

*Keep me safe*

# Business Insurance

Policy document





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Founded in 1843 Liverpool Victoria, which also trades as LV=, is the UK's largest friendly society and together with its subsidiaries is a major provider of insurance and financial services products.

As a friendly society and mutual, LV= exists wholly for the benefit of its members. We have no shareholders taking a share of our profits. Instead we invest our profits in making our products competitive and delivering an outstanding customer service.

Our claims service goes the extra mile. Committed to doing the right thing for policyholders we aim to settle claims quickly, even in the most difficult of circumstances.

If you would like to learn more about LV= please visit our website at: **[www.LV.com/commercial](http://www.LV.com/commercial)**



**John O'Roarke**

**Managing Director**

**Liverpool Victoria Insurance Company Limited**

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## BUSINESS INSURANCE POLICY

Liverpool Victoria Insurance Company Limited (the **Insurer**) will provide the insurance described in the Policy subject to its terms and conditions for the Period of Insurance stated in the Schedule and any subsequent period for which the **Insured** shall pay and the **Insurer** shall agree to accept the premium. Any information supplied by or on behalf of the **Insured** shall be incorporated in the contract

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

It is therefore essential that the Statement of Fact and Schedule are accurate and true to the best of the **Insured's** knowledge and belief. If the Statement of Fact and/or Schedule are inaccurate or untrue it may affect the **Insured's** rights under the Policy

Any word or expression to which a specific meaning has been given shall have that meaning wherever it appears

The **Insured** is not required to sign the Statement of Fact but should read it carefully and confirm that all the information contained within it and the Schedule is correct

If the Statement of Fact and/or Schedule are incorrect you should notify the Broker, Intermediary or Agent who arranged the Policy immediately and obtain a revised Statement of Fact and/or Schedule with the revisions required. You must ensure that all documentation in your possession is accurate

The Policy has been signed on behalf of Liverpool Victoria Insurance Company Limited



**John O'Roarke**

**Managing Director**

**Liverpool Victoria Insurance Company Limited**

## DEFINITIONS

### Building(s)

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

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

all belonging to the **Insured** or for which the **Insured** is legally responsible

### Business

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

- a) the ownership repair and maintenance of the **Premises**
- b) the provision of fire security and ambulance services at the **Premises**
- c) provision of first aid but excluding any first aid provided by any qualified medical practitioner or nurse
- d) private work undertaken by the **Insured's Employees** with the consent of the **Insured** for any director partner or senior official of the **Insured**
- e) the provision and management of sports social and welfare organisations by the **Insured** for the benefit of the **Insured's Employees**
- f) the sale or supply of food and drink to **Employees** or visitors

### Business Hours

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

### Computer

All equipment including interconnected wiring fixed disks and telecommunications equipment used at the **Premises** for the storage and communication of electronically processed data but excluding

- a) mobile devices where the sole or primary function of the item is to make send and receive telephone calls and SMS messages
- b) any equipment controlling any manufacturing process

belonging to the **Insured** or leased hired or rented to the **Insured** and for which the **Insured** is legally responsible

### Computer Records

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

### Consequential Loss

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

### Contents

The contents of the **Buildings** used in connection with the **Business** belonging to the **Insured** or for which the **Insured** is legally responsible including

- a) patterns models moulds plans and designs
- b) documents manuscripts and Business books for their value as stationery and materials and the cost of labour expended in writing up and/or reinstatement thereof or restoration if more economical subject to a maximum of £5000 for any one loss
- c) wines and spirits kept for entertainment purposes subject to a maximum of £500 for any one loss

## DEFINITIONS CONTINUED

- d) directors' partners' or **Employees**' personal effects clothing pedal cycles and tools unless otherwise insured subject to a maximum of £500 per person for any one loss
- e) visitors' personal belongings subject to a maximum of £500 for any one loss

but excluding **Computers** and **Computer Records** and any other **Property** more specifically insured

### Damage

Loss destruction of or damage to the **Property** insured

### Declared Value

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 including the extent to which indemnity is provided for

- a) the additional cost of reinstatement to comply with Public Authority requirements
- b) professional fees
- c) removal of debris costs

ignoring inflationary factors which may operate subsequently

### 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

**Employee** (not applicable to Section 7 – Legal Expenses)

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

### Estimated Gross Profit

The amount the **Insured** has declared to the **Insurer** as representing the **Gross Profit** anticipated to be earned by the **Business** during the financial year most nearly concurrent with the Period of Insurance or a proportionately increased multiple where the **Maximum Indemnity Period** exceeds 12 months

### Excess

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

### Goods in Transit

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

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

## DEFINITIONS CONTINUED

### Gross Profit

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

### Hacking

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

### Increased Cost of Working

The additional expenditure incurred with the prior written consent of the **Insurer** for the sole purpose of avoiding or diminishing the reduction in **Turnover** which but for that expenditure would have taken place during the **Indemnity Period**

### Indemnity Period

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

### Injury

Bodily injury death illness or disease

### Insured

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

### Insured Perils

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

### Insurer

Liverpool Victoria Insurance Company Limited

### Intruder Alarm System

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

### Keyholder

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

### Legal Costs

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

### Licence

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

### Loss of Limbs or Eyes

**Physical Injury** which solely and directly results in

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

### Maximum Indemnity Period

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

## DEFINITIONS CONTINUED

### Money

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

### Non-Negotiable Money

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

### Notifiable Human Disease

An illness sustained by any person caused by

- a) food or drink poisoning
- b) any human infectious or contagious disease

an outbreak of which the competent local authority has stipulated shall be notified to them

### Offshore Installation

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

### Outstanding Debit Balances

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

### Permanent Total Disablement

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

### Physical Injury

Bodily injury by external violent and visible means sustained by the **Insured** or **Employee** in the course of the **Business** where such injury arises directly from assault

### Pollution or Contamination

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

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

### Premises

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

### Principal

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

## DEFINITIONS CONTINUED

### Products Supplied

Any goods or other property including containers packaging labelling and instructions for use sold supplied delivered erected repaired serviced altered treated installed processed manufactured or tested by the **Insured** in connection with the **Business**

### Property

- a) **Buildings Tenants' Improvements Contents Computers Computer Records Stock** and in respect of Section 1 of the Policy such other items to which cover is expressly extended in Section 1 of the Policy or Schedule or
- b) in respect of Section 3 of the Policy **Computer Equipment Covered Equipment** and such other items to which cover is expressly extended in Section 3 of the Policy
- c) in respect of Section 7 of the Policy land and/or **Buildings** owned or occupied by the **Insured** or otherwise for which the **Insured** is legally responsible

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

### Rate of Gross Profit

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

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

*For all other businesses*

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

### Rent

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

### Rent Receivable

The money paid or payable to the **Insured** by tenants or lessees for accommodation and services provided in the course of the **Business** at the **Premises**

### Safe/Strongroom

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

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

### Shop Front

The windows doors frames signs external blinds and walling all forming part of the front of the **Building**

### Solicitors' Fees

Solicitors' Fees for the representation of the **Insured** at any Coroner's Inquest or Fatal Accident Inquiry or at proceedings in any court of summary jurisdiction in respect of any occurrence which may be the subject of indemnity under Sections 4 and 5

### Specified Working Expenses

The total of

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

## DEFINITIONS CONTINUED

### Standard Rent Receivable

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

### Standard Turnover

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

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

*For all other Businesses*

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

### Stock

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

### Temporary Total Disablement

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

### Tenants' Improvements

All improvements alterations and decorations effected by or on behalf of the **Insured** as occupier of the **Premises**

### Territorial Limits

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

### Terrorism

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

### Turnover

The money paid or payable to the **Insured** for **Products Supplied** and services rendered in the course of the **Business**

### Unoccupied

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

### Vehicle

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

### Virus or Similar Mechanism

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

# GENERAL CONDITIONS

## 1. Misrepresentation

If the **Insured** or anyone representing the **Insured**

- provides the Broker Intermediary or Agent who arranged the Policy or the **Insurer** with misleading or incorrect information when applying for amending or renewing this insurance
- deliberately and/or recklessly withholds information or misleads the Broker Intermediary or Agent who arranged the Policy or the **Insurer** in order to obtain cover or gain a cheaper premium or more favourable terms
- provides the Broker Intermediary or Agent who arranged the Policy or the **Insurer** with false documents

The **Insurer** may

- amend the **Insured's** Policy to record the correct information
- provide different terms with effect from the date of the misrepresentation and amend the **Insured's** Policy to record the correct information. Where different terms are applied which results in an additional premium the **Insured** shall be liable to pay for such additional premium from the date of the misrepresentation
- cancel the **Insured's** Policy in accordance with General Condition 6. Cancellation
- void the **Insured's** Policy and treat it as if it had never existed and return the premium paid other than in circumstances of
  - i. deliberate and /or reckless misrepresentation where no premium shall be returned by the **Insurer**
  - ii. where the **Insured** has made claims under the Policy then
    - any sums that have been paid by way of benefit under the Policy will be deducted from any return premium due to the **Insured** or
    - in the event that the premium paid does not exceed the sums paid by way of benefit under the Policy the **Insured** will be responsible for reimbursing the **Insurer** the difference
- in addition to voiding the **Insured's** Policy the **Insurer** may also void any other policies which the **Insured** has with the **Insurer** and return the premium paid for such policies except in the circumstances where
  - i. deliberate and/or reckless misrepresentation has also occurred on these policies or
  - ii. claims have also been made on these policiesin these circumstances no premium shall be returned by the **Insurer**

