Insured property

- a) **Your business** premises; and/or
- b) buildings owned by **you** which are let or which **you** intend to **tenants** for business or residential purposes and/or
- c) accommodation which is owned by **you** and which **you** let or intend to let to guests as holiday accommodation for leisure purposes

under the terms of a written agreement, located within England, Scotland Wales or Northern Ireland.

Reasonable prospects of success

- a) For all claims that are not described in b) and c) below the **insured person** must have a greater than fifty per cent chance of successfully pursuing or defending their claim.
- b) If the **insured person** is seeking damages or compensation, there must also be a greater than fifty per cent chance of enforcing any judgment that might be obtained.
- c) In criminal prosecution claims where the **insured person**:
 - i) pleads guilty, the **insured person** must have a greater than fifty per cent chance of successfully reducing any sentence or fine; and
 - ii) pleads not guilty, there must be a greater than fifty per cent chance of that plea being accepted by the court.

Small claims court

A court in:

- a) England and Wales that hears a claim falling under the small claims track in the County Court as defined by Section 26.6 (1) of the Civil Procedure Rules 1999;
- b) Scotland that uses the simple claims procedure as set out by the Courts Reform (Scotland) Act 2014; and
- c) Northern Ireland where the sum in dispute is less than £3,000.

Standard basis

The basis of assessment of costs where the court only allows recovery of costs which are proportionate to the claim and which have been reasonably incurred.



Section 5 – Legal expenses

Territorial limit

- a) For Part B - Covers 1.Compliance and regulation, 2.Contract and debt recovery, 8.Legal defence, 9.Loss of earnings and: the European Union, the Isle of Man, the Channel Islands, Norway and Switzerland.
- b) For Part B - Covers 3. Crisis communication, 4.Employment, 5.Employment compensation awards, 6.Employees extra protection, 7.Employment restrictive covenants, 10.Statutory licence appeals and 11.Tax protection: the United Kingdom, Channel Islands and the Isle of Man.
- c) For Covers not listed in a) and b) above the United Kingdom.

You/your

Is extended for this section only to include any person or business appointed as an agent of the **business** to manage the letting of **insured property** to the extent that any agent has acted on **your** behalf.

This Cover has two parts:

PART A covers **you** for legal disputes that arise from owning or letting out **your insured property**;

PART B relates to other legal matters arising from **your business**.

If you are not trading as a business only PART A of this section applies.

Insuring clauses

For the covers described below **we** will pay the **insured person's costs and expenses** up to £100,000 for all claims related by time or original cause including the cost of appeals. This limit includes payment of employment compensation awards where cover applies with a total limit of £1,000,000 in any one **period of insurance**.

Provided that:

- 1. the claim (unless otherwise stated) arises in connection with **your business** and occurs within the **territorial limits**;
- 2. the claim:
 - a) always has **reasonable prospects of success**;
 - b) is reported to **us**:
 - i) during the **period of insurance**;
 - ii) as soon as is reasonably practicable possible after the **insured person** becomes aware of the circumstances which could give rise to a claim under this section; and
 - iii) within sixty days of **you** first becoming aware of the matter in dispute where **you** are in disagreement with a **tenant of your insured property**;



Section 5 – Legal expenses

3. unless there is a conflict of interest, the **insured person** always agrees to use the **appointed advisor** chosen by **us** in any claim;
 - a) to be heard by an Employment Tribunal or **small claims court**; and/or
 - b) before proceedings have been or need to be issued; and
4. any dispute will be dealt with by a court, tribunal, Advisory Conciliation and Arbitration Service (ACAS) or a relevant regulatory or licensing body in the **territorial limits**.

A claim is considered to be reported to **us** when **we** have received the **insured persons** fully completed claim form.

