


# Commercial Real Estate Policy document



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# Data protection statement

Zurich takes the privacy and security of your personal information seriously. We collect, use and share your personal information so that we can provide policies and services that meet your insurance needs, in accordance with applicable data protection laws.

The type of personal information we will collect includes: basic personal information (i.e. name, address and date of birth), occupation and financial details, health and family information, claims and convictions information and where you have requested other individuals be included in the arrangement, personal information about those individuals.

We and our selected third parties will only collect and use personal information (i) where the processing is necessary in connection with providing a quotation and/or contract of insurance; (ii) to meet our legal or regulatory obligations; (iii) where you have provided the appropriate consent; (iv) for our 'legitimate interests'.

It is in our legitimate interests to collect personal information as it provides us with the information that we need to provide our services more effectively including providing information about our products and services. We will always ensure that we keep the amount of information collected and the extent of any processing to the absolute minimum to meet this legitimate interest.

A full copy of our data protection statement can be viewed via [www.zurich.co.uk/dataprotection](http://www.zurich.co.uk/dataprotection)

## **How you can contact us**

If you have any questions or queries about how we use your data, or require a paper copy of the statement, you can contact us via [gbz.general.data.protection@uk.zurich.com](mailto:gbz.general.data.protection@uk.zurich.com) or alternatively contact our Data Protection Officer at Zurich Insurance, Unity Place, 1 Carfax Close, Swindon, SN1 1AP.

# Important notes

## **Fraud prevention and detection**

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

- check your personal data against counter fraud systems
- use your information to search against various publicly available and third party resources
- use industry fraud tools including undertaking credit searches and to review your claims history
- share information about you with other organisations including but not limited to the police, the Insurance Fraud Bureau (IFB), other insurers and other interested parties.

If you provide false or inaccurate information and fraud is identified, the matter will be investigated and appropriate action taken. This may result in your case being referred to the Insurance Fraud Enforcement Department (IFED) or other police forces and fraud prevention agencies. You may face fines or criminal prosecution. In addition, Zurich may register your name on the Insurance Fraud Register, an industry-wide fraud database.

## **Claims history**

We may pass information relating to claims or potential claims to the Claims and Underwriting Exchange Register (CUE), where the data is controlled by the Motor Insurers' Bureau, and other relevant databases.

We and other insurers may search these databases when you apply for insurance, when claims or potential claims are notified to us or at time of renewal to validate your claims history or that of any other person or property likely to be involved in the policy or claim.

This helps to check information provided and prevent fraudulent claims.

# Our complaints procedure

## **Our commitment to customer service**

We are committed to providing a high level of customer service. If you feel we have not delivered this, we would welcome the opportunity to put things right for you.

## **Who to contact in the first instance**

Many concerns can be resolved straight away. Therefore in the first instance, please get in touch with your usual contact at Zurich or your broker or insurance intermediary, as they will generally be able to provide you with a prompt response to your satisfaction.

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

## **Many complaints can be resolved within a few days of receipt**

If we can resolve your complaint to your satisfaction within the first few days of receipt, we will do so. Otherwise, we will keep you updated with progress and will provide you with our decision as quickly as possible.

## **Next steps if you are still unhappy**

If you are not happy with the outcome of your complaint, you may be able to ask the Financial Ombudsman Service to review your case.

We will let you know if we believe the ombudsman service can consider your complaint when we provide you with our decision. The service they provide is free and impartial, but you would need to contact them within 6 months of the date of our decision.

More information about the ombudsman and the type of complaints they can review is available via their website [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

You can also contact them as follows:

**Post:** Financial Ombudsman Service, Exchange Tower, London, E14 9SR

**Telephone:** 08000 234567 (free on mobile phones and landlines)

**Email:** [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

If the Financial Ombudsman Service is unable to consider your complaint, you may wish to obtain advice from the Citizens Advice Bureau or seek legal advice.

## **The Financial Services Compensation Scheme (FSCS)**

We are covered by the Financial Services Compensation Scheme (FSCS) which means that you may be entitled to compensation if we are unable to meet our obligations to you. Further information is available on [www.fscs.org.uk](http://www.fscs.org.uk) or by contacting the FSCS directly on 0800 678 1100.

# Your Commercial Real Estate policy

This Policy is a contract between the Insured as stated in the Certificate (also referred to as you, your or yourselves) and Zurich Insurance Company Ltd (also referred to as the Insurers, we, us, our or ourselves).

This Policy and Certificate should be read as if they are one document.

We will insure you under those Sections stated in the Certificate during any period of insurance for which we have accepted your premium. Our liability will in no case exceed the amount of any sum insured or Limit of Liability stated in this Policy, the Certificate or any endorsement to this Policy.

When you take out, renew and make changes to the cover provided by this Policy, you must take reasonable care to ensure that you accurately answer any questions which we ask of you and that any information you give us is accurate. If you are taking out this Policy for purposes which are wholly or mainly related to your trade, business or profession, you must also let us know about all facts which are material to our decision to provide you with insurance. Failure to meet these obligations could result in this policy being invalidated, a claim not being paid, or an additional premium being charged.

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

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

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

## **Law applicable to this contract**

In the UK the law allows both you and us to choose the law applicable to this contract. This contract will be subject to the relevant law of England and Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands depending upon your address stated in the Certificate. If there is any dispute as to which law applies it will be English law. The parties agree to submit to the exclusive jurisdiction of the English courts.

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

Please read the Policy and Certificate carefully and if they do not meet your needs contact us or your broker or insurance intermediary.

# General Definitions

Certain words in this Policy have special meanings. These words and their meanings are detailed below and the definition applies wherever the words begin with a capital letter.

## **Advanced Rent**

Anticipated rent that would have been achieved but for Damage to Premises in the course of erection construction refurbishment alteration or fitting out or whilst unoccupied awaiting tenants.

## **Adverse Right**

Any estate, right or interest arising from a Defect in Title that is adverse to or in derogation of the Insured's title to any Premises and which was in existence at the Commencement of Cover.

## **Asbestos**

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

## **Bodily Injury**

Accidental injury not including sickness, disease or any naturally occurring condition or degenerative process or any gradually operating cause.

## **Buildings**

Building or buildings as insured by the Insurers including the following all situate on in or at the Premises:

- a) landlords' fixtures and fittings (including fixed glass, fixed sanitary ware, fitted carpets, communal television and radio receiving aerials, satellite dishes, communication equipment and related fittings), machinery, plant, equipment including those formerly the property of tenants which have been relinquished to the Insured
- b) foundations, footings, outbuildings, extensions, annexes, tunnels, septic tanks, gangways, swimming pools, bridges, canopies, fixed signs, flag poles, temporary buildings, conveniences, lamp posts, street furniture, walls, gates and fences
- c) telephone, gas, electricity, water mains drains, sewers, piping, ducting, cables, wires, their inspection covers and associated control gear and accessories in, on or under the Premises including such property in adjoining yards or roadways and extending to the public mains but only to the extent of the Insured's responsibility
- d) yards, car parks, roads, pavements, forecourts, tennis courts and similar surfaces all constructed of solid materials
- e) tenants' improvements if the Insured is responsible and property comprising fixtures and fittings (but excluding movable contents) for which the Insured is responsible
- f) landscaping, external ponds, lakes, watercourses, garden furniture, street furniture, ornaments up to a limit of £50,000 any one occurrence in addition to the Sums Insured shown in the Certificate excluding trees, shrubs, plants, turf (except as stated in Section 1 – Property Damage – The Basis of Settlement of Claims item 4)
- g) landlords Contents up to a limit of £50,000 any one occurrence in addition to any Sums Insured shown in the Certificate
- h) any other property for which the Insured is responsible including but not limited to fuel tanks and their ancillary equipment, pipework and the like where not included in the above and declared to the Insurers by the Insured up to a limit of £250,000 any one occurrence in addition to the Sums Insured shown in the Certificate.

## **Business**

That which has been described in the Certificate and which is conducted from the Insured's address as stated in the Certificate and elsewhere within the Territorial Limits including:

- a) the ownership, repair and maintenance of the Insured's property or Property Insured for which they are responsible
- b) occupation of the Premises other than for the purpose of operating any trade or business unless declared to and accepted by the Insurers
- c) the provision of catering social sports and welfare facilities for Employees and first aid medical and ambulance services
- d) the provision of fire and security services maintained only for the protection of premises owned or occupied by the Insured
- e) private work undertaken by Employees with the Insured's prior consent for a director partner or Employee of the Insured
- f) participation in trade shows or exhibitions within the European Union
- g) the sponsorship of events or involvement in galas, carnivals, fetes, corporate hospitality, exhibitions and the like at the Premises

but this does not include any work undertaken offshore.

### **Chancel Repair Liability**

Any chancel repair liability which the Premises is subject to at the Commencement of Cover.

### **Commencement of Cover**

The date on which an individual Premises was first insured for cover against Legal Contingencies under this Policy.

### **Commercial Buildings**

Buildings let or intended for commercial occupation or use including mixed use Premises where parts are intended for or are in use as residential occupation.

### **Communicable Disease**

Any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not; and
- b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
- c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

### **Consequential Loss**

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

### **Court Order**

An order injunction or judgment from a Court or Lands Tribunal:

- a) upholding an Adverse Right in full or in part
- b) upholding a Restrictive Covenant in full or in part
- c) preventing the Insured or any persons authorised by them from using an Easement
- d) upholding a claim to enforce a Chancel Repair Liability in full or in part.

### **Customers' Accounts**

As stated in the Certificate.

### **Damage**

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

### **Data Processing System**

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

### **Defect in Title**

One or both of the following:

- a) part or all of the Insured's leasehold interest in the Premises is registered at the Land Registry with Good Leasehold Title at the Commencement of Cover
- b) the Premises are subject to matters which are noted on the Land Registry title at the Commencement of Cover details of which are unknown to the Insured and cannot be obtained by them prior to that date.

### **Defined Peril**

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

### **Denial of Service Attack**

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



## **Easement**

Any:

- a) means of pedestrian or vehicular access to and from any Premises
- b) services connected to any Premises including rights of access for their inspection, maintenance, renewal and repair for which the Insured is unable to produce documentary evidence of a legal grant but which has been enjoyed by and used in connection with any Established Use of the Premises for a continuous period of at least 12 months including the 12 months immediately before the Commencement of Cover and continuously thereafter provided the Insured can produce a Statutory Declaration in support of such use.

## **Employee**

Any natural person who is:

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

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

## **Estimated Rent Receivable**

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

## **Enforcement Action**

Successful enforcement action by the relevant local planning or building control authority pursuant to a Notice.

## **Established Use**

The continued use of any Premises for any use (including any building or structure constructed or converted on it for at least the 12 months immediately before the Commencement of Cover) for which such Premises have been continuously used for at least 12 months immediately before the Commencement of Cover and have been so used continuously thereafter.

## **Excess**

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

## **Hacking**

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

## **Holiday Let**

Any Holiday/Second Home which is let short term for a period of less than 6 months and/or no tenancy agreement is in place.

## **Holiday/Second Home**

Any property not registered or used as the owner's main residence but with occupancy restricted only to the property owners, their family and friends and not let/lent to short term tenants as a holiday let.

## **Incident**

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

## **Indemnity Period**

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

## **Knowledge**

The Insured's actual knowledge and not constructive knowledge or notice which may be imparted by matters appearing in Public Records.

### **Landlords' Contents**

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

Landlords' Contents shall only include those contents in common areas in respect of Residential Buildings.

### **Legal Contingencies**

Any claimant after the Commencement of Cover and during the Period of Insurance:

- a) establishing or attempting to establish:
  - i) an Adverse Right
  - ii) that an Established Use of a Premises constitutes a breach of a Restrictive Covenant
  - iii) a legal right as owner of the servient land to prevent the Insured (and all persons authorised by the Insured) from using an Easement in connection with an Established Use of a Premises
- b) attempting to enforce Chancel Repair Liability
- c) issuing a Notice in respect of the Works.

### **Licence**

The licence granted for the retail sale of excisable liquor at the Premises.

### **Maximum Indemnity Period**

As stated in the Certificate.

### **Nuclear Installation**

Any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument being an installation adapted for:

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

### **Nuclear Reactor**

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

### **Outstanding Debit Balances**

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

### **Personal Injury**

Bodily injury, illness or disease (including death).

### **Products**

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

### **Property Insured**

The property insured stated in the Certificate.

### **Public Records**

Records established by the Crown or any local authority as at the Commencement of Cover pursuant to the Land Registration Act 1925, the Land Charges Act 1972 and the Local Land Charges Act 1975 all as amended as at the Commencement of Cover.

### **Reinstatement**

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

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

### **Rent Receivable**

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

### **Residential Buildings**

Buildings of houses, bungalows or flats designed or converted for solely residential occupation including common areas.

### **Restrictive Covenant**

Any freehold restrictive covenant which the Premises is subject to at the Commencement of Cover.

### **Standard Rent Receivable**

The Rent Receivable during that period in the 12 months immediately before the date of the Incident which corresponds with the Indemnity Period. Adjustments will be made as may be necessary to provide for:

- a) the trend of the Business; and
- b) variations in or other circumstances affecting the Business

either before or after the Incident or which would have affected the Business had the Incident not occurred so that the figures thus adjusted will represent as nearly as may be reasonably practicable the results which but for the Incident would have been obtained during the relative period after the Incident.