## 2. Fraud

If the **Insured** or anyone representing the **Insured**

- makes a fraudulent payment by bank account and/or card
- provides the Broker Intermediary or Agent who arranged the policy or the **Insurer** with false documents or false statements to support a claim
- makes a claim or part of any claim that is fraudulent, false or exaggerated

The **Insurer** may

- cancel the **Insured's** policy and not return any premium paid by the **Insured** in accordance with General Condition 6. Cancellation
- reject a claim or reduce the amount of payment that would have been paid
- recover from the **Insured** any sums paid by way of benefit under the Policy in respect of any claim or part of any claim that is fraudulent, false or exaggerated
- pass details to fraud prevention and law enforcement agencies who may access and use this information

## GENERAL CONDITIONS CONTINUED

### 3. Reasonable Care

The **Insured** shall

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

As soon as possible after discovery of any defect or danger the **Insured** shall cause such defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require

### 4. Alteration

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

- a) any alteration is made either in the **Business** or at the **Premises** or to any **Property** insured after the commencement of the insurance that increases the risk of loss destruction damage or injury or
- b) the **Insured's** interest ceases except by will or operation of law or
- c) the **Business** is wound up or carried on by a liquidator or receiver or permanently discontinued or
- d) the **Premises** become **Unoccupied**

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

### 5. Payment of Premium

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

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

### 6. Cancellation

#### a) Cancellation by the **Insured**

##### i. Cooling off cancellation rights

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

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

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

##### ii. Cancelling the Policy after the cooling off period

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

## GENERAL CONDITIONS CONTINUED

On receipt of the notification from the Broker Intermediary or Agent the **Insurer** will cancel the Policy and provide a proportionate return of the premium in respect of the unexpired period of insurance provided that no claim has been made or incident advised that could give rise to a claim in these circumstances no return of premium will be made

### b) Cancellation by the **Insurer**

#### i. Non-payment of Premium

If the **Insurer** has not received the premium in accordance with the terms of Condition 5. Payment of Premium the **Insurer** will cancel the Policy by giving 7 days' notice in writing by letter to the **Insured** at the **Insured's** last known address

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

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

#### ii. Cancellation for any other reason

The **Insurer** may cancel the Policy or any section or endorsement by giving 30 days' notice in writing by letter to the **Insured** at the **Insured's** last known address

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

- the **Insured** has not provided to the Broker Intermediary or Agent the information or documents the **Insurer** has requested as part of the terms and conditions in providing the insurance
- the **Insured** has not met the terms and conditions contained in this document of insurance including those shown on their schedule
- where the **Insured** does not comply with any of the different policy terms and conditions imposed by the **Insurer** as a result of the identification of misrepresentation as detailed in General Condition 1. Misrepresentation
- where an alteration is made to the **Business** the **Premises** or the **Property** or where the **Insured's** interest ceases unless agreed by the **Insurer** as detailed in General Condition 4. Alteration
- where the survey arranged by the **Insurer** has identified additional risks which were not evident to the **Insurer** prior to the survey or where the **Insured** have not complied with the **Insurer's** acceptance criteria nor with the timely completion of any risk improvements as detailed in General Condition 10. Subject to Survey
- The **Insured** has behaved in a manner that makes it inappropriate for the **Insurer** to continue the insurance, e.g. the **Insured** harassing or showing abusive or threatening behaviour towards the **Insurer's** staff or the **Insurer's** appointed representatives

The insurance will end immediately the 30 days' notice runs out

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

The **Insurer** will provide a proportionate return of premium in respect of the unexpired period of insurance of the Policy or Section other than in circumstances listed below

- where the **Insurer** identifies fraud as detailed in General Condition 2. Fraud
- where a claim has been made or incident advised that could give rise to a claim

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

## 7. Choice of Law

Both parties to this contract have a choice as to which law should be applied. In the absence of written agreement to the contrary English law applies to this contract

## GENERAL CONDITIONS CONTINUED

### 8. Observance of Terms

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

### 9. Legal Representatives

In the event of the death of the **Insured** the **Insurer** will indemnify the **Insured's** legal personal representatives in respect of liability at law previously incurred by the **Insured** provided they observe fulfil and be subject to the terms conditions and limitations of the Policy to the extent that they can apply

### 10. Subject to Survey

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

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

### 11. Limit of Indemnity

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

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

### 12. Third Party Rights

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

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

### 13. Insured's Contribution

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

# GENERAL EXCLUSIONS

This Policy does not cover

## 1. War Government Action Radioactive Contamination and Sonic Bangs

Damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any **Consequential Loss** or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from

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

## 2. Terrorism and Civil Commotion

**Damage** to any **Property** whatsoever or any loss or expense whatsoever resulting or arising therefrom or any **Consequential Loss** directly or indirectly caused by or contributed to by or arising from

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

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

## 3. Date Recognition

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

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

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

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

but

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

## 4. Marine Policies

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

## GENERAL EXCLUSIONS CONTINUED

### 5. Computer Virus

Damage to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property of the **Insured** or not where such damage is caused by **Virus or Similar Mechanism** or **Hacking** or **Denial of Service Attack** or **Consequential Loss** directly or indirectly caused by or arising from **Virus or Similar Mechanism** or **Hacking** or **Denial of Service Attack**

### 6. Illegal Deliberate and Criminal Activities

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

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

## SECTION 1 – MATERIAL DAMAGE

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

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

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

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

### Insurable Perils

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

#### 1. Fire

Excluding **Damage** caused by

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

#### 2. Lightning

#### 3. Explosion

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

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

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

#### 5. Earthquake and subterranean fire

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

Excluding **Damage**

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

## SECTION 1 – MATERIAL DAMAGE CONTINUED

7. Theft or attempted theft involving entry to or exit from the **Buildings** at the **Premises** by forcible and violent means or actual or threatened hold up assault or violence

Excluding

- a) loss from any structure which is incapable of being locked
- b) **Damage**
  - i. in respect of **Property** in the open
  - ii. whilst any **Building** is **Unoccupied**
  - iii. in respect of **Stock** at exhibitions that is not contained in an indoor exhibition hall which is locked and/or guarded outside business hours
- c) theft or attempted theft by **Employees**

8. Storm

Excluding **Damage**

- a) caused by frost subsidence ground heave or landslip
- b) attributable solely to change in the water table level
- c) to fences gates and moveable **Property** in the open or in open fronted or open sided **Buildings**

9. Flood

Excluding **Damage**

- a) caused by frost subsidence ground heave or landslip
- b) attributable solely to change in the water table level
- c) to fences gates and moveable **Property** in the open or in open fronted or open sided **Buildings**

10. Impact by

- a) any road vehicles or animals
- b) falling trees or boughs
- c) breakage or collapse of aerials or satellite dishes

Excluding **Damage** by lopping pruning or felling of trees

11. Escape of water from any tank apparatus or pipe or escape of oil from any fixed oil-fired heating installation

Excluding **Damage**

- a) by water discharged or leaking from any automatic sprinkler installation
- b) whilst any **Building** is **Unoccupied**
- c) caused by subsidence ground heave or landslip
- d) for subsidence ground heave or landslip caused by the escape of water

12. Accidental escape of water from any automatic sprinkler installation

Excluding **Damage** occasioned by or attributable to

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

## SECTION 1 – MATERIAL DAMAGE CONTINUED

### 13. Accidental damage

#### Excluding **Damage**

- a) caused by any other Insurable Peril
- b) to a **Building** or structure caused by its own collapse or cracking
- c) to **Property** insured caused by **Pollution** or **Contamination** other than **Damage** caused by
  - i. **Pollution or Contamination** which itself results from an **Insured Peril**
  - ii. an **Insured Peril** which itself results from **Pollution or Contamination**
- d) to **Property** resulting from its undergoing any process of production packing treatment testing commissioning servicing adjustment or repair
- e) to **Property** insured caused by or consisting of
  - i. inherent vice latent defect gradual deterioration wear and tear frost or change in water table level
  - ii. its own faulty or defective design or materials
  - iii. faulty or defective workmanship operational error or omission on the part of the **Insured** or any of their **Employees**but this shall not exclude subsequent **Damage** which results from a cause not otherwise excluded
- f) caused by
  - i. corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching
  - ii. scratching tearing or fouling by pets or domesticated animals
  - iii. vermin or insects
  - iv. change in temperature colour flavour texture or finish
  - v. joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping connected to them
  - vi. mechanical or electrical breakdown or derangement in respect of the particular machines apparatus or equipment in which the breakdown or derangement originates overrunning or electrical surges or spikes in electricitybut this shall not exclude such **Damage** not otherwise excluded which itself results from any other accidental damage or subsequent **Damage** which itself results from a cause not otherwise excluded
- g) caused by disappearance unexplained or inventory shortage misfiling or misplacing of information
- h) caused by acts of fraud or dishonesty
- i) occasioned by delay embargo nationalisation confiscation requisition seizure or destruction by the government or any public authority
- j) caused by electrical or magnetic disturbance or erasure of electronic records