PART A – Your insured property

Insured events covered

1. Commercial lease disputes

Pursuit or defence of **your** legal rights arising from a dispute with **your tenant** under the terms of a written lease agreement in relation to **your insured property** which is:

- a) granted under the Landlord & Tenant Act 1954 provided that where the dispute arises from or relates to renewal of **your** lease agreement or the granting of a new business tenancy:
 - i) **reasonable prospects of success** exist to oppose **your tenant's** right to renew the tenancy under Section 30(1) of the Landlord and Tenant Act; and
 - ii) **you** can demonstrate that **you** have served the correct legal notice to terminate on the **tenant** in the prescribed form before **your tenant** has served **you** with a request for a new tenancy.
- b) contracted out of the Landlord & Tenant Act 1954 provided that:
 - i) **you** have correctly served the necessary legal notice on **your tenant**;
 - ii) **your tenant** has made the relevant declaration; and
 - iii) the lease is notified to **us** accordingly.

We will not cover **you** for any claim that arises from a disagreement with **your tenant** over payment or non-payment of rent or service charges.

2. Holiday homes contract disputes

A dispute that arises from:

- a) a written agreement which **you** have entered into to let out **your insured property** as holiday accommodation that is not otherwise covered by 3. Property damage, nuisance & trespass or 4. Recovery of rent arrears below;
- b) a contract **you** have entered into to buy or hire goods or services for the benefit of



Section 5 – Legal expenses

insured property which **you** have let or intend to let to guests as holiday accommodation.

We will not compensate **you** for:

- a) goods or services which exceed £6,000 (including VAT) in value;
- b) loans and mortgages;
- c) an employment contract; or
- d) a settlement due under an insurance policy.

3. **Property damage, nuisance and trespass**

- a) An event which causes visible **damage** to **your insured property** and/or material property owned by **you** at **your insured property**.
- b) A public or private nuisance or a trespass relating to **your insured property**.

Provided that if **your insured property** is used as holiday accommodation:

- i) **you** can provide a detailed inventory of its condition and contents which has been signed by **your** guest(s); and
- ii) a disrepair or defects deposit has been paid in cash or payment has cleared in **your** bank account.

We will not cover **you** for any claim relating to:

- a) damage or loss arising from a contract between **you** and a third party who is not a tenant, ex-**tenant**, or guest staying at an **insured property** **you** have let out as holiday accommodation;
- b) the compulsory purchase of, or demolition, restrictions, controls or permissions placed on land or material property by any government, local or public authority;
- c) a dispute with any party other than the party who caused the damage, nuisance or trespass;
- d) any nuisance or trespass claim under 3. b) above that arises from a contract, lease, licence or **tenancy agreement** between **you** and the third party (including trespass by **your** ex-**tenant**);
- e) the **excess** as shown in the schedule which is applicable to 3. b) above except where **you** bring a claim against a person who is living at the **insured property** without **your** permission. **We** will ask **you** to pay the **excess** when **we** accept **your** claim.

4. **Recovery of rent arrears**

Pursuit of **your** legal right to recover rent owed to **you** by:

- a) **your tenant** or ex-**tenant** of **insured property**;
- b) guest(s) staying at **your insured property** which is used as holiday accommodation.



Section 5 – Legal expenses

5. Repossession of residential property

a) Pursuit of **your** legal rights to repossess **your insured property** that has been let under:

b) an assured shorthold tenancy; or

i) a shorthold tenancy; or

ii) an assured tenancy,

as defined by the Housing Act 1988 as amended by the Housing Act 1996 and the Assured Tenancies (Amendment) (England) Order 2010 or the Housing (Scotland) Act.

Provided **you**:

a) give the **tenant** the correct notices for the repossession; and

b) will try to get repossession under:

i) **Schedule 2**, Part 1 (grounds 1 to 8) of the Housing Act 1988 as amended by the Housing Act 1996;

ii) **Schedule 5**, Part 1 (grounds 1 to 8) of the Housing Act (Scotland) 1988;

iii) Part 1, Section 21 of the Housing Act 1988 amended by the Housing Act 1996; or

iv) Part 2, Section 33 of the Housing Act (Scotland) 1988.

c) Pursuit of **your** legal rights to repossess **your insured property** that **you** have let:

a) in accordance with the Private Tenancies (Northern Ireland) Order 2006; or

b) to a limited company or business partnership for residential use by employees.

d) Pursuit of **your** legal right to recover or repossess **your insured property** that is occupied by an **employee** or ex-**employee** under a service occupancy agreement.