### **Statutory Declaration**

A statutory declaration or statement of truth from an owner of the Premises confirming that an Easement has been used openly and without permission, dispute or objection in connection with the Established Use of the Premises for at least the 12 months immediately before the Commencement of Cover and continuously thereafter until the date of any third party claim disputing the Insured's right to use the Easement or the Insured's exercise of the Individual Policy Option.

### **Territorial Limits**

- a) In respect of Public Liability:

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

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

### **Transaction**

Any mortgage or conveyance transfer or lease for value of the Premises or any part thereof after the Commencement of Cover and during the Period of Insurance.

### **Unoccupied**

Any building or part of building or flat which is empty, disused, unfurnished or no longer in active use by the Insured or any of the Insured's tenants.

### **Usual Occupation**

The occupation of the Assured as shown in the Insured's records at the date of the Bodily Injury.

**Virus or Similar Mechanism**

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

**Works**

- a) Any alterations (other than conversions), additions or extensions carried out and completed at least 12 months before the Commencement of Cover to the buildings on any Premises
- b) the construction or conversion of any building on any Premises completed at least 4 years before the Commencement of Cover.

# Section A – Material Damage

## Indemnity

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

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

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

## Supplementary Conditions Applicable to Section A

The following Supplementary Conditions change the basis of cover from that described above and are applicable only if indicated in the Certificate to be operative.

### 1 Inflation Protection – Day One Basis

- a) Subject to the following Special Conditions the basis upon which the amount payable in respect of any item on Buildings, Landlords' Contents or Office Contents is to be calculated will be Reinstatement.
- b) The Insured having stated in writing the Declared Value (shown in brackets below the sum insured) of each of the said items the premium has been calculated accordingly.

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

- i) the additional cost of Reinstatement to comply with European Community and public authority requirements
- ii) professional fees
- iii) debris removal costs.

### Special Conditions

- 1 At the inception of each Period of Insurance the Insured will notify the Insurers of the Declared Value of the Property Insured by each of the said items. In the absence of such declaration the last amount declared by the Insured will be taken as the Declared Value for the ensuing Period of Insurance.
- 2 If at the time of DAMAGE the Declared Value in respect of each separate property insured be less than the cost of Reinstatement (including due allowance for the costs described in paragraphs B a), b) and c) above to the extent the insurance by the item provides cover for such costs) at the inception of the Period of Insurance then the Insurers' liability for the DAMAGE will not exceed that proportion thereof which the Declared Value bears to such cost of Reinstatement.

This Special Condition 2 will not however apply provided that the Insured have carried out regular valuations utilising qualified RICS (Royal Institution of Chartered Surveyors) members at intervals of not more than 3 years and:

- a) where necessary increased the Declared Value to at least the amount stated in the valuation; and
  - b) made appropriate allowance in Declared Value for inflationary increases in the period between valuations.
- 3 The liability of the Insurers for the repair or restoration of property damaged in part only will not exceed the amount which would have been payable had such property been wholly destroyed.
  - 4 No payment beyond the amount which would have been payable in the absence of this Supplementary Condition will be made:
    - a) unless Reinstatement commences and proceeds without unreasonable delay
    - b) until the cost of Reinstatement has actually been incurred
    - c) if the Property Insured at the time of its loss, destruction or damage is insured by any other insurance effected by or on behalf of the Insured which is not upon the same basis of Reinstatement.

- 5 All the terms and conditions of this Policy will apply:
  - a) in respect of any claim payable under the provisions of this Supplementary Condition except in so far as they are varied hereby
  - b) where claims are payable as if this Supplementary Condition had not been incorporated except that the sums insured will be limited to the percentage of the Declared Values as stated in the Certificate.

## **2 European Community and Public Authorities including Undamaged Property**

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

- a) European Community legislation
- b) building or other regulations under or framed in pursuance of any Act of Parliament or bye-law of any public authority

(hereinafter referred to as 'the Stipulations') in respect of:

- i) the lost, destroyed or damaged property thereby insured
- ii) undamaged portions thereof
- iii) any water supply equipment at the Premises supplying the sprinkler installation in undamaged portions of the Premises

but excluding:

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

### **Special Conditions**

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

### 3 Reinstatement

Subject to the following Special Conditions the basis upon which the amount payable in respect of Buildings, Landlords' Contents and Office Contents is to be calculated will be Reinstatement.

#### Special Conditions

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

This Special Condition 4 will not however apply provided that the Insured have carried out regular valuations utilising qualified RICS (Royal Institution of Chartered Surveyors) members at intervals of not more than 3 years and:

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

Special Condition 4 b) is not applicable to Buildings, Landlords' Contents and Office Contents indicated in the Certificate to be indexed linked.

# Section B – Business Interruption

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

Provided always that:

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

## Notes

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

## Specification 1 Applicable to Section B

### 1 Rent Receivable

#### Item 1 – On Rent Receivable

#### Estimated Rent Receivable as stated in the Certificate

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

- a) in respect of loss of Rent Receivable: the amount by which the Rent Receivable during the Indemnity Period falls short of the Standard Rent Receivable in consequence of the Incident
- b) in respect of Increase in Cost of Working: the reasonable additional expenditure necessarily incurred for the sole purpose of avoiding or diminishing the loss of Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the Incident
- c) in respect of Accelerated Reinstatement Expenditure: the further reasonable additional expenditure necessarily incurred during the Indemnity Period and with the Insurers' prior consent in consequence of the Incident solely to avoid or minimise any loss of Rent Receivable not recoverable by the Insured under this or any other insurance during the period of 12 months immediately after the expiry of the Maximum Indemnity Period

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

Provided always that in respect of c):

- i) there has been no undue delay in reinstatement caused by or contributed to by the actions of the Insured
- ii) the Insurers will not be liable for any costs in respect of any loss where the Maximum Indemnity Period is less than 36 months
- iii) the Insurers' liability will not exceed the amount stated in the Certificate.

Notwithstanding proviso b) to Section B:

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



## Specification 2 to Section B

### 2 Increased Cost of Working

#### Item 1 – On Increased Cost of Working

Sum Insured  
as stated in the Certificate

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

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

### Extensions Applicable to Specifications 1 and 2 to Section B

Any loss as insured under this Section resulting from interruption of or interference with the Business at the Premises in consequence of the contingencies described in the following Extensions will be deemed to be an Incident provided always that after the application of all other terms and conditions of this Section the Insurers' liability under each Extension will not exceed its stated limit or the sum insured under this Section whichever is the lesser. The stated limit or sum insured will apply to any one occurrence unless stated otherwise below.

#### 1 Action of Competent Authorities

Action by the police or other competent local, civil or military authority following a danger or disturbance within a one mile radius of the Premises whereby access thereto is prevented.

Provided always that:

- a) 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
- b) the Insurers' liability will not exceed the amount stated in the Certificate any one occurrence and in all in any one Period of Insurance
- c) Maximum Indemnity Period will mean 3 months.

#### 2 Adverse Possession

Access to or use of the Premises being hindered or prevented due to the Premises or property in the vicinity of the Premises or any rights of way being:

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

Provided always that:

- i) the Insurers will not be liable for any:
  - 1) loss arising from any cause within the control of the Insured
  - 2) loss arising from physical loss or destruction of or damage to property
  - 3) 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
  - 4) occurrence involving prevention or hindrance of access to or use of the Premises of less than 12 consecutive hours duration
- ii) the Insurers' liability will not exceed the amount stated in the Certificate.

#### 3 Anchor Tenant

Accidental loss or destruction of or damage to property in any part of the Premises by any Cover insured under this Section such loss, destruction or damage directly resulting in the termination of any agreements for leases or other loss of tenancy or delay in completion of the letting of other parts of the Premises and solely in consequence thereof an identifiable reduction in the Business.

Provided always that:

- a) the Insurers' liability will not exceed the amount stated in the Certificate any one occurrence and in all in any one Period of Insurance
- b) Maximum Indemnity Period will mean 3 months.

#### **4 Legionellosis**

Any outbreak of Legionellosis at the Premises causing restrictions on the use thereof on the order or advice of the competent local authority.

Provided always that:

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

#### **5 Loss of Attraction**

Accidental loss or destruction of or damage to property within a one mile radius of the Premises by any Cover insured under this Section which directly results in a fall in the number of customers attracted to the Premises.

Provided always that:

- a) there is an identifiable reduction in the Business at the Premises solely in consequence of the Incident
- b) there is no liability for loss resulting from interruption of or interference with the Business during the first 12 hours of the Indemnity Period
- c) this Extension does not cover loss following obstruction by storm, flood or snow
- d) the Insurers' liability will not exceed the amount stated in the Certificate any one occurrence and in all in any one Period of Insurance
- e) Maximum Indemnity Period will mean 3 months.

#### **6 Managing Agents**

Accidental loss or destruction of or damage to property at the premises of any managing agents employed or engaged to collect Rent Receivable caused by any Cover insured hereby as a direct consequence of which such Rent Receivable cannot be collected.

Provided always that:

- a) such Rent Receivable is not paid to the Insured as a direct result of the Incident
- b) the Rent Receivable is not outstanding for 120 days in excess of its due date
- c) all reasonable steps to recover the Rent Receivable are taken
- d) such Rent Receivable is not recoverable under any other policy or from any other party
- e) the Insurers' liability will not exceed the amount stated in the Certificate.

#### **7 Named Disease, Vermin, Defective Sanitary Arrangements, Murder and Suicide**

a) i) Any occurrence of a Named Disease as defined below at the Premises or attributable to food or drink supplied from the Premises

ii) any discovery of an organism at the Premises likely to result in the occurrence of a Named Disease

b) the discovery of vermin or pests at the Premises

c) any accident causing defects in the drains or other sanitary arrangements at the Premises

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

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

Provided always that:

- i) for the purpose of this Extension 'Premises' will mean only those Premises which are stated in the Certificate to be insured and which are directly affected by the Incident
  - ii) for the purpose of this Extension 'Indemnity Period' will mean the period during which the results of the Business are affected in consequence of the occurrence, discovery or accident beginning with the date from which the restrictions on the Premises are applied or in the case of d) above with the date of the occurrence and ending not later than the Maximum Indemnity Period thereafter
  - iii) for the purpose of this Extension 'Named Disease' will mean illness sustained by any person resulting from:
    - 1) food or drink poisoning
    - 2) one of the following specified human infectious or human contagious diseases:

Acute encephalitis	Meningitis	Tetanus
Acute poliomyelitis	Meningococcal infection	Tuberculosis
Bubonic plague	Mumps	Typhoid fever
Cholera	Ophthalmia neonatorum	Typhus fever
Diphtheria	Paratyphoid fever	Viral haemorrhagic
Dysentery	Rabies	Viral hepatitis
Leprosy	Relapsing fever	Whooping cough
Leptospirosis	Rubella	Yellow fever
Malaria	Scarlet fever	
Measles	Smallpox	
- an outbreak of which the competent local authority has stipulated will be notified to them
- iv) the Insurers will not be liable under this Extension for any costs incurred in the cleaning, repair, replacement, recall or checking of property
  - v) the Insurers will only be liable for the loss arising at those Premises which are directly affected by the occurrence, discovery or accident
  - vi) the Insurers' liability will not exceed the amount stated in the Certificate any one occurrence and in all in any one Period of Insurance
  - vii) the Maximum Indemnity Period will mean 3 months.

## 8 Prevention of Access

Accidental loss or destruction of or damage to property within a one mile radius of the Premises by any Cover insured under this Section which directly prevents or hinders the use of the Premises or access thereto whether the Premises or property of the Insured therein are damaged or not but excluding loss or destruction of or damage to property of any supply undertaking from which the Insured obtains electricity, gas, water or telecommunications services which prevents or hinders the supply of such services to the Premises.

The Insurers' liability will not exceed the amount stated in the Certificate any one occurrence and in all in any one Period of Insurance.

Maximum Indemnity Period will mean 3 months.

## 9 Public Utilities

Accidental loss or destruction of or damage to property at any:

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

from which the Insured obtains electricity, gas, water or telecommunications services all in Great Britain or Northern Ireland caused by any Cover insured under this Section.

The Insurers' liability will not exceed the amount stated in the Certificate any one occurrence and in all in any one Period of Insurance.

Maximum Indemnity Period will mean 12 months.

## 10 Unlawful Occupation

Access to or use of the Premises being hindered or prevented due to the Premises or property within a one mile radius of the Premises or any rights of way being:

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

Provided always that:

- i) the Insurers will not be liable for any:
  - 1) loss arising from any cause within the control of the Insured
  - 2) loss arising from physical loss or destruction of or damage to property
  - 3) 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
  - 4) occurrence involving prevention or hindrance of access to or use of the Premises of less than 12 consecutive hours duration
- ii) the Insurers' liability will not exceed the amount stated in the Certificate any one occurrence and in all in any one Period of Insurance
- iii) the Maximum Indemnity Period will mean 3 months.

# Covers applicable to Sections A and B

The following Covers are only applicable to Sections A and B if indicated in the Certificate to be operative.