### 14. Subsidence ground heave or landslip

#### Excluding **Damage**

- a) to outbuildings yards pipes cables wires ducting car parks roads pavements walls gates fences swimming pools tennis courts and children's play areas unless the structure of the main building or buildings at the risk address stated in the Schedule is also affected at the same time by the same cause
- b) to solid floor slabs or **Damage** resulting from their movement unless the foundations beneath the outside walls of the main building or buildings at the risk address stated in the Schedule are also affected at the same time by the same cause
- c) arising from the settlement or movement of made-up ground or by coastal or river erosion

## SECTION 1 – MATERIAL DAMAGE CONTINUED

- d) occurring as a result of the construction demolition structural alteration or structural repair of any property at the **Premises**
- e) arising from normal settlement or bedding down of new structures
- f) which originated prior to the granting of this cover
- g) caused by faulty or defective workmanship materials or design
- h) caused by fire subterranean fire explosion earthquake
- i) recoverable under any warranty or guarantee including NHBC guarantee

### Additional Covers

All terms exclusions and conditions of Section 1 apply to these Additional Covers in addition to those shown below as applying to each Additional Cover

### Glass Shop Front Blinds and Signs

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

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

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

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

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

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

### Exclusions

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

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

## SECTION 1 – MATERIAL DAMAGE CONTINUED

### Money

This Additional Cover is only operative if shown in the Schedule

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

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

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

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

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

- a) any **Strongroom Safe** till or postal franking machine belonging to the **Insured** or for which the **Insured** is legally responsible up to an amount not exceeding the cost of repair or replacement
- b) clothing and personal effects belonging to the **Insured** or any partner director or **Employee** of the **Insured** resulting from theft or attempted theft of **Money** or **Non-Negotiable Money** subject to a maximum of £500 for any one loss

### Exclusions

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

- a) shortage due to error or omission
- b) forgery deception or the use of counterfeit **Money** or **Non-Negotiable Money**
- c) the use of any form of payment which proves to be counterfeit false fraudulent invalid uncollectible or irrecoverable for any reason
- d) theft or attempted theft from the Premises as stated in the Schedule or any authorised person's private dwelling house unless involving entry to or exit from such Premises or private dwelling by forcible and violent means or actual or threatened hold up assault or violence
- e) theft or attempted theft by any **Employee** not discovered within seven working days or where Additional Cover Theft by Employees is operative as shown in the Schedule
- f) an unattended vehicle and any coin operated gaming devices or machines
- g) **Damage** not within the **Territorial Limits**
- h) any business or other activity not connected with the **Business** conducted from the Premises as stated in the Schedule

### Conditions

1. It is a condition precedent to the **Insurer's** liability under this Additional Cover that the **Insured** shall maintain the following minimum standards of precaution for the safety of **Money** in transit (other than by specialist security carrier) at all times
  - a) the times of transits routes and conveyances used shall be varied as far as is possible
  - b) all persons engaged in the transit of **Money** shall be at least 18 years of age

## SECTION 1 – MATERIAL DAMAGE CONTINUED

- c) transits of amounts of
  - i. up to £3,000 shall be accompanied by at least one person
  - ii. £3,001 to £6,000 shall be accompanied by at least two people
  - iii. £6,001 to £10,000 shall be accompanied by at least three people or two people travelling by motor car or using an approved security case
  - iv. amounts exceeding £10,000 shall be transported by specialist security carrier
- 2. It is a condition precedent to the **Insurer's** liability that when the Premises as stated in the Schedule or any authorised person's private dwelling house in which **Money** is kept is left unattended
  - a) all locks bolts and other protective devices are in full operation
  - b) all keys must be held in the personal custody of an authorised person and removed from
    - i. the unattended Premises as stated in the Schedule or
    - ii. from the final exit door of any authorised person's unattended private dwelling house

### Theft by Employees

This Additional Cover is only operative if shown in the Schedule

For the purposes of this Additional Cover employee shall mean permanent employees under a contract of service or apprenticeship with the **Insured** and the Definition of **Employee** shall not apply

The **Insurer** will indemnify the **Insured** for direct loss of **Money** or **Non-Negotiable Money** or **Property** belonging to the **Insured** or for which they are legally responsible

- a) caused by any act of fraud or dishonesty committed during the Period of Insurance by any employee with the clear intention of making or which results in improper financial gain for themselves or for any other person or organisation and
- b) which is discovered by the **Insured** and notified to the **Insurer** within 30 days of the loss

Provided that

- a) all losses insured by this Additional Cover and committed by any one employee or series of employees working in collusion with each other shall be regarded as one specific event
- b) the liability of the **Insurer** shall be restricted to £10,000 in respect of any one specific event

Exclusions

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

- a) loss attributable solely to any unexplained shortages
- b) loss caused by an employee before this Additional Cover inception
- c) loss where the **Insured** continues to entrust the defaulting employee with access to **Money** or **Non-Negotiable Money** or **Property** after becoming aware of any material fact that questions the honesty of the employee
- d) any indirect loss arising as an indirect consequence of the specific event in respect of which indemnity is provided by this Additional Cover

Basis of Settlement

The **Insurer** will pay the value of the **Money** or **Non-Negotiable Money** or **Property** at the time of the loss or at its option replace or reinstate the **Property**

## SECTION 1 – MATERIAL DAMAGE CONTINUED

### Personal Accident (Assault)

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

Schedule of Benefits

1. Death occurring within 2 years of sustaining the **Physical Injury**
2. **Loss of Limbs or Eyes** occurring within 2 years of sustaining the **Physical Injury**
3. **Permanent Total Disablement**
4. **Temporary Total Disablement**

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

Exclusions

The **Insurer** shall not be liable for

- a) more than one of the Benefits 1 to 3 inclusive in respect of any one person arising out of the same **Physical Injury**
- b) Benefits 1 to 4 inclusive in respect of any person under 16 at the time of sustaining the **Physical Injury**
- c) Benefits 1 to 4 inclusive consequent upon any pre-existing physical or mental defect or infirmity

Conditions

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

### All Risks on Portable Property

This Additional Cover is operative only if stated in the Schedule

The **Insurer** will indemnify the **Insured** against **Damage** from the **Insured Perils** to the portable property specified in the Schedule used in connection with the **Business** within the Geographical Areas specified in the Schedule

For the purposes of this Additional Cover reference to mobile phones means only those mobile devices where the sole or primary function of the item is to make send and receive telephone calls and SMS messages

The liability of the **Insurer** under this Additional Cover shall be restricted to the Sums Insured stated in the Schedule for any one loss

Exclusions

The **Insurer** shall not be liable for

- a) **Damage** to portable property left unattended unless contained in
  - i. a securely locked building or
  - ii. a vehicle which has been securely locked at all points of access and any security alarms and immobilisers fitted to the vehicle are in full operation and the portable property is concealed from view
- b) depreciation or electrical or mechanical breakdown
- c) **Damage** arising from wear and tear or from any process of cleaning restoring adjusting or repairing
- d) **Damage** by official confiscation or detention

## SECTION 1 – MATERIAL DAMAGE CONTINUED

### Goods in Transit

This Additional Cover is only operative if shown in the Schedule

The **Insurer** will indemnify the **Insured** for **Damage** to **Goods in Transit** within the **Territorial Limits** during the Period of Insurance

- a) whilst being carried on any **Vehicle** owned or operated by the **Insured**
- b) as Sendings by a carrier other than the **Insured** by means of road rail or inland air freight

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

Whilst **Goods in Transit** are being carried on any **Vehicle** owned or operated by the **Insured** the **Insurer** will also indemnify the **Insured** for

- a) **Damage** to packing materials protective sheeting ropes chains and toggles belonging to the **Insured** while being carried on the **Vehicle** subject to a maximum of £2,500 for any one loss
- b) **Damage** to personal effects belonging to the driver or attendant while carried by any **Vehicle** in the course of the employment of the driver or attendant with the **Insured** subject to a maximum of £500 for any one loss
- c) the removal of debris and site clearance of **Goods in Transit** damaged from the immediate area of the site where the **Damage** occurred subject to a maximum of £2,500 for any one loss
- d) the additional costs incurred in transferring **Goods in Transit** to any other vehicle following fire collision overturning or impact of the **Vehicle** including carrying the **Goods in Transit** to the original destination or place of collection subject to a maximum of £2,500 for any one loss
- e) reloading onto the **Vehicle** any **Goods in Transit** which have fallen from the **Vehicle** subject to a maximum of £2,500 for any one loss
- f) re-securing the **Goods in Transit** where there is dangerous movement of the load subject to a maximum of £2,500 for any one loss

### Exclusions

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

- a) theft or attempted theft from open-backed curtain sided soft sided or soft-topped **Vehicle(s)**
- b) defective or inadequate packing or insufficient addressing
- c) breakdown of refrigeration or insufficient insulation
- d) spillage leakage evaporation loss of weight or shrinkage
- e) depreciation loss of market delay or inadequate documentation
- f) any erection dismantling or installation
- g) loss of sheets ropes chains toggles or packing materials as a result of disappearance or shortage unless such loss is the result of an incident recorded by the **Insured**

### Conditions

1. It is a condition precedent to the **Insurer's** liability for theft or attempted theft from any unattended **Vehicle** that whenever a **Vehicle** operated by the **Insured** and carrying **Goods in Transit** is unattended it shall be protected
  - a) between the hours of 9.00 am and 6.00 pm by all doors and windows and other means of access being securely fastened and locked
  - b) between the hours of 6.00 pm and 9.00 am by all doors and windows and other means of access being securely fastened and locked and the alarm and/or immobiliser approved by the **Insurer** being switched on and made fully operational and either garaged in a securely locked building of substantial construction or placed in a compound which has secure walls and/or fences and securely locked gates or in a guarded security park