Exclusions that apply to PART A

We will not be liable for:

1. Houses of multiple occupation

Any claim arising from or relating to an **insured person** which has been or should have been registered as a House of Multiple Occupation.

2. Tenant disagreements

any disagreement with a **tenant** of **your insured property** during the first 90 days of the first **period of insurance** where the **tenancy agreement** started before the start date of cover



Section 5 – Legal expenses

under this section unless **you** were insured for equivalent cover immediately before the start of cover under this section; or

3. Property chamber of the First-tier Tribunal

registering, assessing or reviewing rent, rent control, land tribunals or matters that fall under the jurisdiction of the Property Chamber of the First-tier Tribunal.

PART B – Your Business

Insured events covered

1. Compliance and regulation

- a) Receipt of a Statutory Notice that imposes terms against which **you** wish to appeal;
- b) Notice of a formal investigation or disciplinary hearing by any professional or regulatory body;
- c) A civil action alleging wrongful arrest arising from an allegation of theft.

We will not cover any claim arising from or relating to:

- a) a routine inspection by a regulatory authority;
- b) the pursuit of an action by **you** other than an appeal; or
- c) a Health and Safety Executive Fee for intervention.

2. Contract and debt recovery

A breach or alleged breach of an agreement or alleged agreement which has been entered into by **you** or on **your** behalf relating to the purchase, hire, hire purchase, lease, servicing, maintenance, testing, sale or provision of goods or services, provided that if **you** are claiming for an undisputed debt **you** have exhausted **your** normal credit control procedures.

We will not cover **you** for any claim arising from or relating to:

- a) an amount which is less than £200;
- b) the letting, leasing, licensing sale or purchase of land or buildings where **you** act as the landlord;
- c) loans, mortgages, endowments, pensions or any other financial product;
- d) the settlement payable under an insurance policy;
- e) computer hardware, software, internet services or systems which have been:
 - i) tailored to **your** requirements; or
 - ii) supplied by **you**;
- f) a breach or alleged breach of a professional duty by an **insured person**;



Section 5 – Legal expenses

- g) a dispute between **you** and an **employee** or ex-**employee**; or
- h) adjudication or arbitration.

3. Crisis communication

Following an event which causes **your business** significant adverse publicity or reputational damage which is likely to have a widespread financial impact on **your business**, **we** will:

- a) liaise with **you** and **your** solicitor (whether the solicitor is an **appointed adviser** under this policy, or acts on **your** behalf under any other policy), to draft a media statement or press release;
- b) arrange, support and represent an **insured person** at a press conference; and/or
- c) prepare communications for **your** customers and/or a telephone or website script, provided that **you** have sought and followed advice from **our** Crisis Communication helpline.

We will not compensate any claim relating to:

- 1. **costs and expenses** in excess of £10,000; or
- 2. matters that should be dealt with through **your** normal complaints procedures.

4. Employment

A dispute between **you** and **your employee**, ex-**employee**, or a prospective **employee**, arising from a breach or an alleged breach of their:

- a) contract of service with **you**; and/or
- b) related legal rights.

A claim can be made under this section this policy provided that all internal procedures as set out in the:

- a) ACAS Code of Practice for Disciplinary and Grievance Procedures; or
- b) Labour Relations Agency Code of Practice on Disciplinary and Grievance Procedures in Northern Ireland

have been or ought to have been concluded.

We will not cover **you** for any claim relating to:

- a) the pursuit of an action by **you** other than an appeal;
- b) redundancy, alleged redundancy or unfair selection for redundancy, occurring during the first one hundred and eighty days of the inception of this section of this policy, except where **you** have had equivalent cover in force up until the start of this section; and
- c) **costs and expenses** for preparation and representation at an internal disciplinary hearing, grievance or appeal.



Section 5 – Legal expenses

5. Employment compensation awards

Following a claim **we** have accepted under Cover 4. Employment above, **we** will pay any:

- a) basic and compensatory award;
- b) an amount agreed by **us** in settlement of a dispute.

Provided that:

- a) **reasonable prospects of success** exist for a wholly successful defence throughout; and
- b) compensation is:
 - i) agreed through mediation or conciliation or under a settlement approved by **us**; or
 - ii) awarded by a tribunal after full argument unless given by default.