## Cover

### 1 Fire

a) Fire but excluding DAMAGE or CONSEQUENTIAL LOSS caused by:

- i) explosion resulting from fire
- ii) earthquake or subterranean fire

b) Lightning

c) Explosion

- i) of boilers
- ii) of gas

used for domestic purposes only; and

iii) in respect of Section B:

of other boilers or economisers on the Premises

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

This cover excludes in respect of Section A in respect of each and every loss the greater of the amounts stated in the Certificate to be the Excess.

### 2 Theft

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

a) damage to the Buildings falling to be borne by the Insured

b) damage to glass which:

- i) is accompanied by and directly forms part of other DAMAGE to which this Cover applies
- ii) is accepted by a police authority as prima facie evidence of attempted theft within the meaning of this Cover

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

but excluding:

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

### 3 Explosion

Explosion.

but excluding in respect of Section A in respect of each and every loss the greater of the amounts stated in the Certificate to be the Excess.

### 4 Aircraft

Aircraft or other aerial devices or articles dropped therefrom.

but excluding in respect of Section A in respect of each and every loss the greater of the amounts stated in the Certificate to be the Excess.

### 5 Riot

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

a) DAMAGE or CONSEQUENTIAL LOSS:

- i) arising from confiscation, requisition or destruction by order of the government or any public authority
- ii) arising from cessation of work

- b) in respect of Section A in respect of each and every loss the greater of the amounts stated in the Certificate to be the Excess
- c) in respect of Section B CONSEQUENTIAL LOSS or DAMAGE arising from deliberate erasure, loss, distortion or corruption of information on computer systems or other records, programs or software.

## 6 Riot and Malicious Persons

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

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

## 7 Earthquake

Earthquake.

but excluding in respect of Section A in respect of each and every loss the greater of the amounts stated in the Certificate to be the Excess.

## 8 Subterranean Fire

Subterranean fire.

but excluding in respect of Section A in respect of each and every loss the greater of the amounts stated in the Certificate to be the Excess.

## 9 Storm

Storm excluding:

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

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

## 10 Storm and Flood

Storm and flood excluding:

- a) DAMAGE or CONSEQUENTIAL LOSS attributable solely to change in the water table level other than for an amount not exceeding the amount stated in the Certificate during any one Period of Insurance
- b) DAMAGE or CONSEQUENTIAL LOSS caused by frost, subsidence, ground heave or landslip
- c) DAMAGE or CONSEQUENTIAL LOSS in respect of movable property in the open, fences and gates
- d) in respect of Section A in respect of each and every loss the greater of the amounts stated in the Certificate to be the Excess.

## 11 Escape of Water or Fuel Oil

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

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

## 12 Sprinkler Leakage

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

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

## 13 Impact (Third Party Only)

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

but excluding in respect of Section A in respect of each and every loss the greater of the amounts stated in the Certificate to be the Excess.

## 14 Impact

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

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

## 15 Subsidence

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

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

## 16 All Other Damage

All other accidental damage excluding:

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

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

- c) DAMAGE or CONSEQUENTIAL LOSS caused by or consisting of:
  - i) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
  - ii) change in temperature, colour, texture or finish

DAMAGE or CONSEQUENTIAL LOSS consisting of:

- iii) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith
- iv) mechanical or electrical breakdown or derangement of the particular machine, apparatus or equipment in which such breakdown or derangement originates
- v) CONSEQUENTIAL LOSS caused by the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services except where such act is solely for the purpose of safeguarding human life

but this will not exclude:

- 1) such DAMAGE or CONSEQUENTIAL LOSS which itself results from any accidental loss, destruction or damage not otherwise excluded
- 2) subsequent DAMAGE or CONSEQUENTIAL LOSS which itself results from a cause which is not otherwise excluded
- d) DAMAGE or CONSEQUENTIAL LOSS caused by or consisting of acts of fraud or dishonesty but this will not exclude such DAMAGE or CONSEQUENTIAL LOSS if resulting from a cause which is not otherwise excluded
- e) DAMAGE caused by or consisting of or CONSEQUENTIAL LOSS arising directly or indirectly from disappearance, unexplained or inventory shortage, misfiling or misplacing of information
- f) in respect of Section B CONSEQUENTIAL LOSS or DAMAGE arising directly or indirectly from erasure, loss, distortion or corruption of information on computer systems or other records, programs or software
- g) i) in respect of Section A destruction of or damage to a building or structure caused by its own collapse or cracking
- ii) in respect of Section B loss resulting from destruction of or damage to a building or structure used by the Insured at the Premises caused by its own collapse or cracking
- h) in respect of Section A in respect of each and every loss the greater of the amounts stated in the Certificate to be the Excess.



# Clauses applicable to Sections A and B

## General Clauses

### Standard Clauses

The following clauses apply to Section A.

#### **G1 Abortive Costs**

The Insurers will pay reasonable costs and expenses incurred by the Insured with the Insurers' prior written consent in abortive repairs, investigations and tests for work not required following DAMAGE for which liability is admitted under this Policy.

#### **G2 Adverse Possession**

The Insurers will pay reasonable costs and expenses necessarily incurred with the Insurers' prior consent to remove or evict squatters from the Buildings.

Provided always that:

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

#### **G3 Archaeological Discoveries**

The Insurers will pay reasonable costs necessarily incurred in consequence of DAMAGE as insured hereby as a direct result of the Insured complying with their statutory obligations following the discovery of archaeological finds during site excavation.

Provided always that:

- a) the Insurers' liability will not exceed the amount stated in the Certificate any one occurrence
- b) the Insured does not have any pre existing knowledge of the presence of archaeological remains prior to commencement of works.

#### **G4 Architects' Surveyors' Legal and Consulting Engineers' Fees**

- a) The insurance by each item on Buildings, Landlords' Contents and Office Contents includes an amount in respect of architects', surveyors', legal and consulting engineers' fees ("Fees").
- b) The insurance on Fees applies only to those necessarily and reasonably incurred in the reinstatement or repair of Property Insured consequent upon its loss or destruction or damage but not for preparing any claim it being understood that the amount payable under the item will not exceed in total its sum insured.

#### **G5 Break Clause**

The Insured shall not be prejudiced by any insurance or casualty break clause in a lease that enables a lessee to determine the lease in the event of DAMAGE.

#### **G6 Business Rates**

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

Provided always that:

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

**G7 Clearing of Drains**

The Insurers will pay reasonable costs and expenses necessarily incurred in clearing, cleaning and repairing drains, gutters, sewers and the like at the Premises and in the immediate vicinity thereof for which the Insured are responsible in consequence of DAMAGE insured hereby.

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

**G8 Concern for Welfare Costs**

The Insurers will pay for DAMAGE caused by the emergency services or persons acting under their control in gaining access to the Buildings as a result of their concern for the welfare of an occupier of the Premises.

Provided always that the Insurers will not be liable for costs incurred following DAMAGE caused by the police in the course of criminal investigations.

**G9 Designation**

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

**G10 Dilapidation**

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

Provided always that:

- a) the Insurers' liability will not exceed the amount stated in the Certificate any one occurrence
- b) allowance is made for any subsequent recovery from the lessee.

**G11 Exhibition Equipment**

The Insurers will pay for loss or destruction of or damage to exhibition and display models and similar promotional equipment not otherwise insured while at any premises used by the Insured in Great Britain and Northern Ireland.

Provided always that:

- a) such loss or damage is caused by an operative Cover
- b) the Insurers' liability will not exceed the amount stated in the Certificate any one occurrence.

**G12 Fire Extinguishment Expenses**

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

- a) refilling fire extinguishing appliances
- b) recharging gas flooding systems
- c) replacing used sprinkler heads
- d) refilling sprinkler tanks where costs are metered
- e) resetting fire and intruder alarms and closed circuit television systems
- f) public fire brigade charges for which the Insured may be assessed

all in consequence of DAMAGE as insured hereby.

**G13 Fly Tipping**

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

Provided always that:

- a) the Excess stated in the Certificate will apply in respect of each and every loss
- b) the Insurers' liability will not exceed the amount stated in the Certificate any one occurrence or in all in any one Period of Insurance.

#### **G14 Index Linking**

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

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

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

#### **G15 Involuntary Betterment**

In the event that new property of the like, kind and quality is not obtainable following DAMAGE property which is as similar as possible to that which has sustained DAMAGE and which is capable of performing the same function will be deemed to be new property of the like, kind and quality and will not be considered to be betterment to the Insured.

In the event of replacement with new property the Insurers will pay the cost of purchasing and installing technologically current equipment which is necessitated by incompatibility between:

- a) new equipment installed to replace equipment which has sustained DAMAGE
- b) undamaged existing equipment at the same or an independent location.

Provided always that such substitution of materials is with the Insurers' prior written consent.

#### **G16 Landscaped Gardens**

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

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

Provided always that:

- i) the Insurers will not be liable for the Excess stated in the Certificate whichever is the greater in respect of each and every loss arising from DAMAGE caused by Storm, Flood or Malicious Persons (other than by Fire or Explosion) not acting on behalf of or in connection with any political organisation or any other risk falling within Cover 16 – 'All Other Damage'
- ii) the Insurers' liability any one occurrence will not exceed the amount stated in the Certificate.

#### **G17 Loss Minimisation and Prevention Expenditure**

The Insurers will pay reasonable costs and expenses necessarily incurred by the Insured with the consent of the Insurers for the sole purpose of avoiding or diminishing the amount of a loss following DAMAGE which but for that expenditure would have occurred.

The Insurers' liability any one occurrence will not exceed the amount stated in the Certificate.

#### **G18 Loss of Market Value**

It is agreed that:

- a) if the Insured elects not to repair or rebuild the Buildings the Insurers will pay to the Insured the reduction in the market value of the Buildings immediately following the DAMAGE but not exceeding:
  - i) the amount which would have been payable had the Buildings been repaired or rebuilt
  - ii) its sum insured
- b) if as a result of DAMAGE insured hereby the Insured are required to rebuild or reinstate the Buildings in a manner different from that immediately before the DAMAGE solely to comply with the Stipulations (as defined in the Supplementary Condition European Community and Public Authorities including Undamaged Property) and as a result there is a reduction in market value thereof the Insurers agree to pay:
  - i) the cost of repairing or reinstating the Buildings; and
  - ii) a cash settlement representing the reduction in market value; and
  - iii) any capital sums payable to any lessees under the terms of the lease or otherwise in consequence of such Stipulations

so that the total payment made is no greater than the amount stated in the Certificate in excess of the amount that would have been payable had the Buildings been repaired or reinstated in an identical manner to their condition immediately before the DAMAGE or the sum insured whichever is the lesser.

**G19 Metered Utilities**

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

**G20 Obsolete Building Materials**

The Insurers will pay the reasonable additional cost incurred in repair of DAMAGE to materials which given consideration to the knowledge at the time of installation, construction or fitting were deemed fit for purpose but at the date of loss are no longer deemed so with alternative materials currently considered appropriate for purpose.

**G21 Personal Possessions**

The Insurers will pay for loss, destruction or damage caused by an operative Cover to the personal possessions other than motor vehicles of the Insured's directors, partners, customers or visitors.

Provided always that:

- a) they are not otherwise insured
- b) the Insurers will not be liable for more than the amount stated in the Certificate any one occurrence.

**G22 Public Relations Expenses**

The Insurers will pay reasonable costs incurred by the Insured if as a result of loss or destruction of or damage to any Building insured hereby caused by an operative Cover the Insured needs to employ suitable public relations personnel to deal with press and public announcements or other necessary activities but not exceeding the amount stated in the Certificate any one occurrence.

**G23 Reinstatement to Match**

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

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

**G24 Removal of Debris**

The Insurers will pay costs and expenses necessarily incurred by the Insured with the consent of the Insurers in:

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

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

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

The Insurers will not pay for any costs or expenses:

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

**G25 Replacement of Keys and Resetting of Digital Locks**

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

Provided always that the Insurers' liability will not exceed the amount stated in the Certificate any one occurrence.

**G26 Trace and Access**

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

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

Provided always that the Insurers' liability will not exceed the amount stated in the Certificate any one occurrence.

### **G27 Tree Felling or Lopping and Removal**

The Insurers will pay reasonable costs and expenses necessarily incurred in felling, lopping and removing trees for which the Insured are legally responsible and which are an immediate threat to the safety of life or property.

Provided always that the Insurers will not be liable:

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

The Insurers' liability will not exceed the amounts stated in the Certificate any one occurrence and in all in any one Period of Insurance.

### **G28 Unauthorised use of Electricity, Gas, Oil, Water or Telecommunications**

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

Provided always that the Insurers' liability will not exceed the amount stated in the Certificate any one occurrence.

### **G29 Upgrading Sprinkler Installations**

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

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

### **The following clauses apply to Section B Specification 1.**

#### **G30 Alternative Trading**

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

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

#### **G31 Buildings Awaiting Sale**

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

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

less any amount receivable in respect of rent.

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

#### **G32 Cost of Re-letting**

The Insurers will pay reasonable costs and expenses necessarily incurred with their consent during the Indemnity Period in re-letting the Premises including legal fees in connection with the re-letting solely in consequence of the Incident.

**G33 Loss of Investment Income on Late Payment**

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

**G34 New Business**

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

Standard Rent Receivable – The proportional equivalent for a period equal to the Indemnity Period of the Rent Receivable realised during the period between the commencement of the Business and the date of the Incident.