## SECTION 1 – MATERIAL DAMAGE CONTINUED

2. The valuation of **Stock** shall be at invoice cost. If an invoice has not been raised the basis of valuation shall be the value of the **Stock** at the time of the commencement of the transit

### Extensions to Section 1

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

#### 1. Underground Services

The **Insurer** will indemnify the **Insured** for **Damage** to underground water pipes gas pipes electricity and telephone cables extending from the **Premises** to the public mains from the **Insured Perils** but only to the extent of the **Insured's** responsibility

#### 2. Theft of Keys and Lock Replacement

The **Insurer** will indemnify the **Insured** for the cost of replacing locks and keys to the **Buildings Safes Strongrooms** or tills subject to an aggregate maximum of £1,500 in any one Period of Insurance provided that

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

#### 3. Theft Damage to Buildings

The **Insurer** will indemnify the **Insured** against the cost of repairing **Damage** to the **Buildings** for which the **Insured** is legally responsible and are not otherwise insured which directly results from **Insured Peril 7** provided that if the **Buildings** of the **Premises** are not insured by this Section the liability of the **Insurer** under this Extension shall not exceed an aggregate maximum of £25,000 in any one Period of Insurance

#### 4. Temporary Removal

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

This Extension shall not apply to

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

#### 5. Exhibitions

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

#### 6. Other Locations

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

- a) whilst within the main building of the private residential home of a director or **Employee** anywhere within the **Territorial Limits** and
  - b) whilst in transit to and from the main building of such private residential home and the **Premises**
- subject to a maximum of £2,500 for any one loss and an aggregate maximum of £10,000 in any one Period of Insurance

#### 7. Third Party Storage Locations

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

## SECTION 1 – MATERIAL DAMAGE CONTINUED

### 8. Landscaped Gardens

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

### 9. Loss of Metered Water

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

### 10. Trace and Access

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

### 11. Clearing of Drains

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

### 12. Fire Extinguishment Expenses

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

### 13. Computer Records

The **Insurer** will indemnify the **Insured** for the cost of the materials together with the cost of clerical labour and computer time expended in reproducing **Computer Records** and not for the value to the **Insured** for the information contained therein but excluding any expenses in connection with the production of information to be recorded in such **Computer Records** for a maximum of £10,000 for any one loss and in the aggregate in any one Period of Insurance

### 14. Theft of Building Fabric

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

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

for which the **Insured** is legally responsible and is not otherwise insured

Subject to an aggregate maximum of £5,000 in any one Period of Insurance

This Extension shall not apply

- a) to any **Buildings** which are **Unoccupied**
- b) when scaffolding is erected at the **Buildings**
- c) where **Insured Peril 7 - Theft** is not operative

## Clauses

### 1. Non-invalidity

The insurance by this Section shall not be invalidated by any act or omission or alteration unknown to or beyond the control of the **Insured** whereby the risk of **Damage** is increased as long as immediately the **Insured** becomes aware of the increase in risk they inform the **Insurer** in writing and pay an appropriate additional premium if required by the **Insurer**

## SECTION 1 – MATERIAL DAMAGE CONTINUED

### 2. Reinstatement of Losses

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

### 3. Mortgagees

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

### 4. Property more specifically insured

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

## Basis of Settlement Clauses

### 1. Average

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

### 2. Property Insured other than Stock – Reinstatement

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

In the event of **Damage** to **Computers** the basis of settlement shall be the cost of reinstatement meaning

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

## Special Provisions

- i. The replacement must be carried out without undue delay and no payment beyond the amount which would have been paid in the absence of this clause will be made until the cost of reinstatement has been incurred
- ii. Where **Damage** occurs to only part of the **Property** the liability of the **Insurer** shall not exceed the amount which the **Insurer** would have been liable to pay had such property been wholly destroyed
- iii. If at the time of reinstatement of any item the sum representing 85% of the cost which would have been incurred in reinstating the whole of the property covered by such item exceeds its Sum Insured at the time of the **Damage** the liability of the **Insurer** shall not exceed that proportion of the amount of the **Damage** which the said Sum Insured shall bear to the sum representing the total cost of reinstating the whole of such property at that time

### 3. Property Insured other than Stock – Day One

For any item specified on the Schedule showing a Declared Value and a Sum Insured this shall be deemed to be a Day One Basis of Settlement and the following clause shall replace Basis of Settlement Clause 2 above

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

## SECTION 1 – MATERIAL DAMAGE CONTINUED

Special Provisions relating to **Property** insured other than **Stock** and **Computers**

- a) At the inception of each Period of Insurance the **Insured** shall notify the **Insurer** of the **Declared Value** of the **Property** insured by each item described in the Schedule
- b) If at the time of **Damage** the **Declared Value** of the **Property** insured by each item is less than the cost of reinstatement at the inception of the Period of Insurance the liability of the **Insurer** shall not exceed the proportion which the **Declared Value** bears to the costs of such reinstatement
- c) Where **Damage** occurs to only part of the **Property** the liability of the **Insurer** shall not exceed the amount which the **Insurer** would have been liable to pay had such property been wholly destroyed
- d) The replacement must be carried out without undue delay and no payment beyond the amount which would have been paid in the absence of this clause will be made until the cost of reinstatement has been incurred
- e) No payment will be made beyond the amount the **Insurer** would have paid where **Property** insured at the time of **Damage** is covered by any other insurance effected by the **Insured** or on behalf of the **Insured** which is not on the same basis of reinstatement

In the event of **Damage** to **Computers** the basis of settlement shall be the cost of reinstatement meaning

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

Special Provisions relating to **Computers**

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

### 4. Stock

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

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

### 5. European Union and Public Authorities

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

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

for an amount not exceeding 15% of the amount that would have been payable if the **Buildings** had been totally destroyed incurred solely by the necessity to comply with any building or other statutory regulations or Public

## SECTION 1 – MATERIAL DAMAGE CONTINUED

Authority Bylaw or European Community Legislation excluding

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

Conditions

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

### 6. Removal of Debris

This insurance includes the costs incurred in respect of removal of debris of **Property** insured resulting from **Damage** from an **Insured Peril** excluding

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

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

### 7. Capital Additions

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

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

subject to

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

### 8. Professional Fees

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

### 9. Contracting Purchaser

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

### 10. Contract Price

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

## SECTION 1 – MATERIAL DAMAGE CONTINUED

### 11. Subrogation Waiver

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

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

### 12. Other Interests

Interests of third parties which the **Insured** is required to include herein under the terms of any mortgage property lease or hiring leasing or hire purchase agreement are automatically deemed to be held covered subject to notification by the **Insured** to the **Insurer** at the time of the **Damage**

### 13. Business Books

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

## Exclusions applying to Section 1 – Material Damage

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

- a) vehicles licensed for road use (including accessories on them) caravans trailers railway locomotives rolling stock watercraft or aircraft
- b) property or structures in the course of construction or erection and materials or supplies in connection with all such property or structures in the course of construction
- c) land piers jetties bridges culverts or excavations
- d) livestock growing crops or trees
- e) jewellery precious stones precious metals bullion or furs

## Conditions

### 1. Intruder Alarm System

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

It is a condition precedent to the **Insurer's** liability for **Damage** by **Insured Peril 7** that in respect of the **Intruder Alarm System** installed at the **Premises**

- a) the **Intruder Alarm System** is maintained in full and effective working order under a contract to provide corrective and preventive maintenance with the installer or such other contractor agreed by the **Insurer** in writing
- b) the **Premises** are not left unattended
  - i. unless the **Intruder Alarm System** is tested and set in its entirety and is together with the means of communication used to transmit or receive signals in full and effective operation
  - ii. where the police have withdrawn their response to alarm activation
- c) the **Intruder Alarm System**
  - i. is installed in accordance with a specification agreed in writing by the **Insurer**
  - ii. must not be altered or amended in any way unless such amendment or alteration has been approved by the **Insurer** and no alteration or substitution of the structure of the **Premises** or changes to the layout of the **Premises** which would affect the effectiveness of the **Intruder Alarm System** shall be made without the written consent of the **Insurer**
  - iii. maintenance contract must not be altered or substituted without the written consent of the **Insurer**

## SECTION 1 – MATERIAL DAMAGE CONTINUED

- iv. procedures agreed by the **Insured** for the police or any other response to any activation of or other warning signal pertaining to the **Intruder Alarm System** must not be altered or substituted without the written consent of the **Insurer**
- d) the **Insured** must
  - i. maintain secrecy of the codes for the operation of the **Intruder Alarm System** and no details of such codes shall be left on the **Premises** when the **Premises** are left unattended
  - ii. immediately notify the **Insurer** upon receipt of any communication giving notice that the level response to the **Intruder Alarm System** has been or will be reduced
  - iii. appoint at least 2 **Keyholders** and lodge written details with the alarm company
- e) in the event of notification of
  - i. any alarm fault
  - ii. activation of the **Intruder Alarm System**
  - iii. interruption of the means to transmit or receive signals to or from the **Intruder Alarm System** during the period that the **Intruder Alarm System** is set