We will not pay employment compensation awards relating to:

- a) money owed to an **employee**;
- b) trade union membership or non-membership, industrial or labour arbitration, collective bargaining agreements, trade union recognition or matters concerning a European Works Council; or
- c) civil claims or statutory rights relating to trustees of occupational pension schemes.

6. Employees' extra protection

At **your** request:

- a) where civil proceedings are issued against **your employee**;
 - i) for unlawful discrimination; or
 - ii) in their capacity as a trustee of a pension fund set up for the benefit of **your employees**;
- b) where **your employee** or a member of their family suffers death or physical injury as the result of a sudden event;
- c) a claim arising from personal identity theft targeted at **your** directors and/or partners.

We will not cover any claim arising from or relating to:

- a) defending **you**; or
- b) a condition, illness or disease which develops gradually over time.



Section 5 – Legal expenses

7. Employment restrictive covenants

- a) A dispute with **your employee** or ex-**employee** which arises from their breach of a restrictive covenant where **you** are seeking financial remedy or damages.

Provided that the restrictive covenant:

- i) is designed to protect **your** legitimate **business** interests;
 - ii) is evidenced in writing and signed by **your employee** or ex-**employee**;
 - iii) extends no further than is reasonably necessary to protect the **business** interests; and
 - iv) does not contain restrictions in excess of twelve months.
- b) A dispute with another party who alleges that **you** have breached their legal rights protected by a restrictive covenant.

8. Legal defence

- a) A criminal investigation and/or enquiry by:

- i) the police;
- ii) a health and safety authority; or
- iii) other body with the power to prosecute,

where it is suspected that an offence may have been committed that could lead to the **insured person** being prosecuted;

- b) An offence or alleged offence which leads to the **insured person** being prosecuted in a court of criminal jurisdiction; and
- c) A motor prosecution brought against **your** directors and/or partners which does not relate to the **business**.

We will not cover:

- i) any claim relating to a parking offence;
- ii) any claim relating to a claim made against **you** for compensation under Section 13 of the Data Protection Act 1998 or under the General Data Protection Regulation and any enabling data protection legislation.

9. Loss of earnings

The **insured person's** absence from work to attend court, tribunal, arbitration, disciplinary hearing or regulatory proceedings at the request of the **appointed adviser** or whilst on jury service which results in loss of earnings.

We will not pay any sum that can be recovered from the court or tribunal.



Section 5 – Legal expenses

10. Statutory licence appeals

An appeal against the decision of the relevant authority to alter, suspend, revoke or refuse to renew **your** statutory licence or compulsory registration.

11. Tax protection

- a) A formally notified aspect or **full enquiry** into **your** tax affairs, or into the personal tax affairs of **your** directors and/or partners.
- b) A dispute about **your** compliance with regulations relating to any of the following:
 - i) Value Added Tax;
 - ii) Pay As You Earn;
 - iii) Social Security;
 - iv) National Insurance Contributions;
 - v) the Construction Industry Scheme;
 - vi) IR35,following a compliance check by HM Revenue and Customs.
- c) An enquiry into **your** tax affairs, or into the personal tax affairs of **your** directors and/or partners, arising from an alleged discovery by HM Revenue and Customs.

Provided that:

- a) all returns are completed and have been submitted within the statutory timescales permitted;
- b) **you** keep proper records in accordance with statutory requirements; and
- c) for any appealable matter **you** have requested an Internal Review from HM Revenue and Customs where available.

We will not cover any claim arising from or relating to:

- a) tax returns which result in HM Revenue and Customs imposing a penalty or claiming interest or which contain negligent misstatements;
- b) an investigation by the Specialist Investigations Branch of HM Revenue and Customs;
- c) where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to the **insured person's** financial arrangements;
- d) any enquiry that concerns assets, monies or wealth outside of the United Kingdom; or
- e) **your** failure to register for VAT.



Section 5 – Legal expenses

Conditions

Included here are the conditions of the insurance that **you** need to meet as **your** part of this policy. If **you** do not meet these conditions, **we** may need to reject a claim or a claim payment could be reduced.