Adjustments will be made as may be necessary to provide for:

- a) the trend of the Business; and
- b) variations in or other circumstances affecting the Business

whether before or after the Incident or which would have affected the Business had the Incident not occurred so that the figures thus adjusted will represent as nearly as may be reasonably practicable the results which but for the Incident would have been obtained during the relative period after the Incident.

**G35 Payments on Account**

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

**G36 Renewable Energy Income**

The Policy extends to include the Insured's loss of income from the sale of renewable energy to the national grid following DAMAGE resulting from any of the Covers insured hereby subject to the Insurers' liability any one occurrence under this clause not exceeding the Limit stated in the Certificate.

**G37 Renewal**

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

**G38 Rent Free Periods**

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

**G39 Savings**

If any charge or expense payable out of Rent Receivable shall cease or reduce during the Indemnity Period in consequence of the DAMAGE by any cause not otherwise excluded the sum saved shall be deducted from the amount otherwise payable under this Section of the Policy.

**The following clauses apply to Sections A and B.**

**G40 Automatic Reinstatement of Loss**

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

**G41 Loss of Licence**

If due to a reason beyond the Insured's power or control the Licence is revoked, suspended or forfeited under the provisions of the legislation governing such Licences the Insurers will pay the depreciation in value of the Insured's interest in the Premises and reasonable costs and expenses incurred by the Insured with the Insurers' written consent for any appeal.

Provided always that:

- a) the Insurers will not be liable in the event that revocation, suspension or forfeiture arises directly or indirectly from any:
  - i) compulsory purchase order or improvement or redevelopment of the area by any local authority
  - ii) alteration of the legislation affecting the grant, suspension, surrender or forfeiture of licences

- b) the Insurers will not be liable if the Insured are entitled to obtain compensation under the provisions of any legislation
- c) the Insured must notify the Insurers as soon as reasonably possible and give the Insurers all the assistance that may reasonably be required as soon as the Insured learn of any:
  - i) complaint against the Premises or its control
  - ii) proceedings against or conviction of the licence holder, designated premises supervisor, manager, tenant or occupier of the Premises for any breach of the licensing legislation or any matter whereby the character or reputation of the person concerned is affected or called in question with regard to their honesty, moral standing or sobriety
  - iii) change in tenancy or management of the Premises
  - iv) transfer or proposed transfer of the Licence
  - v) alteration in the purpose for which the Premises are used
  - vi) application for review or other circumstances which may endanger the Licence
- d) the Insurers' liability will not exceed the amount stated in the Certificate.

#### **G42 Munitions of War**

General Exclusion 3 Nuclear and War Risks, Government or Public Authority and Sonic Bangs will not apply to DAMAGE or CONSEQUENTIAL LOSS occasioned by the detonation of munitions of war or parts thereof within 1000 metres of the Premises provided always that the presence of such munitions does not result from a state of war current at the time of detonation.

#### **G43 Professional Accountants**

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

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

#### **G44 Seventy Two Hour Clause**

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

### **Adaptation Clauses (Green issues and climate change)**

#### **Standard Clauses**

The following clauses apply to Section A.

##### **A1 Debris Recycling**

In the event of loss or destruction of or damage to Property Insured – Buildings by an operative Cover the insurance under this Section includes additional expenses incurred with the Insurers' prior written consent to sort, segregate and transport recyclable debris of the damaged Building to recycling facilities.

Provided always that:

- a) the liability of the Insurers under this clause in respect of any one occurrence is limited to 25% of the total amount paid or payable by the Insurers under the Removal of Debris clause in connection with the same occurrence
- b) the Insurers will not be liable for the first 10% of all costs otherwise payable under this clause.

## **A2 Energy Performance and Sustainable Buildings**

The insurance under each item on Buildings includes:

- a) the additional cost of reinstatement incurred with the Insurers' prior written consent to comply with the recommendations made under any current Energy Performance Certificate in respect of the lost, destroyed or damaged Property Insured
- b) the additional cost of reinstatement incurred with the Insurers' prior written consent to reinstate the lost, destroyed or damaged property to a standard above the minimum required under the prevailing European Community or building or other regulations under or framed in pursuance of any Act of Parliament or bye-laws of any public authority where such standard would otherwise result in a recommendation for improvement to be made in a subsequent Energy Performance Certificate assessment
- c) the reasonable additional cost of reinstatement incurred with the Insurers' prior written consent arising from the use of alternative materials or sources of materials in accordance with the principles of the BRE Environmental and Sustainability Standard.

Provided always that:

- i) the Insurers will not be liable for any undamaged portions of the Property Insured
- ii) the Insurers will not be liable for the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of the works funded by the application of this clause
- iii) the Insurers will not be liable for the cost incurred in complying with prevailing European Community or building or other regulations under or framed in pursuance of any Act of Parliament or bye-laws of any public authority under which notice has been served upon the Insured prior to the happening of the DAMAGE
- iv) if the liability of the Insurers under any item of this Policy other than this clause is reduced by the application of any of the terms and conditions of this Policy then the liability of the Insurers under this clause in respect of any such item will be reduced in like proportion
- v) the Insurers' liability under this clause in respect of any one occurrence and in total in any one Period of Insurance will not exceed the amount stated in the Certificate.

## **A3 Incombustible Reinstatement**

In the event of loss or destruction of or damage to Property Insured - Buildings by an operative Cover the insurance in respect of such Property Insured includes the additional costs of reinstatement incurred with the Insurers' prior written consent in utilising alternative materials that are incombustible or are Loss Prevention Council approved.

Provided always that:

- a) the Insurers will not be liable for:
  - i) any undamaged portions of the Property Insured
  - ii) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof of the works funded by the application of this clause
  - iii) the cost incurred in complying with prevailing European Community or building or other regulations under or framed in pursuance of any Act of Parliament or bye-laws of any public authority under which notice has been served upon the Insured prior to the happening of the DAMAGE
  - iv) the cost of any improvements scheduled by the Insured to take place at the premises prior to the happening of the DAMAGE
  - v) the first 10% of all costs otherwise payable under the terms of this clause
- b) no payment beyond the amount that would have been payable in the absence of this clause will be made:
  - i) unless reinstatement commences and proceeds without unreasonable delay and in any case must be commenced within 12 months of the date of the DAMAGE or within such further time as the Insurers may allow during the said 12 months
  - ii) until the cost of reinstatement has actually been incurred
- c) the total amount recoverable will not exceed:
  - i) in respect of any one occurrence an amount equivalent to 100% of the actual amount paid or payable by the Insurers to reinstate the DAMAGE to the said Buildings in the absence of this clause or the amount stated in the Certificate whichever is the lesser. This amount is payable in addition to the sum insured by the item on Buildings at the premises where DAMAGE occurred
  - ii) in respect of all losses in any one Period of Insurance the amount stated in the Certificate.



## Contingent Cover Clauses

### Standard Clauses

#### C1 Non-Aggregation Clause

In respect of the following clauses C3, C5, C8, C9, C10, C11 and C12:

- a) should there be in force any other insurance providing cover against such claim then the liability of the Insurers will be limited to its rateable proportion of such claims and the limit of liability detailed herein will be reduced in like proportion
- b) should there be a single incident of loss, destruction or damage for which the Insured is entitled to claim indemnity under more than one Contingent Cover Clause the Insurers' liability under each clause will not aggregate but will be restricted in total to that detailed under the applicable clause with the highest limit.

The following clauses apply to Section A.

#### C2 Bailor's Goods

The Insurers will pay for loss or destruction of or damage to goods in the custody and control of the Insured and for which the Insured are legally liable as bailor while situate within the Premises in so far as such goods are not otherwise insured.

Provided always that the Insurers will not be liable:

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

The Insurers' liability will not exceed the amount stated in the Certificate any one occurrence.

#### C3 Diminution in Value

Where following loss or destruction of or damage to Buildings or to third party buildings in the vicinity of the Premises there is a subsequent reduction in sale price achieved on such Premises offered for sale on the open market prior to DAMAGE the insurance by this Section insures the difference in prior and post DAMAGE value.

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

Provided always that the Insurers' liability will not exceed the amount stated in the Certificate any one occurrence and in all in any one Period of Insurance.

#### C4 Other Premises

Any Landlords' Contents, Office Contents and landlords' fixtures and fittings insured hereby are covered while temporarily removed to any other premises in the occupation of the Insured in Great Britain and Northern Ireland.

Provided always that:

- a) they are not otherwise insured
- b) the Insurers' liability will not exceed the amount stated in the Certificate any one occurrence.

#### C5 Privity of Contract

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

##### Special Conditions

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

Provided always that the Insurers' liability under this clause will not exceed the amount stated in the Certificate any one occurrence or in all in any one Period of Insurance.

## **C6 Temporary Removal**

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

Provided always that:

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

## **C7 Value Added Tax**

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

Provided always that:

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

### **Notes**

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

**The following clauses apply to Sections A and B.**

## **C8 Automatic Cover from Exchange**

If at the time of its loss, destruction or damage the Insured have contracted to purchase any building and the purchase has not been but is thereafter completed the location of such building will be deemed to be a Premises under Sections A and B until completion but only in circumstances where either:

- a) the Insured's interest in any such building is not covered by any other insurance
- b) the Insured's interest is covered by any other insurance but only to the extent that any other insurance on such building is more restrictive in cover or limits and where the Insurers will be liable for any difference between any other insurance and this Policy.

Provided always that:

- i) the Insurers' liability at any one situation will not exceed the amount stated in the Certificate
- ii) the Insured undertake to give particulars of such extension of cover as soon as reasonably practicable and to effect specific insurance thereon retrospective to the date of the commencement of the Insurers' liability.

## **C9 Capital Additions**

- a) Section A includes alterations, additions and improvements to Buildings, Landlords' Contents and Office Contents insured hereby but not in respect of any appreciation in value
- b) Specification 1 of Section B includes Rent Receivable:
  - i) of the aforesaid Buildings
  - ii) of existing Buildings which are newly let but where Rent Receivable has not been previously insured

where such alterations, additions, improvements and lettings are made during the current Period of Insurance.

Provided always that:

- i) at any one situation this cover will not exceed the amount stated in the Certificate
- ii) the Insured undertakes to give particulars of such extension of cover as soon as practicable and to effect specific insurance thereon retrospective to the date of the commencement of the Insurers' liability
- iii) the provisions of this clause will be fully maintained notwithstanding any specific insurance effected under ii) above.

## **C10 Failure of Third Party Insurances**

Section A includes Buildings and Specification 1 to Section B includes Rent Receivable at the Premises defined below for the amount of such loss, destruction or damage to such Buildings or such loss of Rent Receivable in accordance with the terms, conditions, exclusions, provisions and definitions of this Policy but only to the extent that the lessee or freeholder is unable to recover such an amount equivalent to that which could be payable under this Policy if the lessee or freeholder were the Insured as a result of:

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

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

Provided always that:

- i) the Insurers' liability will not exceed the amount stated in the Certificate any one Premises
- ii) no amount will be recoverable:
  - 1) due to the operation of any Excess or deductible under any more specific insurance
  - 2) where the lessee or freeholder's policy fails due to the breach of any condition or warranty contained within the lessee or freeholder's policy as a result of the action of the Insured
  - 3) due to the failure of the lessee or freeholder to make or pursue a legitimate insurance claim
  - 4) unless the Insured carry out at not less than annual intervals a check of all properties owned by them or leased by them and for which they are responsible to ensure that effective insurance is in force for such properties
- iii) for the purposes of this clause 'Premises' will mean all properties of the Insured anywhere in the United Kingdom which are leased to or by them but not specifically insured or referred to elsewhere under this Policy and where the lessee or freeholder is responsible for arranging insurance under the terms of a lease with the Insured.

### **Special Conditions Applicable to this Clause**

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

## **C11 Inadvertent Omission to Insure**

Section A includes Buildings in Great Britain and Northern Ireland and Specification 1 to Section B includes Rent Receivable in respect thereof whereby the Insured have an obligation to insure whether the Buildings are owned by or on lease to them or in which they are interested as mortgagees but which have inadvertently been left uninsured.

Provided always that:

- a) the liability of the Insurers in no case exceeds the amount stated in the Certificate any one occurrence
- b) the Insured will give notice in writing to the Insurers immediately they become aware of an omission to insure and will pay the appropriate premium from the date upon which the insurance of the property became the Insured's responsibility
- c) the Insured will carry out at not less than annual intervals a check of all properties owned by them or leased by them and for which they are responsible to ensure that effective insurance is in force for such properties
- d) this clause will only be effective if the Insurers are the sole provider of Buildings Insurance in respect of the Insured's properties owned in connection with the Business as defined in the Certificate and where the Insured have an obligation to arrange such insurance.

## **C12 New Acquisitions**

- a) Section A includes any newly acquired or constructed Buildings, Landlords' Contents and Office Contents in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands in so far as the same are not otherwise insured
- b) Specification 1 of Section B includes Rent Receivable of the aforesaid Buildings where such acquisition or construction occurs during the current Period of Insurance.

Provided always that:

- i) at any one situation this cover will not exceed the amount stated in the Certificate
- ii) the Insured undertakes to give particulars of such extension of cover as soon as practicable and to effect specific insurance thereon retrospective to the date of the commencement of the Insurers' liability
- iii) the provisions of this clause will be fully maintained notwithstanding any specific insurance effected under ii) above.