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

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

### 2. Minimum Level of Security

It is a condition precedent to the **Insurer's** liability for loss or **Damage** by **Insured Peril 7** under the Policy that the **Insured** shall have in place in full working order and in operation whenever the **Premises** are closed for business or left unattended the following minimum level of security or such level as is specified in the Schedule

- a) the final exit door of the **Insured's** portion of the **Buildings** is to be fitted with either
  - i. for timber or steel framed doors a mortice deadlock that has 5 or more levers and matching box striking plate which conform to BS 3621 or
  - ii. for timber or steel framed doors a rim latch deadlock that conforms to BS 3621
- b) all other external doors and internal doors giving access to any part of the buildings not occupied by the **Insured** are to be fitted with either
  - i. as described in a) i. and ii. above or
  - ii. 2 key-operated security bolts for doors fitted approximately 30cms from the top and bottom of the doors respectively
- c) aluminium or UPVC framed doors are to be fitted with integral cylinder key operated mortice deadlocks
- d) all ground floor and basement opening windows/skylights and other opening windows/skylights accessible from roofs decks balconies fire escapes canopies down pipes are to be fitted with key operated window locks. This requirement does not apply to windows/skylights which are protected by solid steel bars grilles gates expanded metal or weld-mesh securely fixed to the brickwork surrounding the window

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

### 3. Fire Extinguishing Appliances

The fire extinguishing appliances at the **Premises** whether installed at the commencement of this insurance or subsequently at the request of or with the knowledge of the **Insurer** shall be maintained in good working order. The **Insured** undertakes to maintain the said appliances in efficient working order during the Period of Insurance

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

## SECTION 2 – BUSINESS INTERRUPTION

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

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

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

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

- i. in respect of a) the amount of loss resulting from such interruption or interference provided that at the time of the **Damage** there shall be in force an insurance covering the interest of the **Insured** in the **Property** at the **Premises** and that liability shall be admitted or payment made therefore or payment would have been made or liability admitted but for the operation of a proviso in the insurance excluding liability for losses below a specified amount
- ii. in respect of b) the amount of loss resulting from the **Damage**

The liability of the **Insurer** under this Section at the time of the event shall not exceed 133 1/3% of the **Estimated Gross Profit** if Declaration Linking is shown as operative in the Schedule or the Sum Insured or Limit shown in the Schedule for any other item insured under this Section

### Clause

Reinstatement Following a Loss

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

### Basis of Settlement Clauses

#### 1. Gross Profit

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

- a) the amount payable in respect of a reduction in **Turnover** shall be the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** shall fall short of the **Standard Turnover** during the **Indemnity Period** as a result of the **Damage**
  - b) the amount payable in respect of the **Increased Cost of Working** as a result of the **Damage** not exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of the reduction in **Turnover** thereby avoided
- less any sum saved during the **Indemnity Period** in respect of such charges and expenses of the **Business** payable out of **Gross Profit** that may cease or be reduced as a result of the **Damage**

#### 2. Gross Profit (declaration linked basis)

Where Declaration Linking is shown as operative on the Schedule under Section 2 the following Basis of Settlement Clause will apply

The Sum Insured shown as **Gross Profit** in the Schedule represents the **Estimated Gross Profit** and the **Insurer** will pay as indemnity to the **Insured** the amount of their loss as a result of loss of **Gross Profit** due to reduction in **Turnover** and **Increased Cost of Working**

- a) the amount payable in respect of a reduction in **Turnover** shall be the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** shall fall short of the **Standard Turnover** during the **Indemnity Period** as a result of the **Damage**
- b) the amount payable in respect of the **Increased Cost of Working** as a result of the **Damage** not exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of the reduction in **Turnover** thereby avoided

## SECTION 2 – BUSINESS INTERRUPTION CONTINUED

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

Special Provision relating to Basis of Settlement Clauses 1 and 2

Adjustments shall be made as may be necessary to provide for the trend of the **Business** and for variations in or other circumstances affecting the **Business** either before or after the **Damage** or which would have affected the **Business** had the **Damage** not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **Damage** would have been obtained during the relative period after the **Damage**

### 3. Increased Cost of Working

The **Insurer** will pay as indemnity to the **Insured** the additional expenditure incurred with the prior written consent of the **Insurer** for the sole purpose of avoiding or diminishing the reduction in **Turnover** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of the **Damage** but not exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of the reduction thereby avoided

### 4. Additional Increased Cost of Working

The **Insurer** will pay as indemnity to the **Insured** further additional expenses beyond that recoverable under Gross Profit Item b) of the operative Gross Profit Basis of Settlement 1 or 2 incurred with the prior written consent of the **Insurer** during the **Indemnity Period** in consequence of the **Damage** for the sole purpose of avoiding or diminishing a reduction in **Turnover** or resuming or maintaining normal business operations but not exceeding the Limit stated in the Schedule

### 5. Rent Receivable

The **Insurer** will pay as indemnity to the **Insured** the amount of their loss in respect of

- a) the amount by which the **Rent Receivable** during the **Indemnity Period** shall fall short of the **Standard Rent Receivable** as a result of the **Damage**
- b) the amount of additional expenditure incurred by the **Insured** with the prior written consent of the **Insurer** as a result of the **Damage** but not exceeding the loss of **Rent Receivable** thereby avoided

provided that if the Sum Insured for loss of **Rent Receivable** is less than the **Standard Rent Receivable** the amount payable shall be proportionately reduced

### 6. Outstanding Debit Balances

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

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

### 7. Average

Applicable to Basis of Settlement 1. Gross Profit

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

Applicable to Basis of Settlement 5. Rent Receivable

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

## SECTION 2 – BUSINESS INTERRUPTION CONTINUED

### 8. Specified Working Expenses

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

### 9. Alternative Trading

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

### 10. Departmental

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

### 11. Accountants' and Auditors' Charges

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

### 12. Current Cost Accounting

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

### 13. Value Added Tax

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

### 14. Payments on Account

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

## Extensions to Section 2

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

These extensions are operative only if **Gross Profit** is stated in the Schedule.

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

#### 1. Premises Closure or Restrictions

- a) closure or restrictions placed on the **Premises** on the advice of or with the approval of the Medical Officer of Health for the Public Authority as a result of a **Notifiable Human Disease** occurring at the **Premises**
- b) injury or illness sustained by any person caused by or traceable to foreign or injurious matter in food or drink sold from the **Premises** by the **Insured**
- c) vermin and pests at the **Premises**
- d) closure of the whole or part of the **Premises** by order of the Public Authority consequent upon defects in the drains and other sanitation at the **Premises**
- e) murder or suicide occurring at the **Premises**

subject to a maximum of £50,000 for any one loss

The **Insurer** shall not be liable under this extension for costs incurred in cleaning repair replacement recall or checking of property

## SECTION 2 – BUSINESS INTERRUPTION CONTINUED

### 2. Unspecified Customers

Damage from the **Insured Perils** at the premises of any of the **Insured's** customers (other than Specified Customers in accordance with Extension 3 - Specified Customers) within the **Territorial Limits** provided that for the purpose of this extension customers means those companies and organisations or individuals with whom at the time of damage the **Insured** has contracts or trading relationships to supply goods or services subject to a maximum of £100,000 for any one loss

### 3. Specified Customers

Damage from the **Insured Perils** at the premises of specified customers of the **Insured** at the address shown in the Schedule provided that for the purpose of this extension customers means those companies and organisations or individuals with whom at the time of damage the **Insured** has contracts or trading relationships to supply goods or services subject to the Sum Insured for any one loss as stated in the Schedule for the specified customer

### 4. Unspecified Suppliers

Damage from the **Insured Perils** at the premises of any of the **Insured's** suppliers (other than Specified Suppliers in accordance with Extension 5 - Specified Suppliers) manufacturers or processors within the **Territorial Limits** but excluding the premises of any supply undertaking from which the **Insured** obtains electricity gas water or telecommunications services subject to a maximum of £100,000 for any one loss

### 5. Specified Suppliers

Damage from the **Insured Perils** at the premises of any of the **Insured's** suppliers manufacturers or processors at the address shown in the Schedule but excluding the premises of any supply undertaking from which the **Insured** obtains electricity gas water or telecommunications services subject to the Sum Insured for any one loss as stated in the Schedule for the specified supplier

### 6. Denial of Access

Damage from the **Insured Perils** to property within a one mile radius of the **Premises** which shall prevent or hinder the use of or access to the **Insured's Premises** whether or not there has been **Damage** to the **Premises** or **Property** of the **Insured** but excluding the property of any supply undertaking from which the **Insured** obtains electricity gas water or telecommunications services subject to a maximum of £100,000 for any one loss

### 7. Accidental Failure of Public Supply

Accidental failure at the terminal ends of the public supply undertakings' feed to the **Premises** of electricity gas water or telecommunications services as a direct result of damage subject to a maximum of £100,000 for any one loss and providing the cessation of supply is of at least 30 minutes in respect of electricity gas or water and for a minimum of 8 consecutive hours in respect of telecommunications excluding

- a) atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite
- b) total or partial failure of the public supply occasioned by strike or lock-out total or partial withdrawal of labour or total or partial cessation of work