1. Acts of parliament, statutory instruments, civil procedure rules and jurisdiction

All legal instruments and rules referred to within this section this policy include equivalent legislation in Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any later amendment or replacement legislation.

2. Arbitration

In the event of a dispute between the **insured person** and **us** under this section, arbitration is available as detailed under Claims condition 3. Arbitration.

3. Barrister's opinion

We may require the **insured person** to obtain and pay for an opinion from a barrister if a dispute arises regarding the merits or value of the claim. If the opinion supports the **insured person**, then **we** will reimburse the reasonable costs of that opinion. If that opinion conflicts with advice obtained by **us**, then **we** will pay for a final opinion which will be binding on the **insured person** and **us**. This does not affect the **insured person's** right under Claims condition 3. Arbitration.

4. Consent

The **insured person** must agree to **us** having sight of the **appointed adviser's** file relating to the **insured person's** claim. The **insured person** is considered to have provided consent to **us** or **our** appointed agent to have sight of the **appointed adviser's** file for auditing and quality and cost control purposes.

5. Freedom to choose an appointed adviser

1. In certain circumstances, as set out in 2. below, the **insured person** may choose an **appointed adviser**. In all other cases no right exists and **we** will choose the **appointed adviser**.

2. If:

- i) **we** agree to start proceedings or proceedings are issued against the **insured person**; or
- ii) there is a conflict of interest,

the **insured person** may choose a qualified **appointed adviser** except where the **insured person's** claim is to be dealt with by the Employment Tribunal or **small claims court** where **we** will always choose the **appointed adviser**.

3. Where the **insured person** wishes to exercise their right to choose, they must write to **us** (by e-mail, fax or letter) with their preferred representative's contact details. Where the **insured person** chooses to use their preferred representative **we** will not pay more



Section 5 – Legal expenses

than **we** agree to pay a solicitor from **our** panel.

4. If the **insured person** dismisses the **appointed adviser** without good reason, or withdraws from the claim without **our** written consent or if the **appointed adviser** refuses with good reason to continue acting for the **insured person** cover will end immediately.
5. For a claim under Part B Cover 2. Contract and debt recovery **you** must enter into a **conditional fee agreement** (unless the **appointed adviser** has entered into a **collective conditional fee agreement**) where legally permitted.

6. Settlement

- a) **We** can settle the claim by paying the reasonable value of the **insured person's** claim.
- b) The **insured person** must not negotiate, settle the claim or agree to pay **costs and expenses** without **our** written agreement.

If the **insured person** refuses to settle the claim following a reasonable offer or advice to do so from the **appointed adviser**, **we** reserve the right to refuse to pay further **costs and expenses**.

7. The insured person's responsibilities

An **insured person** must:

1. tell **us** as soon as reasonably practicable of anything that may make it more costly or difficult for the **appointed adviser** to resolve a claim in their favour;
2. cooperate fully with **us**, give the **appointed adviser** any instructions **we** reasonably require, and keep them updated with progress of the claim and not hinder them;
3. take reasonable steps to recover **costs and expenses** and pay them to **us**;
4. keep **costs and expenses** as low as is reasonably possible; and
5. allow **us** at any time to take over and conduct in the **insured person's** name any settlement or defence of any claim or to prosecute for **our** own benefit any claim for cover or compensation or otherwise and have full discretion in the conduct of any proceedings and in settlement of any claim, proceeding or investigation.

Exclusions

This section does not cover any claim arising from or relating to:

1. Arbitration

a dispute with **us** or the party who arranged this Cover not dealt with under Claims condition 3. Arbitration;

2. Before cover started

any actual or alleged act, omission or dispute happening before, or existing at the inception of this section, and which the **insured person** knew or ought reasonably to have known could lead to a claim;



Section 5 – Legal expenses

4. Fines and penalties

finances, penalties or compensation awarded against the **insured person** (except as covered under Part B. - Cover 5. Employment compensation awards or the Data Protection and Privacy Cover endorsement) or costs awarded against the **insured person** by a court of criminal jurisdiction;

5. Franchise

franchise or agency agreements;

6. Judicial review

a judicial review;