## **Contract Works Clauses**

### **Standard Clauses**

**The following clauses apply to Sections A and B.**

#### **CW1 Buildings Awaiting Demolition**

In respect of all properties:

- a) scheduled for demolition
- b) Unoccupied and in such a poor state of repair as to render the Premises economically unviable to put back into use

cover will be restricted to the Covers of Fire, Aircraft and Explosion only and will be restricted to the costs and expenses necessarily incurred with the consent of the Insurers in removing debris of the portion or portions of the Premises following their DAMAGE.

The Insurers will not pay for any costs or expenses:

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

The Insurers will only be liable for such costs and expenses in excess of those which would have been payable had the DAMAGE not occurred.

#### **CW2 Contract All Risks**

In respect of refurbishment work and extensions to existing structures only Sections A and Specification 1 to Section B include DAMAGE or CONSEQUENTIAL LOSS in respect of property or structures in the course of construction or erection and materials or supplies in connection with all such property in course of construction or erection.

Provided always that this clause will not apply:

- a) where the contract value exceeds the amount stated in the Certificate
- b) where more specific insurance is in force.

### **CW3 Contractors' Interest**

Where the Insured is required to effect insurance on the Buildings in the joint names of themselves and the contractor under the terms of a contract condition then the interest of the contractor in the Buildings as a joint insured is hereby noted subject to any single contract valued in excess of the amount stated in the Certificate being advised to the Insurers and an additional premium being paid as appropriate.

### **CW4 Contractors' Non-Negligent Liability**

This Section extends to indemnify the Insured in respect of liability, loss claim or proceedings and associated expense which the Insured may incur or sustain by reason of damage to any property caused by collapse, subsidence, heave, vibration, weakening or removal of support or lowering of ground water arising out of or in the course of or by reason of the carrying out of Works unless otherwise excluded.

The indemnity will not apply to:

- a) damage to any property:
  - i) owned or under the control of the Insured
  - ii) caused by the negligence omission or default of the contractor his servants or agents or of any sub-contractor his servants or agents
  - iii) attributable to errors or omissions in the designing of the Works in circumstances where losses are recoverable under a professional indemnity insurance
  - iv) which can reasonably be foreseen to be inevitable having regard to the nature of work to be executed but this shall only apply in respect of damage arising from the acts of the contractor
- b) damage to the Works or to property of any kind brought on to the site of the contract for the purpose of the execution of the contract
- c) any penalty under contract or any sum payable by way of damages for breach of contract
- d) loss or damage recoverable under any other policy effected for the benefit of the Insured.

Provided always that:

- i) this clause shall only be operative in the event that under the contract the contractor acting in its capacity as agent is required to effect cover as described hereunder but has failed to or decided not to do so and that such failure or decision is unknown to the Insured
- ii) the total amount payable by this clause shall not exceed the Limit stated in the Certificate.

### **CW5 Workmen**

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

## **Interested Parties Clauses**

### **Standard Clauses**

The following clauses apply to Section A.

#### **I1 Contracting Purchaser's Interest**

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

#### **I2 Hire Agreement**

It is agreed that the interest of owners of hired in equipment are noted at the request of the Insured. The Insured undertake to declare the names, nature and extent of such interests at the time of the DAMAGE.

**The following clauses apply to Sections A and B.**

**13 Mortgagees and Lessors**

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

**14 Non-Invalidation**

The insurance under Sections A and B will not be invalidated by any act or omission or by any alteration whereby the risk of DAMAGE or CONSEQUENTIAL LOSS is increased unknown to or beyond the control of the Insured provided always that the Insured immediately they become aware thereof gives notice to the Insurers and pay an appropriate additional premium if required.

**15 Other Interests**

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

**16 Subrogation Waiver**

In the event of a claim arising under Sections A and B the Insurers agree to waive any rights, remedies or relief to which they might become entitled by subrogation against any tenant or lessee in respect of DAMAGE or CONSEQUENTIAL LOSS to that portion of the Premises in the demise of that tenant or lessee or to those portions of the Premises in which all the tenants have a common interest where the premium has been paid by the tenant or lessee but excluding DAMAGE or CONSEQUENTIAL LOSS arising out of the tenant's or lessee's gross negligence or as a result of the tenant's or lessee's wilful act or recklessness.

**Optional Clauses**

**The following clauses apply to Sections A and B but only if stated in the Certificate to be operative.**

**17 Cancellation – Lender's Interest**

The Insurers agree that they will not cancel the Policy in respect of the interest of a lender as a result of non-payment of premium without first giving the lender 30 days written notice.

Provided always that:

- a) the lender's details have been provided to the Insurers and are correct and current at the time of cancellation
- b) the Insurers have been requested to provide such notice prior to such non-payment
- c) during the notice period cover will be restricted to the extent of the lender's interest.

**18 Composite Insured (Non-Vitiation)**

Where any party or parties are noted as being Composite Insured in the Certificate then any non-disclosure, misrepresentation or failure to comply with Policy terms and conditions on their part or on the part of the Insured will not prejudice the rights of the other party or parties provided that the other party or parties will immediately on becoming aware of such non-disclosure, misrepresentation or failure to comply with Policy conditions give notice in writing to the Insurers.

**19 First Loss Payee**

It is agreed that in the event of any loss under Sections A or B where the total amount payable by the Insurers exceeds the value stated in the Certificate all payments except professional fees and other disbursements will be payable to the First Loss Payee detailed in the Certificate.

**110 Managing Agents**

In the event of a claim arising under Sections A or B the Insurers agree to waive any rights, remedies or relief to which they might become entitled by subrogation against a managing agent if acting solely in the capacity as managing agent in respect of the insured property but excluding DAMAGE or CONSEQUENTIAL LOSS arising out of the managing agent's gross negligence, wilful act or recklessness.

## Legal Contingencies Clause

### Optional Clause

The following clause applies to Section A but only if stated in the Certificate to be operative.

#### L1 Legal Contingencies

The Insurers will indemnify the Insured in respect of the following losses sustained as a result of one or more of the Legal Contingencies:

- a) all sums which the Insured become legally liable to pay under a Court Order or Enforcement Action or with the Insurers' prior written consent in any action or proceedings brought against them based upon an Adverse Right, Restrictive Covenant, Chancel Repair Liability, issue of a Notice or to prevent the Insured's use of an Easement including costs and expenses awarded against the Insured
- b) all sums paid with the Insurers' prior written consent to free any Premises from an Adverse Right, Restrictive Covenant and/or Chancel Repair Liability and/or to purchase an Easement, or purchase or create an alternative comparable easement
- c) the difference at the date of a Court Order or the Insurers' prior written consent that the Adverse Right or Restrictive Covenant is enforceable against the Insured between:
  - i) the market value of the Premises on the assumption that the Adverse Right or Restrictive Covenant is unenforceable; and
  - ii) the market value of the Premises subject to the Adverse Right or Restrictive Covenant to the extent that it is held to be enforceable by a Court Order or with the Insurers' prior written consent. Such value to be determined by a surveyor appointed by agreement between the Insurers and the Insured or in default of agreement by the President for the time being of the Royal Institution of Chartered Surveyors
- d) the difference at the date of a Court Order or the Insurers' prior written consent that the Insured should stop using an Easement between:
  - i) the market value of the Premises on the assumption that the Premises has the benefit of the Easement; and
  - ii) the market value of the Premises without the benefit of the Easement but taking into account any comparable alternative easement that has been purchased or createdsuch value to be determined by a surveyor appointed by agreement between the Insurers and the Insured or in default of agreement by the President for the time being of the Royal Institution of Chartered Surveyors
- e) the difference between:
  - i) the market value of the Premises on the assumption that the Chancel Repair Liability is unenforceable; and
  - ii) the market value of the Premises immediately following a payment by the Insured towards the cost of repairs of a church chancel under Chancel Repair Liability either following a Court Order or with the Insurers' prior written consentsuch value to be determined by a surveyor appointed by agreement between the Insurers and the Insured or in default of agreement by the President for the time being of the Royal Institution of Chartered Surveyors
- f) the difference in:
  - i) the market value of the Premises calculated on the assumption that the Works are not in breach of planning and/or building control regulations; and
  - ii) the market value of the Premises calculated following Enforcement Action prohibiting the Works or compliance with the Notice with the Insurers' prior written consentsuch adverse difference in market value to be calculated at the date of compliance with the Notice and will be determined by a surveyor appointed by agreement between the Insurers and the Insured or in default of agreement by the President for the time being of the Royal Institution of Chartered Surveyors
- g) the cost of altering, demolishing or reinstating all or any part of the Premises including any part of any building or other structure on it if required by a Court Order or Enforcement Action or carried out with the Insurers' prior written consent
- h) costs and expenses incurred by the Insured with the Insurers' prior written consent in taking or defending any action at law or otherwise
- i) all other costs and expenses including out of court settlement costs incurred by the Insured with the Insurers' prior written consent.

Provided always that:

- i) the Insurers will not pay for any loss caused by the Insured or any persons authorised by the Insured or acting on the Insured's behalf:
  - 1) communicating about an Adverse Right, Chancel Repair Liability or Restrictive Covenant with any person who the Insured believes may be entitled to enforce it
  - 2) making an application to a Court or the Lands Tribunal regarding an Adverse Right, Chancel Repair Liability, Restrictive Covenant or Easement without the Insurers' prior written consent
  - 3) communicating about the absence of the Insured's legal right to use an Easement with any person who the Insured believes is likely to be entitled to prevent it
  - 4) failing to pay a reasonable proportion of the costs of maintaining or repairing an Easement
  - 5) obstructing an Easement
  - 6) undertaking works consisting of an alteration to the nature of the surface of an access way over land registered as Common Land or a Town or Village Green
  - 7) inducing either wholly or partly by or through any wilful act or neglect any step action or proceedings by any third party likely to give rise to a claim under this Legal Contingencies clause
- ii) the Insurers will not pay for any loss arising from:
  - 1) any rights which were being exercised by any other person on, over or under the Premises at the Commencement of Cover
  - 2) any Chancel Repair Liability recorded or referred to on the Insured's title to the Premises at the Commencement of Cover
  - 3) any Chancel Repair Liability recorded in the Record of Ascertainments which the Insured had Knowledge of at the Commencement of Cover
  - 4) any Chancel Repair Liability affecting any Premises with an area exceeding 3 acres
  - 5) leasehold covenants, terms and provisions
  - 6) any third party claim in respect of any Restrictive Covenant, Adverse Right or Easement concerning any building or structure or any alteration, addition or extension less than 12 months old at the date of the Commencement of Cover or any use of any Premises of a continuous duration of less than the 12 months immediately prior to the Commencement of Cover and which has not continued thereafter until the date of any third party claim
  - 7) any dispute or adverse claim concerning an Adverse Right, breach of Restrictive Covenant, Easement, Works or Chancel Repair Liability of which the Insured had Knowledge prior to the Commencement of Cover
  - 8) any Enforcement Action relating to a building which was a listed building at the Commencement of Cover
  - 9) Works in respect of which any application for planning permission or building regulations consent has been refused before the Commencement of Cover
  - 10) any planning enforcement, contravention or breach of condition notice issued prior to the Commencement of Cover
  - 11) the Insured initiating any communication with the local planning or building control authority in respect of the unlawfulness or potential unlawfulness of the Works either before or after the Commencement of Cover
  - 12) mining and the extraction of minerals
  - 13) a Defect in Title consisting of the Insured's Good Leasehold title to any Premises if such lease was less than 15 years old at the Commencement of Cover unless such lease is granted out of a head lease which is more than 15 years old at the Commencement of Cover
  - 14) a Defect in Title consisting of any lease, financial charge or mortgage which was noted on the Insured's Land Registry title to Premises at the Commencement of Cover
  - 15) any Premises situated other than in England or Wales
- iii) the Insurers will not be liable if the Insured discloses (or authorises anyone acting on their behalf to disclose) the cover provided by this Legal Contingencies clause to any third party other than the Insured's professional advisors
- iv) the liability of the Insurers will not exceed the amount stated in the Certificate in respect of any one loss and in all in any one Period of Insurance.



## Special Conditions Applicable to this Clause

### 1 Individual Policy Option

If during any Period of Insurance the Insured discovers the existence of any Adverse Right, Chancel Repair Liability, breach of Restrictive Covenant or planning or building regulations including FENSA or Easement indemnity in respect of which would be provided under this Policy in the event of an adverse claim the Insurers hereby agree if requested by the Insured during such Period of Insurance to issue an individual policy providing indemnity in respect of the said matter.

Provided always that:

- a) such request is made and the policy is required in connection with a Transaction; and
- b) the Insured has not made a claim under this Policy in respect of such matter nor is aware of any circumstances that may lead to such a claim.

The individual policy will be issued on the following basis:

- i) without payment of additional premium
- ii) for a limit of indemnity equal to the estimated market value of the affected Premises but no greater than the amount stated in the Certificate in respect of any one loss under this Legal Contingencies clause
- iii) indemnity to be provided in perpetuity except for Chancel Repair Liability cover for which the Period of Insurance will be 30 years
- iv) for the benefit of the Insured and any other person having a freehold, commonhold or leasehold interest in the Premises (including their successors in title) and any mortgagee or charge of such interest
- v) otherwise in accordance with the Insurers' standard policy form for that class of insurance.