### 8. Goods in Transit

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

### 9. Documents

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

### 10. Storage Sites

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

## SECTION 2 – BUSINESS INTERRUPTION CONTINUED

### 11. Contract Sites

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

### Exclusions

1. The **Insurer** shall not be liable for **Increased Cost of Working** due to
  - a) failure of any satellite prior to its obtaining its full operating function or while in or beyond the final year of its design life
  - b) atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite
2. The **Insurer** shall not be liable under this Section for loss arising directly or indirectly from
  - a) erasure loss distortion or corruption of information on computer systems or other records programs or software caused deliberately by rioters strikers locked out workers persons taking part in labour disturbances or civil commotion or malicious persons
  - b) other erasure loss distortion or corruption of information on computer systems or other records programs or software unless resulting from the **Insured Perils** insofar as it is not otherwise excluded

### Conditions

#### 1. Debit Recording and Storage

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

#### 2. Declaration – applicable to Basis of Settlement 2. Gross Profit (declaration linked basis)

- a) The **Insured** shall provide the **Insurer** with the **Estimated Gross Profit** based on the financial year most nearly concurrent with the forthcoming Period of Insurance prior to each renewal date
- b) The **Insured** shall provide the **Insurer** with a declaration confirmed by the **Insured's** auditors of the **Gross Profit** earned during the financial year most nearly concurrent with the expired Period of Insurance within six months of the expiry of the Period of Insurance
- c) If any **Damage** has occurred giving rise to a loss of **Gross Profit** such declaration will be increased by the **Insurer** for the purpose of premium adjustment by the amount which the **Gross Profit** was reduced during the financial year solely in consequence of the **Damage**
- d) Premiums are provisional and if the declaration of **Gross Profit** provided by the **Insured** and confirmed by the **Insured's** auditors proportionately increased where the **Maximum Indemnity Period** exceeds 12 months is
  - i. less than the **Estimated Gross Profit** for the relevant Period of Insurance the **Insurer** will allow a pro rata return of premium not exceeding 50% of such premium paid
  - ii. greater than the **Estimated Gross Profit** for the relevant Period of Insurance the **Insured** shall pay a pro rata addition to the premium

### Additional Cover

All terms exclusions and conditions of Sections 1 and 2 apply to this Additional Cover in addition to those shown below

#### Loss of Licence

This Additional Cover is operative only if stated in the Schedule

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

The amount payable shall be

- a) the depreciation in value of the interest of the **Insured** in the **Premises** or the **Business**
- b) the costs and expenses incurred by the **Insured** with the prior written consent of the **Insurer** in connection with any appeal in respect of the revoking of or refusal to renew such **Licence**

## SECTION 2 – BUSINESS INTERRUPTION CONTINUED

- c) the loss of **Gross Profit** due to reduction in **Turnover** and **Increased Cost of Working**
- i. the amount payable in respect of a reduction in **Turnover** shall be the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** shall fall short of the **Standard Turnover** during the **Indemnity Period** as a result of the loss of **Licence**
  - ii. the amount payable in respect of the **Increased Cost of Working** as a result of the loss of **Licence** not exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of any reduction in the **Turnover** thereby avoided

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

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

For the purposes of this Additional Cover Indemnity Period shall mean

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

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

whichever is the earlier

### Exclusions

The **Insurer** shall not be liable for

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

### Conditions

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

- a) immediate notice must be given in writing to the **Insurer** by the **Insured** in the event of any
  - i. change in tenancy use or management of the **Premises**
  - ii. transfer or proposed transfer of the **Licence**
  - iii. complaint against the **Premises** or the control of the **Premises**

## SECTION 2 – BUSINESS INTERRUPTION CONTINUED

- iv. proceedings against or conviction of the **Insured** manager tenant or occupier of the **Premises** for any breach of licensing laws or any other matter whereby the character or reputation of the person concerned is affected with respect to their honesty moral standing or sobriety
- v. objection to renewal or other circumstances which might endanger the renewal of the **Licence**
- b) in the event of the revoking or refusal of renewal of the **Licence** the **Insured** must notify the **Insurer** in writing within 24 hours after the order by the authorities of the event which has resulted in forfeiture or refusal of renewal of the **Licence** and also state as far as the **Insured** is able the grounds upon which such order has been made or particulars of such event

## SECTION 3 – EQUIPMENT BREAKDOWN

In the event of an **Accident** at the **Premises** to **Covered Equipment** owned by the **Insured** or for which the **Insured** is responsible during the Period of Insurance the **Insurer** will indemnify the **Insured** in respect of any loss resulting from such loss destruction or damage or at its option replace or reinstate such **Covered Equipment** in accordance with the provisions of the Policy provided that during the Period of Insurance the liability of the **Insurer** under this Section shall not exceed the Limit of Indemnity stated in the Schedule

### Section Definitions

**Accident(s)** means

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

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

**Breakdown** means

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

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

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

**Collapse** means

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

**Computer Equipment** means

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

**Covered Equipment** means

- a) **Computer Equipment**
- b) Equipment at the **Premises** owned by the **Insured** or for which the **Insured** is responsible
  - i. built to operate under vacuum or pressure (other than weight of contents) or
  - ii. oil and water storage tanks or
  - iii. used for the generation transmission storage or conversion of energy

## SECTION 3 – EQUIPMENT BREAKDOWN CONTINUED

Excluding

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

**Derangement** means

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

**Explosion** means

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

**Hazardous Substance** means

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

**Manufacturing Production or Process Equipment** means

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

**Media** means

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

**Verified** means

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

### Extensions and Sub Limits to Section 3

#### 1. Hazardous Substances

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

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

## SECTION 3 – EQUIPMENT BREAKDOWN CONTINUED

### 2. Computer Equipment Reinstatement of Data and Increased Costs of Working

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

The liability of the **Insurer** shall not exceed £50,000 for any one **Accident**

Provided that

- i. liability is limited solely to the cost of reinstating data onto **Media**
  - ii. the **Insurer** shall not be liable for loss of or damage to software
- c) In addition the **Insurer** will pay costs necessarily incurred in minimising or preventing the resulting interruption or interference to the computer operations of the **Insured**

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

### 3. Business Interruption

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

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

### 4. Public Authorities/Law or Ordinance

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

- a) the **Insured's** actual expenditures for the cost to demolish and clear the site of undamaged parts
- b) the **Insured's** actual expenditures for increased costs to repair rebuild or construct the **Buildings** If the **Buildings** are repaired or rebuilt it must be intended for similar use or occupancy as the current **Buildings** unless otherwise required by zoning or land use ordinance or law
- c) loss as described in Section 2 – Business Interruption as a result of a) or b) above only if Section 2 – Business Interruption is operative

The **Insurer** shall not be liable for

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

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

### 5. Expediting Expenses

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

## SECTION 3 – EQUIPMENT BREAKDOWN CONTINUED

### 6. Hire of Substitute Item

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

### 7. Loss of Contents of Oil Storage Tanks

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

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

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

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

### 8. Refrigerator Contents

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

The **Insurer** shall not be liable for loss destruction or damage caused by

- a) the deliberate act of any electricity undertaking in terminating disconnecting restricting or withholding the public supply of electricity
- b) neglect or misuse
- c) wear tear deterioration of the cabinet or other gradually operating cause
- d) arising as a result of incorrect setting of thermostats or automatic controlling devices

This Extension is provided subject to an aggregate maximum of £15,000 at any one **Premises** in any one Period of Insurance however the **Insurer** shall not be liable for the amount of the **Excess** or 20% of any loss whichever is the greater amount where the frozen food cabinet deep freezer cold room cold store or refrigerator is over 10 years old

### 9. Damage to Own Surrounding Property

The **Insurer** shall be liable for loss destruction or damage to property at the **Premises** belonging to or in the custody and control of the **Insured** and for which they are responsible directly resulting from the **Explosion** or **Collapse** of any **Covered Equipment** operating under steam pressure

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

### Basis of Settlement Clause

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

For this purpose reinstatement means

- a) the replacement of **Covered Equipment** the subject of an **Accident** which provided the liability of the **Insurer** is not increased may be carried out
  - i. in any manner suitable to the requirements of the **Insured**
  - ii. upon another site
- b) the repair or restoration of **Covered Equipment** the subject of an **Accident**

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

## SECTION 3 – EQUIPMENT BREAKDOWN CONTINUED

### Special Conditions

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

### Clause

#### Reinstatement of Losses

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

### Conditions

#### 1. Precautions

The **Insured** shall exercise due diligence in

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

#### 2. Back-up Records

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

### Exclusions

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

#### 1. The **Insurer** will not be liable for loss destruction or damage caused by or resulting from

- a) a hydrostatic pneumatic or gas pressure test of any boiler or pressure vessel or an insulation breakdown test of any type of electrical equipment
- b) defect or programming error or programming limitation or computer virus or malicious code or loss of data (other than as specifically provided for under Extension 2) or loss of access or loss of use or loss of functionality or other condition within or involving data or **Media** of any kind

#### 2. The **Insurer** will not be liable for loss destruction or damage caused by

- a) depletion deterioration corrosion erosion wear and tear or other gradually developing conditions
- b) any condition which can be corrected by re-setting calibrating re-aligning tightening adjusting or cleaning or by the performance of maintenance

but if insured loss destruction or damage from an **Accident** results the **Insurer** shall be liable for that resulting loss or damage

#### 3. The **Insurer** will not be liable for

- a) loss destruction or damage recoverable under the maintenance agreement or any warranty or guarantee or which would be recoverable but for breach of the **Insured's** obligations under the agreement
- b) the **Excess** as stated in the Schedule