7. Legal proceedings

the defence of legal proceedings relating to:

- a) damages for personal injury (other than injury to feelings arising from an employment dispute); or
- b) loss or damage to **property** owned by the **insured person**;

8. Money laundering, malicious falsehoods, dishonesty, violence and illegal immigration

an allegation against the **insured person** involving:

- a) assault, violence, dishonesty;
- b) malicious falsehood or defamation (except in relation to Part B. Cover 3. Crisis communication);
- c) the manufacture, dealing in or use of alcohol, illegal drugs, indecent or obscene materials;
- d) illegal immigration; or
- e) offences under Part 7 of the Proceeds of Crime Act 2002 (money laundering offences);

9. Patents, copyright and confidential information

patents, copyright, passing-off, trade or service marks, registered designs and confidential information (except in relation to restrictive covenants as covered under Part B. Cover 7. Employment restrictive covenants);

10. Subsidiaries

a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners;

11. Without consent

costs and expenses or employment compensation awards incurred without **our** written consent.



Data Protection and Privacy Cover

This cover operates on a claims-made basis. This means that **we** will only provide cover for claims or circumstances made against **you** and notified to **us** during the **period of insurance**.

Additional definitions

Costs and expenses (applicable to this cover only)

- a) All cost and expenses incurred by **you** with **our** written consent for any claim against **you** which may be covered under this endorsement.
- b) Claimants costs and expenses arising for any claim against **you** which may be covered under this policy.

GDPR

General Data Protection Regulation and any enabling data protection legislation.

What is covered

We will cover **you** for **your** liability to pay compensation including **costs and expenses** directly arising from a claim made against **you** for breach of the **GDPR**, Section 13 of the Data Protection Act 1998 or any amending legislation, caused in connection with the **business** during the **period of insurance**. Provided that the claim is first made against **you** and notified to **us** during the **period of insurance**.

Limit of Liability (how much we will pay)

We will pay **£250,000** for all claims made including **costs and expenses** during the **period of insurance**.

Conditions (actions that you or we agree to take)

Included here are the conditions of the insurance that you need to meet as your part of this contract. If you do not meet these conditions, we may need to reject a claim or a claim payment could be reduced. In some circumstances your policy may not be valid.

1.
 - a) For the purposes of this Data Protection and Privacy cover, any Other insurance clause contained in **your** policy will not apply and will instead be replaced by either b) or c) as shown below, as may be applicable:
 - b) **We** will have no liability to pay any sum under this additional cover if cover for that sum is payable under another policy issued to **you** by **us** (or would be but for the exhaustion of the limit of liability or the application of the excess amount under that other policy).
 - c) If the liability which is being claimed for under this additional cover is covered by any other Insurer **we** will not pay more than **our** proportionate share.
2. **You** must:
 - a) have in place an appropriate procedure to detect, report and investigate a personal data breach;
 - b) offer suitable redress where a data breach has occurred;



Data Protection and Privacy Cover

- c) only make a claim under this Data Protection and Privacy cover where a) and b) above have been complied with.

What is not covered

We will not cover any claim arising from or relating to:

1. compensation, costs or expenses covered by any other Legal Expenses insurance;
2. the costs of rectifying, rewriting, replacing, reinstating or erasing personal data as defined in the **GDPR**;
3. the payment of fines or penalties;
4. refund of monies paid to **you** by any claimant;
5. liability arising solely because **you** did not comply with **your** legal obligations set out under the **GDPR**;
6. indirect or consequential loss.
7. any cover relating to the Data Protection Act 1998 which may have applied or does apply to a previous or concurrent policy which is referenced under a DIC/DIL (Difference in Cover / Difference in Limits) clause or similar, which is in excess of the cover available under this endorsement;
8. any actual or alleged act, omission or dispute happening before, or existing at the start of this Data Protection and Privacy cover, and which **you** knew or ought reasonably to have known could lead to a claim;
9. any deliberate act by **you** or any director, partner or **employee** of **yours**.

If you need to make a claim

If **you** need to make a claim under this Data Protection and Privacy Cover please telephone ARAG on **0117 917 1698** or download a claim form at www.arag.co.uk/newclaims.