### 2 Mitigation of Loss

Before the Insurers make any payment under this clause (except the payment of any costs and expenses incurred by the Insured with the Insurers' prior written consent or sums which the Insured becomes legally liable to pay) the Insured agrees at the Insurers' expense to take or permit to be taken on the Insured's behalf and to cooperate with and assist the Insurers or any person appointed by the Insurers to take all reasonable steps to mitigate loss.

## Residential Buildings Clauses

### Standard Clauses

The following clauses apply to Section A.

#### R1 Alternative Accommodation and Loss of Rent

In the event of any DAMAGE as insured hereby resulting in a Residential Building or residential portion of a Commercial Building insured hereby being uninhabitable or access being prevented to such property Section A includes for each dwelling:

- a) Rent Receivable as defined in Section B; or
- b) the reasonable additional cost of comparable accommodation incurred by the lessee or owner for any resident including pets which normally live in the Building; or
- c) a cash allowance not exceeding 25% of the amount payable under b) above

until the said property is habitable or accessible.

Provided always that the Insurers' liability in respect of the total payments for all dwellings within the Premises will not exceed the percentage stated in the Certificate of the sum insured applicable to the Residential Building or residential portion of the Commercial Building concerned during any one Period of Insurance.

#### R2 Removal of Nests

Section A includes the cost of removing wasps or bees' nests and vermin from Residential Buildings.

Provided always that the Insurers:

- a) will not be liable for more than the amount stated in the Certificate any one claim
- b) will not be liable for the cost of removing nests or infestations already in the Buildings before the inception of this insurance.

The following clauses apply to Sections A and B.

**R3    Illegal Cultivation of Drugs**

In the event of any loss, destruction, damage, cost or expense as insured hereby resulting from the Illegal cultivation of drugs in a Residential Building or a residential portion of a Commercial Building by a tenant, lessee or licensee of the Insured it is a condition precedent to any liability of the Insurers to make payment under this Policy that the Insured have:

- a) carried out comprehensive internal and external surveys of the Premises at least every 3 months prior to the DAMAGE and maintained a written log of such inspections
- b) obtained written references for the tenant prior to the letting proceeding
- c) recorded details of the tenant's bank account details and verified same by collecting at least one payment via such means.

**R4    Persons Lawfully on the Premises**

In respect of Residential Premises or residential portions of Commercial Premises loss, destruction, damage, cost or expense resulting from the Covers of:

- a) Theft
- b) Riot and Malicious Persons

caused or perpetrated by persons lawfully on the Premises is excluded.

# Condition applicable to Sections A and B

The following condition applies to Section A only.

## 1 Condition of Average (Underinsurance)

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

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

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

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

For the avoidance of doubt solely in respect of the application of average to any item under this Policy clause c) iii) of the Fair Presentation of the Risk Condition will not apply.

# Exclusions applicable to Sections A and B

## Sections A and B do not cover:

### 1 Consequential Loss

in respect of Section A consequential loss of any kind or description except as provided for under clause R1 – Alternative Accommodation and Loss of Rent

### 2 Contract Works or Property More Specifically Insured

loss, destruction, damage, cost or expense in respect of:

- a) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection other than as specifically allowed for under the Contract All Risks clause
- b) property more specifically insured

### 3 Land

a) in respect of Section A:

any loss or destruction of or damage to land

b) in respect of Section B:

loss, cost or expense caused by loss or destruction of or damage to land

other than for an amount of any loss of less than the amount stated in the Certificate in total in respect of land to a depth of up to one metre the Insured's own or for which they are responsible within the perimeter of the Premises

### 4 Northern Ireland Civil Commotion

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

### 5 Pollution or Contamination

a) in respect of Section A:

loss or destruction or damage caused by, consisting of or resulting from pollution or contamination but this will not exclude destruction of or damage to Property Insured not otherwise excluded caused by:

- i) pollution or contamination which itself results from any of Covers 1 to 15 inclusive hereby insured against
- ii) any of Covers 1 to 15 inclusive hereby insured against which itself results from pollution or contamination
- iii) where Cover 16 – All Other Damage is operative sudden, identifiable, unintended and unexpected pollution or contamination

b) in respect of Section B:

loss caused by, consisting of or resulting from pollution or contamination but this will not exclude loss resulting from destruction of or damage to property used by the Insured at the Premises for the purpose of the Business not otherwise excluded caused by:

- i) pollution or contamination which itself results from any of Covers 1 to 15 inclusive hereby insured against
- ii) any of Covers 1 to 15 inclusive hereby insured against which itself results from pollution or contamination
- iii) where Cover 16 – All Other Damage is operative sudden, identifiable, unintended and unexpected pollution or contamination at the Premises

subject to a limit of liability in respect of a) iii) and b) iii) in any one Period of Insurance of £25,000

### 6 Riot or Civil Commotion

loss, destruction, damage, cost or expense occasioned by riot or civil commotion unless this Cover is specified in the Certificate and then only to the extent stated

## 7 Terrorism

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

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

For the purposes of this Exclusion 'Terrorism' will mean:

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

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

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

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

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

## 8 Virus or Similar Mechanism, Hacking or Denial of Service Attack

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

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

# Terrorism Buy Back Cover applicable to Sections A and B

The following Terrorism Buy Back Cover applies to Sections A and B but only if indicated in the Certificate to be operative.

## Definitions Applicable to Terrorism Buy Back Cover

### Act of Terrorism

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

### Computer System

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

### Data

Data of any sort whatever, including without limitation tangible or intangible data, and any programs or 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, websites, or any information whatever.

### 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 the 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 such actions or instructions by other Computer Systems.

### Hacking

Unauthorised access to any Computer System whether the property of the Insured or not.

### Phishing

Any access or attempted access to Data made by means of misrepresentation or deception.

### Virus or Similar Mechanism

Program code, programming instruction or any set of instructions intentionally constructed with the ability, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor Computer Systems, Data or operations, whether involving self-replication or not.

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.

## The Cover

In consideration of the payment of the Terrorism Premium and its Insurance Premium Tax in respect of the Period of Insurance:

A. in the event that:

- a) Her Majesty's Government or Her Majesty's Treasury or any successor relevant authority issue a certificate certifying an event or occurrence to have been an Act of Terrorism; or
- b) Her Majesty's Government or Her Majesty's Treasury or any successor relevant authority refuse to issue a certificate certifying an event or occurrence to have been an Act of Terrorism and that refusal is reversed by the decision of a validly constituted tribunal

the Insurer shall by this Terrorism Buy Back Cover provide cover for accidental loss of or damage to material property (hereafter referred to as 'Damage') and consequential loss proximately caused by such Act of Terrorism in so far and to the extent that such Damage and consequential loss is insured under the Policy.

Provided always that:

- 1) such Damage or consequential loss occurs in England, including the Channel Tunnel up to the frontier with the Republic of France as set out in the Treaty of Canterbury 1986, Wales or Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987
  - 2) in any action, suit or other proceedings where the Insurers allege that any Damage or consequential loss is not covered by this Terrorism Buy Back Cover the burden of proving that such Damage or consequential loss is covered will fall upon the Insured
  - 3) the insurance effected by this Terrorism Buy Back Cover excludes:
    - A) any losses whatsoever:
      - a) occasioned by riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
      - b) directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from:
        - i) damage to or the destruction of any Computer System; or
        - ii) any alteration, modification, distortion, erasure or corruption of Data
- in each case whether the property of the Insured or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from Virus or Similar Mechanism, Hacking, Phishing or Denial of Service Attack

Proviso to exclusion 3) A) b)

save that Covered Loss otherwise falling within this exclusion 3) A) b) will not be treated as excluded by exclusion 3) A) b) solely to the extent that such Covered Loss:

- i) results directly (or, solely as regards ii) 3) below, indirectly) from fire, explosion, flood, escape of water from any tank, apparatus or pipe (including any sprinkler system), impact of aircraft or any aerial devices or articles dropped from them, impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle, destruction of, damage to or movement of buildings or structures, plant or machinery other than any Computer System; and
- ii) comprises:
  - 1) the cost of reinstatement, replacement or repair in respect of damage to or destruction of Property insured; or
  - 2) the amount of business interruption loss suffered directly by the Insured by way of loss of or reduction in profits, revenue or turnover or increased cost of working as a direct result of either damage to or destruction of Property insured or as a direct result of denial, prevention or hindrance of access to or use of the Property insured by reason of an Act of Terrorism causing damage to other Property within one mile of the Property insured to which access is affected; or
  - 3) the amount of loss caused by the cancellation, abandonment, postponement, interruption, curtailment or relocation of an event as a result of damage to or destruction of Property and any additional costs or charges reasonably and necessarily paid by the Insured to avoid or diminish such loss

and

- iii) is not proximately caused by an Act of Terrorism in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by, acting on behalf of or part of any de jure or de facto government of any nation, country or state

iv) for the purposes of this Proviso:

1) the meaning of 'Property' shall exclude:

- A) any money (including Money), currency, electronic cryptographic or virtual currency including Bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any other financial instrument of any sort whatever; and
- B) any Data

2) 'Covered Loss' means all losses arising as a result of damage to or the destruction of Property insured, the proximate cause of which is an Act of Terrorism

v) notwithstanding the exclusion of Data from Property, to the extent that damage to or destruction of Property within the meaning of sub-paragraph ii) above indirectly results from any alteration, modification, distortion, erasure or corruption of Data, because the occurrence of one or more of the matters referred to in sub-paragraph i) above results directly or indirectly from any alteration, modification, distortion, erasure or corruption of Data, that shall not prevent cost or business interruption loss directly resulting from damage to or destruction of such Property and otherwise falling within sub-paragraphs i) and ii) 1) or 2) nor any loss, cost or charges otherwise falling within sub-paragraphs i) and ii) 3) above from being recoverable under this Terrorism Buy Back Cover.

In no other circumstances than the previous sentence, however, will any loss or losses directly or indirectly caused by, contributed to by or arising from or occasioned by or resulting from any alteration, modification, distortion, erasure or corruption of Data be recoverable under this Terrorism Buy Back Cover

B) any type of property which has been specifically excluded in the Policy

C) any Nuclear Installation or Nuclear Reactor and all fixtures and fittings situated thereon and attached thereto and all pipes, wires, cables, drains or other conduits or service media of any description which are affixed or connected to or in any way serve such Nuclear Installation or Nuclear Reactor

4) save for the exclusions listed in 3) above no other exclusions in this Policy will apply to the insurance effected by part A. of this Terrorism Buy Back Cover. All the other terms, definitions and conditions of this Policy including but not limited to any Excess or deductible to be borne by the Insured will apply to the insurance effected by part A. of this Terrorism Buy Back Cover except for:

A) any Long Term Undertaking applying to this Policy

B) any terms in this Policy which provide for adjustments of premium based upon declarations on expiry or during the Period of Insurance

C) any extension of the meaning of the term 'Premises' in this Policy to include locations outside England and Wales and Scotland.

B. In the event that Her Majesty's Government or Her Majesty's Treasury or any successor relevant authority refuse to issue a certificate certifying an event or occurrence happening in the territories described in paragraph A. proviso 1) above to have been an Act of Terrorism and such refusal is upheld by the decision of a validly constituted tribunal this Terrorism Buy Back Cover will delete any Terrorism Exclusion in the Policy in respect of such event or occurrence.

Provided always that in respect of B. above all other terms, definitions, exclusions, provisions and conditions of the Policy will apply.



# Section C – Property Owners’ Liability

The Insurers agree to indemnify the Insured during the Period of Insurance in respect of all sums which the Insured may become legally liable to pay as compensation for subject to the terms, limitations and conditions of this Policy:

## Public Liability

- a) accidental Personal Injury to any person other than an Employee where such Personal Injury arises out of and in the course of the employment
- b) accidental loss of or accidental damage to material property
- c) accidental obstruction, accidental trespass, accidental nuisance, accidental interference with pedestrian, road, rail, air or waterborne traffic, accidental invasion of the right of privacy excluding any liability arising under Regulation (EU) 2016/679 (General Data Protection Regulation) or Data Protection Act 2018, or accidental interference with any right of air, light, water or way
- d) unlawful detention, imprisonment or arrest

occurring during the Period of Insurance within the Territorial Limits in connection with the Business.

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

## Exclusions Applicable to Public Liability

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

### 1 Defective Work

loss of or damage to that part of any property upon which the Insured or any servant or agent of the Insured is or has been working where the loss or damage is the direct result of such work

### 2 Motor

liability arising from the ownership or possession or use by or on behalf of the Insured of any mechanically propelled vehicle or mobile plant:

- a) which is licensed for road use
- b) for which compulsory motor insurance or security is required
- c) which is more specifically insured.