## SECTION 4 – EMPLOYERS’ LIABILITY

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

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

The **Insurer** will also pay **Legal Costs** and **Solicitors’ Fees**

### Limit of Indemnity

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

### Section Definition

#### **Territorial Limits**

- a) Great Britain Northern Ireland the Isle of Man or the Channel Islands
- b) elsewhere in the world in respect of **Injury** sustained by any **Employee** resident within the territories specified in a) above and caused whilst such **Employee** is temporarily outside these territories provided that any action for compensation in respect of such **Injury** is brought in a court of law within the territories specified in a) above or any other member country of the European Union

### Extensions to Section 4

#### 1. Court Attendance Compensation

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

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

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

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

#### 3. Indemnity to Other Parties

If the **Insured** so request the **Insurer** will indemnify the following parties

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

Provided that

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

## SECTION 4 – EMPLOYERS’ LIABILITY CONTINUED

### 4. Unsatisfied Court Judgments

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

Provided that

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

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

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

## Exclusions

The indemnity granted under this Section shall not apply to

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

## Conditions

### 1. Certificate of Employers’ Liability Insurance

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

### 2. Compulsory Insurance Legislation

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

### 3. Discharge of Liability

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

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

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

### 4. Other Insurances

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

## SECTION 5 – PUBLIC AND PRODUCTS LIABILITY

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

In the event of accidental

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

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

The **Insurer** will also pay **Legal Costs** and **Solicitors' Fees**

### Limit of Indemnity

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

- a) one occurrence or all occurrences of a series consequent on or attributable to one source or original cause
- b) all **Injury** and damage occurring during any one Period of Insurance in respect of **Products Supplied**
- c) all **Pollution or Contamination** which is deemed to have occurred during any Period of Insurance

shall not exceed the Limit of Indemnity stated in the Schedule

Costs inclusive in USA and Canada

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

### Section Definition

#### **Territorial Limits**

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

### Extensions to Section 5

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

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

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

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

## SECTION 5 – PUBLIC AND PRODUCTS LIABILITY CONTINUED

Provided that this indemnity shall not apply to

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

### 2. Court Attendance Compensation

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

### 3. Cross Liabilities

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

### 4. Data Protection Act

The **Insurer** will indemnify the **Insured** against liability at law incurred by the **Insured** under Section 13 of the Data Protection Act 1998 in connection with personal data (as defined in such Act) held by the **Insured** provided always that the **Insurer** shall not be liable for

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

### 5. Defective Premises Act

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

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

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

### 6. Health and Safety at Work – Legal Defence Costs

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

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

### 7. Indemnity to Other Parties

If the **Insured** so request the **Insurer** will indemnify the following parties

- a) any officer or committee member or other member of the **Insured's** canteen social sports or welfare organisations or ambulance first aid fire medical or security services (but excluding medical practitioners) against liability incurred in such capacity
- b) any partner director or **Employee** of the **Insured** against liability incurred in such capacity and in respect of which the **Insured** would have been entitled to indemnity under this Section if the claim had been made against the **Insured** as though each party was individually named as the **Insured** in this Section

## SECTION 5 – PUBLIC AND PRODUCTS LIABILITY CONTINUED

- c) any **Principal** for whom the **Insured** have agreed to execute work under contract or agreement against liability arising out of the performance of such work by the **Insured** and in respect of which the **Insured** are legally liable and would have been entitled to indemnity under this Section if the claim had been made against the **Insured**

Provided that

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

### 8. Motor Contingent Liability

The **Insurer** will indemnify the **Insured** against legal liability arising out of the use of any motor vehicle in the course of the **Business** anywhere in Great Britain Northern Ireland the Channel Islands or the Isle of Man

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

- a) any vehicle owned or provided by the **Insured** or any **Principal** for whom the **Insured** is working or any sub-contractor acting for or on behalf of the **Insured**
- b) damage to such vehicle or to goods conveyed in or on it
- c) any vehicle being driven by the **Insured**
- d) any vehicle being driven by any person who to the knowledge of the **Insured** or of the **Insured's** representative does not hold a licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence
- e) in respect of which the **Insured** is entitled to indemnity under any other insurance

### 9. Overseas Personal Liability

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

The indemnity shall not apply to legal liability

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

### 10. Corporate Manslaughter and Corporate Homicide – Legal Defence Costs

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

## Exclusions

The indemnity granted under this Section shall not apply to

#### 1. Advice and Design

Liability arising from advice design formula specification inspection certification or testing provided by or on behalf of the **Insured** for a fee or in circumstances where a fee would normally be charged

#### 2. Damage to Goods Supplied

Liability in respect of

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

## SECTION 5 – PUBLIC AND PRODUCTS LIABILITY CONTINUED

### 3. Safety Critical Products and Exports to USA and Canada

Liability in respect of

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

### 4. Fines

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

### 5. Injury to Employees

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

### 6. Mechanically Propelled Vehicles

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

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

except where more specifically insured by any other policy

### 7. Pollution or Contamination

Liability arising

- a) out of **Pollution or Contamination** unless caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance provided that all **Pollution or Contamination** arising out of one incident shall be deemed to have occurred at the time such incident takes place
- b) directly or indirectly by **Pollution or Contamination** occurring in the United States of America or Canada or their dependencies or trust territories

### 8. Property in the Charge or Control of the Insured

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

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

### 9. Vessels or Craft

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

### 10. Work on Offshore Installations

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

## SECTION 5 – PUBLIC AND PRODUCTS LIABILITY CONTINUED

### 11. Asbestos

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

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

### 12. Contractual Liability

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

## Conditions

### 1. Discharge of Liability

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

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

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

### 2. Other Insurances

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

### 3. Heat Application Condition

It is a condition precedent to any liability of the **Insurer** that the following precautions are complied with in respect of any work involving the use or application of heat involving a naked flame open heat source angle grinder hot air stripper or the heating of bitumen or similar bituminous compounds anywhere other than at the **Insured's Premises**

- a) the area in the immediate vicinity of the application of heat must be cleared of any loose combustible materials before work commences
- b) other combustible materials including floors and walls must be covered by overlapping sheets of non-combustible material
- c) blow lamps and torches must be filled in the open and only kept lit for the time they are in use
- d) any sources of heat used must be continuously attended
- e) at least one suitable fire extinguisher must be kept in the area where the heat is being applied
- f) a thorough inspection for any signs of combustion within adjacent to behind and below the area being worked on must be undertaken after each separate application of heat and also 60 minutes after the completion of the period of work

## SECTION 5 – PUBLIC AND PRODUCTS LIABILITY CONTINUED

### 4. Bona Fide Subcontractors Condition

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

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

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

## SECTION 6 – TERRORISM

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

In consideration of the payment of the premium in respect of the **Period of Insurance** the insurance provided under Section 1 - Material Damage and Section 2 - Business Interruption is extended to include **Damage** in England Scotland and Wales (but this shall not include the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987) occasioned by or happening through or in consequence of **Terrorism** and loss consequent on interruption to or interference with the **Business** (but only where such loss is insured under these Sections) resulting from such **Damage**

The **Insurer's** liability in respect of all losses arising out of any one occurrence and in the aggregate in any one **Period of Insurance** shall not exceed the Limits as otherwise specified under these Sections as stated in the Schedule

### Section Definitions

#### **Nuclear Installation**

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

- a) the production 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 radiations or
- 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 course of the production or use of nuclear fuel

#### **Nuclear Reactor**

Means 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

#### **Period of Insurance**

Means the period commencing from

- a) the Effective Date of the cover provided by this Section as shown in the Schedule or
- b) any subsequent renewal of the Policy and of this Section

Provided that any such Period of Insurance does not exceed twelve calendar months

#### **Private Individual**

Means any person other than a

- a) company association or partnership
- b) trustee or body of trustees where insurance is arranged under the terms of a trust
- c) person who owns **Residential Property** for the purpose of a business as a sole trader
- d) person who owns **Residential Property** of which in excess of 20% is commercially occupied

Where

- a) i. the **Residential Property** is occupied by a trustee or a sole trader as a private residence  
and
  - ii. the property is not a block of flats
- each will be deemed to be a Private Individual in respect of that same property

## SECTION 6 – TERRORISM CONTINUED

- b) two or more persons have arranged insurance on **Residential Property** in
  - i. their several namesand/or
  - ii. the name of the Insured includes the name of a bank building society or other financial institution for the purpose of noting their interest in the property insuredsuch persons will be deemed to be a Private Individual in respect of that property

### **Residential Property**

#### Means

- a) private dwelling houses and flats
- b) household goods and personal effects

### **Exclusions**

This Section does not cover loss or destruction of or damage caused

1. to **Residential Property** insured in the name of a **Private Individual**
2. to any property at a **Nuclear Installation** or **Nuclear Reactor**
3. by riot or civil commotion

Provided also that this Section is not subject to any of the General Exclusions of the Policy other than General Exclusions 1a) and 5