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

- i) liability not more specifically insured under any other policy arising during the act of loading or unloading mechanically propelled vehicles or mobile plant or the bringing to or the taking away of a load from such vehicle or such plant
- ii) the use of any mechanically propelled vehicle or mobile plant solely as a tool of trade unless more specifically insured or unless compulsory motor insurance or security is required
- iii) the unauthorised movement on the Insured’s Premises or contract site of any mechanically propelled vehicle or mobile plant unless more specifically insured or unless compulsory motor insurance or security is required

### 3 Products

liability arising from Products after they have ceased to be in the custody or control of the Insured other than food or beverages for consumption on the Premises of the Insured or at any other premises where the Insured is carrying on the Business

### 4 Property Damage

the first part of compensation payable as stated in the Certificate for loss of or damage to material property in respect of any one occurrence or all occurrences of a series arising out of one original cause provided always that the Insured will indemnify the Insurers in respect of any such amount for which the Insurers have made payment

## **5 Property Owned or Held in Trust**

loss of or damage to property belonging to the Insured or held in trust by or borrowed, rented, leased or hired for the use by the Insured but this Exclusion will not apply to:

- a) the personal effects including vehicles and their contents of directors, Employees and visitors
- b) buildings or their contents temporarily occupied by the Insured for the purpose of carrying out work therein or thereon
- c) premises or fixtures and fittings therein hired, rented, leased or lent to the Insured other than such loss or damage if liability is assumed by the Insured under a tenancy or other agreement and would not have attached in the absence of such agreement

## **6 Vessels and Craft**

liability arising from the ownership or possession or use by or on behalf of the Insured of craft designed to travel through air or space, hovercraft or watercraft other than barges, motor launches and non-powered craft used on inland waterways.

## **7 Waking Watch**

liability arising directly or indirectly from the use of or reliance upon any waking watch system undertaken by any tenant, member of a residents' association or right to manage company.

## **Products Liability**

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

occurring within the Territorial Limits during the Period of Insurance and caused by Products.

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

## **Exclusions Applicable to Products Liability**

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

### **1 Aircraft Products**

liability arising from any Products which at the time of the contract of sale or supply are knowingly sold or supplied for use in craft designed to travel through air or space

### **2 Custody or Control**

liability arising from any Products in the custody or control of the Insured

### **3 Exports to the USA or Canada**

liability arising from any Products which at the time of the contract of sale or supply are knowingly exported to the United States of America or Canada

### **4 Replacing, Repairing or Guaranteeing Products**

replacing, reinstating, rectifying, repairing, recalling or guaranteeing the performance of any Products.

## **Exclusions Applicable to the Whole of Section C**

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

### **1 Asbestos**

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

### **2 Cyber**

liability arising out of any actual (or alleged) unauthorised acts (including malicious acts) which results in access to, disruption of, or any failure of any computer or other equipment or component or system or item which processes, stores, transmits or receives Data.

This Exclusion is not applicable to the indemnity provided by Extension 7 of this Section

For the purpose of this Exclusion the following definition will apply:

'Data' will mean:

Data of any sort whatever, including without limitation tangible or intangible data, and any programs or 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, websites, or any information whatever.

### **3 Foreign Operations**

any associated or subsidiary company of the Insured or branch office or representative of the Insured with power of attorney domiciled elsewhere than in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands

### **4 Liquidated or Punitive Damages**

- a) liability in respect of liquidated damages or fines or penalties which attaches solely because of a contract or agreement
- b) aggravated, exemplary, vindictive or punitive damages awarded by any court of law outside Great Britain, Northern Ireland, the Isle of Man or the Channel Islands

### **5 Professional Advice**

liability arising out of professional advice given by the Insured for a fee or in circumstances where a fee would normally be charged.

## **Extensions Applicable to Section C**

The insurance by this Section includes the following Extensions.

Provided always that:

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

### **1 Additional Benefit**

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

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

which may be the subject of indemnity under this Section.

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

The Insurers will indemnify the Insured or at the request of the Insured any director of the Insured or Employee against legal costs and expenses incurred in the defence of any criminal proceedings brought for a breach of:

- a) Part II of the Consumer Protection Act 1987
- b) Food Safety Act 1990 or any regulations made thereunder

committed or alleged to have been committed during the Period of Insurance including legal costs and expenses incurred with the consent of the Insurers in an appeal against conviction arising from such proceedings.

Provided always that:

- i) the criminal proceedings relate to an offence committed in the course of the Business and which relates to any event involving Personal Injury or loss of or damage to material property which is or may be the subject of indemnity under this Section
- ii) this Extension will apply only to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- iii) the Insurers will not be liable under this Extension:
  - 1) where the Insured, director or Employee is insured by any other policy of insurance
  - 2) where the criminal proceedings are in respect of any deliberate or intentional criminal act or omission of the Insured, director or Employee

- 3) in respect of legal costs and expenses which the Insured, director or Employee may be ordered to pay by a court of criminal jurisdiction in respect of the deliberate or intentional criminal act or omission of the Insured, director or Employee
  - 4) in respect of fines or penalties
  - 5) for the cost of any investigation or inquiry other than a solicitor's investigation restricted to criminal proceedings as above defined
  - 6) unless the Insurers have the sole conduct and control of all claims
- iv) the Insured, director or Employee will give to the Insurers immediate notice of any summons or other process served upon the Insured, director or Employee and of any event that may give rise to proceedings against the Insured, director or Employee.

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

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

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

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

### **4 Corporate Manslaughter**

The Insurers will indemnify the Insured in respect of legal costs and expenses incurred with the Insurers' prior written consent in connection with the defence of any criminal proceedings including any appeal against conviction arising from any such proceedings brought in respect of a charge or investigations connected with a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007 or any equivalent legislation in the Isle of Man or the Channel Islands committed or alleged to have been committed during the Period of Insurance in the course of the Business and which relates to any event involving Personal Injury which is or may be the subject of indemnity under this Section.

Provided always that:

- a) the Insurers' liability under this Extension will not exceed £5,000,000 in any one Period of Insurance or the Limit of Liability stated in the Certificate whichever is the lesser. This limit will form part of and not be in addition to the Limit of Liability stated in the Certificate
- b) this Extension will apply only to proceedings brought in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- c) the Insurers must consent in writing to the appointment of any solicitor or counsel who are to act for and on behalf of the Insured
- d) the Insured will give to the Insurers immediate notice of any summons or other process served upon the Insured which may give rise to proceedings under this Extension
- e) in relation to any appeal counsel has advised there are strong prospects of such appeal succeeding
- f) the Insurers will be under no liability:
  - i) where the Insured has committed any deliberate or intentional criminal act giving rise to a corporate manslaughter or corporate homicide charge
  - ii) in respect of fines or penalties of any kind
  - iii) in respect of the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of:
    - 1) the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 or any regulations made thereunder
    - 2) the Food Safety Act 1990 or any regulations made thereunder
    - 3) the Consumer Protection Act 1987 or any regulations made thereunder

- iv) where indemnity for defence costs is available from any other source or is provided by any other insurance or where but for the existence of this Extension indemnity would have been provided by such other source or insurance
- g) where the Insurers have already indemnified the Insured in respect of legal costs or expenses incurred in the defence of any criminal proceedings arising out of the same cause or occurrence which gave rise to the charge of or investigation connected with corporate manslaughter or corporate homicide under another clause applicable to this Section of this Policy the amount paid under that clause will be taken into account in arriving at the Insurers' liability payable under this Extension.

## **5 Court Attendance Costs**

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

- a) any director or partner of the Insured
- b) any Employee.

## **6 Cross Liabilities**

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

## **7 Data Protection**

The Insurers will indemnify the Insured for legal costs and expenses incurred with the Insurers' prior consent, and all sums the Insured is required to pay as damages to an individual arising from proceedings brought against the Insured under:

- a) Sections 168 and 169 of the Data Protection Act 2018
- b) Article 82 of Regulation (EU) 2016/679 (General Data Protection Regulation).

Provided always that:

- i) the Insurers shall not be liable under this Extension for:
  - 1) fines, penalties, liquidated, punitive or exemplary damages
  - 2) the costs of notifying any person regarding loss of personal data
  - 3) the cost of replacing, reinstating, rectifying or erasing any personal data
  - 4) any deliberate or intentional criminal act or omission giving rise to any claim under this Extension committed by the Insured
- ii) the liability of the Insurers under this Extension shall not exceed the amount stated in the Certificate in any one Period of Insurance.

## **8 Defective Premises Act 1972**

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

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

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

## **9 Environmental Clean up Costs**

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

Provided always that:

- a) liability arises from Pollution or Contamination caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance. All Pollution or Contamination which arises out of one incident will be deemed to have occurred at the same time such incident takes place

- b) the Insurers' liability under this Extension will not exceed £1,000,000 for any one occurrence and in the aggregate in any one Period of Insurance and will be the maximum the Insurers will pay inclusive of all costs and expenses. This limit will form part of and not be in addition to the Limit of Liability stated in the Certificate
- c) immediate loss prevention or salvage action is taken and the appropriate authorities are notified
- d) the Insurers will be under no liability:
  - i) in respect of Clean Up Costs for damage to the Insured's land, premises, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in the Insured's care, custody or control
  - ii) for damage connected with pre-existing contaminated property
  - iii) for damage caused by a succession of several events where such individual event would not warrant immediate action
  - iv) in respect of removal of any risk of an adverse effect on human health on the Insured's land, premises, watercourse or body of water whether owned, leased, hired, tenanted or otherwise in the Insured's care, custody or control
  - v) in respect of costs in achieving an improvement or alteration in the condition of the land, atmosphere or any watercourse or body of water beyond that required under any relevant and applicable law or statutory enactment at the time Remediation commences
  - vi) in respect of costs for prevention of imminent threat of environmental damage where such costs are incurred without there being Pollution or Contamination caused by a sudden, identifiable, unintended and unexpected incident
  - vii) for damage resulting from an alteration to subterranean stores of groundwater or to flow patterns
  - viii) in respect of costs for the reinstatement or reintroduction of flora or fauna
  - ix) for damage caused deliberately or intentionally by the Insured or where they have knowingly deviated from environmental protection rulings or where the Insured has knowingly omitted to inspect, maintain or perform necessary repairs to plant or machinery for which they are responsible
  - x) in respect of fines or penalties of any kind
  - xi) for damage caused by the ownership or operation on behalf of the Insured of any mining operations or storage, treatment or disposal of waste or waste products other than caused by composting, purification or pre-treatment of waste water
  - xii) for damage which is covered by a more specific insurance policy
  - xiii) for damage caused by persons aware of the defectiveness or harmfulness of products they have placed on the market or works or other services they have performed
  - xiv) for damage caused by disease in animals belonging to or kept or sold by the Insured.

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

'Clean Up Costs' will mean:

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

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

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

'Pollution or Contamination' will mean:

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

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

The Insurers will indemnify the Insured and at the request of the Insured any director of the Insured or Employee against legal costs and expenses incurred in the defence of any criminal proceedings brought for a breach of the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978 or any regulations made thereunder committed or alleged to have been committed during the Period of Insurance and which relates to any event arising in the course of the Business involving Personal Injury which is or may be the subject of indemnity under this Section including legal costs and expenses incurred with the consent of the Insurers in an appeal against conviction arising from such proceedings.

Provided always that the Insurers will not be liable under this Extension in respect of fines or penalties or any kind or the costs of appeal against Improvement or Prohibition notices.

## **11 Indemnity to Directors and Employees**

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

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

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

Provided always that:

- i) such person is not entitled to indemnity under any other insurance
- ii) such person will as though they were the Insured observe, fulfil and be subject to the terms, limitations and conditions of this Policy
- iii) the Insurers will not be liable under this Extension unless the Insurers have the sole conduct and control of all claims.

## **12 Indemnity to Principal**

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

## **13 Legal Costs**

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

## **14 Legionella**

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

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

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

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

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

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

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

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

## **15 Libel and Slander**

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

Provided always that:

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

## **16 Personal Liability Overseas**

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

Provided always that:

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

## **17 Personal Representatives**

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

## **18 Valet Parking**

The Insurers will indemnify the Insured named in the Certificate and no other for the purpose of this Extension in respect of legal liability for accidental Personal Injury to any person and/or accidental loss of or accidental damage to material property arising out of the use of any motor vehicle not the property of nor provided by the Insured in consequence of their provision of a valet parking service.

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

- a) in respect of loss of or damage to such vehicle or to goods conveyed therein or thereon
- b) for accidental Personal Injury to any person and/or accidental loss of or accidental damage to material property arising while such vehicle is being driven by the Insured or by any person who to the knowledge of the Insured or his representative does not hold a licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence



- c) in respect of liability more specifically insured under any other insurance
- d) in respect of liability arising outside the Territorial Limits
- e) where such motor vehicle is being used in circumstances that require compulsory motor insurance.

## Optional Extensions

The following Extensions apply only if stated in the Certificate to be operative.

### 19 Financial Loss

This Section extends to indemnify the Insured in respect of:

- a) all sums which the Insured become liable in tort to pay as compensation and claimants' costs and expenses incurred in connection therewith in respect of claims for Financial Loss first made in writing against the Insured arising out of the Business and notified to the Insurers during or within 30 days of expiry of the same Period of Insurance
- b) costs and expenses in connection with the defence of such claim for compensation incurred with the Insurers' written consent.

For the purposes of this Extension 'Financial Loss' means a pecuniary loss, cost or expense incurred by any person other than the Insured or a director of the Insured or Employee as a result of:

- i) defect in Products
- ii) work carried out negligently by or on behalf of the Insured.

Provided always that:

- 1) the liability of the Insurers under this Extension will not exceed the sum stated in the Certificate in any one Period of Insurance
- 2) in respect of any claim for which indemnity is provided by this Extension the Insured will pay the first part of any such claim as stated in the Certificate
- 3) the indemnity granted by Extension 6 – Cross Liabilities – will not apply to this Extension
- 4) this Extension is subject otherwise to the terms, conditions, limitations and exclusions of the Policy in so far as they can apply and also to the following exclusions:
  - A) the cost of replacing, reinstating, rectifying, repairing, removing, recalling, improving or guaranteeing the performance of Products or any work carried out by or on behalf of the Insured
  - B) any claim for diminution in value of Products or any work to which this Extension applies
  - C) liability arising from libel, slander, infringement of patent, copyright, trademark or trade name, breach of anti-trust laws
  - D) liability arising from any act of fraud or dishonesty
  - E) liability arising from non-performance, non-completion, delay, financial default or insolvency
  - F) liability arising out of professional advice or professional negligence
  - G) liability arising from a deliberate act or omission of the Insured where the Financial Loss could reasonably have been foreseen by the insured having regard to the nature and circumstances of such act or omission
  - H) liability arising out of any circumstances known to the Insured at the inception of this Extension
  - I) liability:
    - a) which attaches by virtue of a contract, agreement, warranty, collateral warranty or guarantee
    - b) in tort including negligence or breach of statutory duty to any person with whom the Insured has contracted where such liability arises under contract except where such liability is wider or more extensive than the Insured's contractual liability to such persons
  - J) liability arising from Products knowingly exported from Great Britain, Northern Ireland, the Isle of Man or the Channel Islands or work carried out by or on behalf of the Insured outside Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
  - K) liability arising from Personal Injury or loss of or damage to material property or obstruction, trespass, nuisance or interference with pedestrian, road, rail, air or waterborne traffic
  - L) liability arising out of or in connection with the Data Protection Act 2018 or Regulation (EU) 2016/679 (General Data Protection Regulation).

## 20 Managing Agent

In the event of any claim arising under Section C in respect of which the Insured named in the Certificate would be entitled to receive indemnity under this Policy being brought or made against a managing agent while acting in their capacity as managing agent for the Insured the Insurers will indemnify such party if the Insured so requests against such claim and any costs, charges and expenses in respect thereof.

Provided always that:

- a) such party will as though they were the Insured observe, fulfil and be subject to the terms, limitations and conditions of this Policy
- b) the Insurers will not be liable under this Extension unless the Insurers have the sole conduct and control of all claims
- c) the total liability of the Insurers under this Extension to pay compensation will not exceed the Limit(s) of Liability.

## Special Provisions Applicable to Section C

### 1 Limit of Liability – Terrorism

The Limit of Liability in respect of any claim or claims against or by the Insured arising directly or indirectly from Terrorism will be £5,000,000 or the Limit of Liability as stated in the Certificate whichever is the lesser during any one Period of Insurance.

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

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

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

### 2 Pollution

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

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

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

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

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

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

## Special Conditions Applicable to Section C

### 1 Discharge of Liability

By the payment to or on behalf of the Insured of:

- a) the maximum sum payable hereunder in respect of any one occurrence; or
- b) the balance of such maximum sum should any payments have already been made in respect of claims arising out of the same occurrence; or
- c) the balance of the maximum sum payable in any one Period of Insurance should the same be less than either of the aforesaid amounts by reason of any payments made in connection with any previous claims

and

- d) the amount of any legal costs incurred prior to the time of such payment

the Insurers may at any time absolve themselves from any further liability whatsoever arising out of or in connection with such occurrences.

If the sum payable in respect of any claim or claims occurring in connection with or arising out of any one source or original cause exceeds the sum payable under this Policy the Insured will pay:

- i) the excess; and
- ii) such proportion of the law costs payable to any claimants and/or incurred in the defence of any claim or claims in respect of such occurrence as the above-noted excess bears to the total sum payable in respect of such occurrence.

## **2 Use of Heat**

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

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

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

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

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

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

# General Exclusions

This Policy does not cover:

## 1 Communicable Diseases

### Not applicable to the Terrorism Buy Back Cover applicable to Sections A and B

any loss, destruction, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with the following:

- a) a Communicable Disease; or
- b) the fear or threat (whether actual or perceived) of a Communicable Disease

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

This exclusion does not however apply to the following:

- i) Section B – Business Interruption – in respect of and only to the extent of cover expressly stated as being provided under the Extensions titled Legionellosis and Named Diseases, Murder, Suicide or Rape (if operative)
- ii) to DAMAGE or CONSEQUENTIAL LOSS which results from a Defined Peril but excluding the acts of malicious persons who maliciously, deliberately or recklessly cause any substance or agent capable of causing a Communicable Disease to come into contact with the premises or property of any person or entity or cause or attempt to cause another person or persons to contract a Communicable Disease
- iii) Section C – Property Owners' Liability – in respect of:
  - 1) food or drink poisoning; or
  - 2) Legionnaires' disease under the Extension titled Legionella but only to the extent of cover expressly stated as being provided under the Extension (if operative)

## 2 Date Related Performance and Functionality

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

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

whether such Data Processing System is the property of the Insured or not but in respect of all insurances other than Public Liability or Products Liability or Contractors' Joint Indemnity this will not exclude subsequent DAMAGE or CONSEQUENTIAL LOSS which itself results from a Defined Peril

## 3 Nuclear and War Risks, Government or Public Authority and Sonic Bangs

death, injury, disablement, loss, destruction, damage, cost or expense or legal liability of whatsoever nature directly or indirectly arising from, caused by, or contributed to by:

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

# General Conditions

## 1 Arbitration

If the Insurers admit liability for a claim but there is a dispute as to the amount to be paid the dispute will be referred to an arbitrator. The arbitrator will be appointed jointly by the Insured and the Insurers in accordance with the law at the time. The Insured may not take any legal action against the Insurers over the dispute before the arbitrator has reached a decision.

## 2 Cancellation

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

If the Insured has taken out this Policy for purposes which are wholly or mainly unrelated to their trade, business or profession, the Insured may cancel this Policy within 14 days of receiving the Policy or renewal notice by writing to the Insurers and in such event the Insured will be entitled to a return of premium in respect of the unexpired portion of the Period of Insurance unless the Insured has notified or made a claim.

## 3 Change in Circumstances

The Insured must notify the Insurers as soon as possible during the Period of Insurance if there is any change in circumstances which materially increases the risk of accident, injury, loss, damage or liability.

Upon notification of any such change the Insurers will be entitled to vary the premium and terms for the rest of the Period of Insurance. If the changes make the risk unacceptable to the Insurers then the Insurers may no longer be able to provide the Insured with cover.

If the Insured does not notify the Insurers of any such change this Policy may be affected in one or more of the following ways depending on what the Insurers would have done had the Insurers known about the change in circumstances:

- a) if the Insurers would not have continued to provide the Insured with any cover the Insurers may treat this Policy as if it did not exist from the date of the change in circumstances; or
- b) if the Insurers would have applied different terms to the cover the Insurers may treat this Policy as if those different terms applied from the date of the change in circumstances; and/or
- c) if the Insurers would have charged the Insured a higher premium for providing the cover the Insurers will charge the Insured the additional premium which the Insured must pay in full.

## 4 Claims Procedure

- a) On the happening of any event which could give rise to a claim or on receiving verbal or written notice of any claim the Insured will:
  - i) as soon as reasonably possible give notice to the Insurers
  - ii) preserve any damaged or defective property for examination by the Insurers' representatives unless the Insurers have authorised the Insured to dispose of such property
  - iii) as soon as reasonably possible notify the police in respect of any loss or damage by theft or attempted theft or by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances and malicious persons
  - iv) as soon as reasonably possible forward to the Insurers any writ or summons issued against the Insured by a third party
  - v) take action to minimise the loss or damage and to avoid interruption or interference with the Business and to prevent further damage or injury
  - vi) at their own expense and within:
    - 1) 7 days of loss or damage caused by riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons
    - 2) 30 days of expiry of the Indemnity Period in respect of Section B
    - 3) 30 days of any other loss or damage, interruption or interference with the Business or injury or diseasesupply full details of the claim in writing to the Insurers together with any evidence and information that may be reasonably required by the Insurers for the purpose of investigating or verifying the claim and if demanded a statutory declaration of the truth of the claim and any matters connected therewith.
- b) No settlement, admission of liability, payment or promise of payment will be made to a third party without the consent of the Insurers.

## 5 Contribution

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

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

## 6 Fair Presentation of the Risk

- a) At inception and renewal of this Policy and also whenever changes are made to it at the Insured's request the Insured must:
  - i) where the Insured has taken out this Policy for purposes which are wholly or mainly related to their trade, business or profession, disclose to the Insurers all material facts in a clear and accessible manner and not misrepresent any material facts; and
  - ii) where the Insured has taken out this Policy for purposes which are wholly or mainly unrelated to their trade, business or profession, take reasonable care not to misrepresent any material facts.
- b) If the Insured does not comply with clause a) of this condition and the non-disclosure or misrepresentation by the Insured is proven by the Insurers to be deliberate or reckless the Insurers may from the relevant date specified in clause d):
  - i) treat this Policy as if it had not existed; and
  - ii) not return the premium paid by the Insured.
- c) If the Insured does not comply with clause a) of this condition and the non-disclosure or misrepresentation is not deliberate or reckless the cover, meaning this Policy or the changes made to it, may be affected from the relevant date in clause d) in one or more of the following ways depending on what the Insurers would have done if the Insurers had known about the facts which the Insured failed to disclose or misrepresented:
  - i) if the Insurers would not have provided the Insured with the cover the Insurers will have the option to treat the cover as if it had not existed and repay the premium paid for such cover; or
  - ii) if the Insurers would have applied different terms to the cover the Insurers will have the option to treat this Policy as if those different terms apply; and/or
  - iii) if the Insurers would have charged the Insured a higher premium for providing the cover the Insurers will charge the Insured the additional premium which the Insured must pay in full.
- d) Clauses b) and c) apply with effect from inception, renewal or the date of the changes, depending on when the non-compliance occurred. The Insurers may also recover any claims payments which have already been made to the extent that the cover under which such payments were made is being treated as if it did not exist or as if it had been subject to different terms under which the claim would not have been payable.
- e) Where this Policy provides cover for any person other than the Insured and that person would if they had taken out such cover in their own name have done so for purposes wholly or mainly unconnected with their trade, business or profession the Insurers will not invoke the remedies which might otherwise have been available to the Insurers under this General Condition if the failure to make a fair presentation of the risk concerns only facts or information which relate to a particular insured person other than the Insured.

Provided always that if the person concerned or the Insured acting on their behalf makes a careless misrepresentation of fact the Insurers may invoke the remedies available to them under this General Condition as against that particular person as if a separate insurance contract had been issued to them leaving the remainder of the Policy unaffected.

## 7 Fraudulent Claims

If the Insured or anyone acting on its behalf:

- a) makes a fraudulent or exaggerated claim under this Policy; or
- b) uses fraudulent means or devices including the submission of false or forged documents in support of a claim whether or not the claim is itself genuine; or
- c) makes a false statement in support of a claim whether or not the claim is itself genuine; or
- d) submits a claim under this Policy for loss or damage which the Insured or anyone acting on the Insured's behalf or in connivance with the Insured deliberately caused; or

- e) realises after submitting what the Insured reasonably believed was a genuine claim under this Policy and then fails to tell the Insurers that the Insured has not suffered any loss or damage; or
- f) suppresses information which the Insured knows would otherwise enable the Insurers to refuse to pay a claim under this Policy

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

The Insurers may also notify the Insured that they will be treating this Policy as having terminated with effect from the date of any of the acts or omissions set out in clauses a) to f) of this condition.

If the Insurers terminate this Policy under this condition the Insured will have no cover under this Policy from the date of termination and not be entitled to any refund of premium.

If any fraud is perpetrated by or on behalf of an insured person and not on behalf of the Insured this condition should be read as if it applies only to that insured person's claim and references to this Policy should be read as if they were references to the cover effected for that person alone and not to the Policy as a whole.

## **8 Insurers' Rights**

The Insurers will:

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

## **9 Joint Insured**

Any party insured under this insurance standing in the relation of parent company, subsidiary company, associated company, branch office or joint venture partner of the Insured stated in the Certificate will be deemed to be joint insured for the purposes of this Policy and forfeiture of indemnity under this Policy arising from any fraudulent act, misrepresentation, non-disclosure or other breach of Policy terms or conditions by one of the said insured parties will result in forfeiture of indemnity for all of the said insured parties.

## **10 Legal Representatives**

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

## **11 Long Term Undertaking**

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

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

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

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

## **12 Premium Adjustment**

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

## **13 Reasonable Care**

The Insured will take all reasonable steps to:

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

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

## **14 Sanctions**

Notwithstanding any other terms of this Policy the Insurers will be deemed not to provide cover nor will the Insurers make any payment or provide any service or benefit to the Insured or any other party to the extent that such cover, payment, service, benefit and/or any business or activity of the Insured would violate any applicable trade or economic sanctions law or regulation.



**Zurich Management Services Limited**

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**Zurich Insurance Company Ltd**

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