### **Conditions**

1. The **Insurer** will not indemnify the **Insured** unless and until
  - a) the Treasury issues a certificate certifying that any loss was caused by **Terrorism** or
  - b) in the event of the Treasury refusing to issue such a certificate a tribunal formed by agreement between the **Insurer** and Pool Reinsurance Company Limited decides that the cause of such loss was **Terrorism**
2. If in relation to any claim under this Section the **Insured** have failed to fulfil any of the following conditions the **Insured** will lose their right to indemnity or payment for that claim
  - a) the **Insured** must declare to the **Insurer** all property and/or premises owned by them or for which they are responsible including all such property and/or premises of subsidiary companies unless it is the practice of any subsidiary company to effect its own insurance
  - b) the **Insured** must purchase Terrorism insurance from a Pool Reinsurance Company Limited member company in respect of all such property and/or premises
3. In any action suit or proceedings where the **Insurer** alleges that any **Damage** or loss resulting from **Damage** is not covered by this Section the burden of proving that such **Damage** or loss is covered will be upon the **Insured**

## SECTION 7 – LEGAL EXPENSES

This Section and Sub-Section A of this Section of the Policy are operative only if stated in the Schedule

The **Insurer** will only indemnify the **Insured** for **Claims** where the dispute and/or legal proceedings and/or **HMRC Investigation** are or would be within the **Territorial Limits** and the **Claim** is notified to the **Insurer's** appointed representative Lyons Davidson Solicitors during the Period of Insurance and is in connection with the activities within the scope and extent of the **Business** activities of the **Insured** as specified in the Schedule

If the **Insured's Claim** is covered under this Section and no exclusions apply then it is vital that the **Insured** complies with the conditions of this Section in order for the **Insured's Claim** to proceed. The conditions applicable to this Section are contained below and should be read carefully. Two of the main conditions to this Section are that the **Claim** has **Prospects of Success** and that costs associated with the **Claim** are **Proportional**

### Section Definitions

#### **LV= Legal Line**

As specified in the Schedule. The legal advice is provided by Lyons Davidson Solicitors who are authorised and regulated by the Solicitors Regulation Authority. Lyons Davidson Solicitors make no charge to the **Insured** for providing these services. Calls to the LV= Legal Line may be recorded. The **Insured** agrees that in all circumstances the **Insurer's Representative** has the **Insured's** express permission to review/listen to any call for auditing and monitoring purposes

#### **Acts of Parliament**

All Acts of Parliament referred to in the Policy shall include any subsequent amendments re-enactments or regulations and equivalent legislation enforceable within the **Territorial Limits**

#### **Any One Claim**

All **Claims** consequent upon the same original cause event or circumstance

#### **Appointed Representative**

A solicitor barrister or other appropriately qualified person appointed to act for the **Insured** in accordance with the terms of the Policy

#### **Awards of Compensation**

Basic and Compensatory Awards and compensation for unlawful discrimination made against the **Insured** by an Employment Tribunal or settlement thereof subject to the consent of the **Insurer's Representative** but not including Additional Awards Protective Awards Interim Relief Arrears of Pay or Awards of Damages under the Equal Pay Act or arising out of failure to comply with awards in respect of reinstatement or re-engagement or any awards made under the Agency Workers Regulations. The **Insurer** will not pay any fine award or damages incurred by deliberately avoiding a payment or liability under statutory requirements. The **Insurer** will not pay any redundancy payment or any monies due or properly payable arising under or from a contract of employment service agreement or related document or from any related implied or incorporated terms of a contract of service

#### **Claim**

A claim under the Policy for **Legal Expenses Professional Expenses Awards of Compensation** or **Jury Service Allowance**

#### **Contracting Party**

A person firm or company domiciled within the **Territorial Limits** with whom the **Insured** has a direct contractual relationship

#### **Debt Collection Service**

The debt collection service nominated by the **Insurer's Representative**

#### **Due Date**

The date monies owed to the **Insured** first become due and payable

#### **Employee**

Any person under a contract of service with the **Insured**

## SECTION 7 – LEGAL EXPENSES CONTINUED

### **HMRC Investigation**

#### **Inland Revenue Investigations and VAT Disputes**

##### **Inland Revenue Investigation**

a) Business Self Assessment Full Enquiry

The investigation which takes place when an officer of Her Majesty's Revenue & Customs (HMRC) makes a request to examine all of the **Insured's** business books and records and issues a formal notice under S9A or S12AC of the Taxes Management Act 1970 or under Paragraph 24(1) Schedule 18 Finance Act 1998

b) Employer Compliance Dispute

The enquiries which take place following an expression of dissatisfaction with the **Insured's** PAYE and/or NIC affairs following an employer compliance visit by HMRC or following an expression of dissatisfaction with the **Insured's** P11Ds or P9Ds

c) Business Self Assessment Aspect Enquiry

The enquiry which takes place when an officer of HMRC issues a formal notice under Paragraph 24(1) Schedule 18 Finance Act 1998 or S9A or S12AC of the Taxes Management Act 1970 in order to make an Aspect Enquiry into only certain boxes on the **Insured's** Self Assessment Return

### **Insurer's Representative**

Arc Legal Assistance Limited who administers and manages Section 7 – Legal Expenses – of the Policy on behalf of the **Insurer**

### **Jury Service Allowance**

The amount of money the **Insured** is liable to pay an **Employee** each day they attend on jury service less any recovery from the court

### **Legal Expenses**

a) Fees

- i. Any professional fees expenses and other disbursements reasonably incurred by the **Appointed Representative** with the consent of the **Insurer's Representative** and
- ii. any costs incurred by other parties insofar as the **Insured** is held liable in court or tribunal proceedings to pay such costs or becomes liable to pay such costs under a settlement made with another party with the consent of the **Insurer's Representative** but excluding any costs which the **Insured** may be ordered to pay by a court of criminal jurisdiction

b) Witness Attendance Allowance

The amount of money the **Insured** is liable to pay an **Employee** each day they are required by the **Appointed Representative** to attend as a witness at a court or tribunal hearing. This indemnity is limited to £100 per day and a maximum of £1,000 for **Any One Claim**

### **Professional Expenses**

Any fees expenses and other disbursements reasonably incurred by the **Appointed Representative** with the consent of the **Insurer's Representative** but excluding any tax or VAT additional tax or VAT interest or penalties demanded assessed or required by the relevant authorities or other penalties imposed by a court of criminal jurisdiction

### **Proportional**

An estimate of the **Legal Expenses** and **Professional Expenses** to deal with the **Insured's** claim must not be more than the amount of money at stake. If the estimate exceeds the amount in dispute then the **Insurer's Representative** may decline or discontinue support for the **Insured's** case

## **Prospects of Success**

In the professional opinion of the **Appointed Representative** there must be more than a 50% chance of winning the case and achieving a positive outcome. A positive outcome includes but is not limited to recovering the amount of money at stake enforcing a judgment or achieving an outcome which best serves the **Insured's** interests

## **Statutory Licence**

A licence or certificate of registration issued under statute statutory instrument or by a Government or local authority to the **Insured** provided that such licence or certificate is necessary to engage in the **Business** of the **Insured** and the licence or certificate has been declared to the **Insurer**

## **VAT Disputes**

The enquiries which take place following a written decision assessment or statement of alleged arrears made by HMRC into the **Insured's** Value Added Tax Return and/or any related Value Added Tax default surcharges and misdeclaration penalties

## **Sub-Section A – Contract Disputes (only operative if shown in the Schedule)**

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in the pursuit or defence of any dispute or legal proceedings made by or brought against the **Insured** in a contractual dispute with a **Contracting Party** over a contract for the sale of goods or a contract for the hire of goods or a contract for the supply of a service within the meaning laid down in the Sale of Goods Act 1979 and/or the Supply of Goods and Services Act 1982

Provided that

- a) **Legal Expenses** incurred in the pursuit of any dispute or legal proceedings shall be limited to 75% of the amount in dispute
- b) the amount in dispute exceeds £1,000
- c) the **Insured** will only be indemnified by this sub section for contract disputes arising from construction work carried out by the **Contracting Party** for the repair and renovation of the **Buildings** insured under Section 1 - Material Damage owned by the **Insured** and used in connection with the **Business**
- d) where the dispute relates to monies owed to the **Insured** and such liability is not contested the **Insured** refers the debt to the **Debt Collection Service** within 30 days of the **Due Date** and agrees use of the service shall be paid for by the **Insured** and not indemnified by the **Insurer**. If the **Debt Collection Service** exhausts its normal recovery procedure and recommends to the **Insurer's Representative** that legal proceedings are necessary the **Insured** shall immediately notify a **Claim** under this Sub-Section of Cover

## **Exclusions**

The **Insurer** shall not be liable to indemnify the **Insured** in respect of **Claims** arising out of or in connection with

- a) contracts that provide or arrange credit insurance securities or guarantees
- b) contracts where the liability or right of recovery of the **Insured** is incurred through their agent or by assignment
- c) franchise contracts
- d) contracts governed by or alleged to be governed by the Consumer Credit Act 1974
- e) contracts of employment
- f) any tenancy or licence to use property
- g) construction contracts unless the construction work is carried out by a **Contracting Party** for the repair and renovation of the **Buildings** insured under Section 1 - Material Damage owned by the **Insured** and used in connection with the **Business**

## SECTION 7 – LEGAL EXPENSES CONTINUED

### Sub-Section B – Criminal Prosecution

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in

- a) defending a prosecution against the **Insured** in a court of criminal jurisdiction
- b) an appeal by the **Insured** against the service of an Improvement or Prohibition Notice under the Health & Safety at Work Act 1974 or the Food Safety Act 1990

Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** in respect of **Claims** arising out of or in connection with

- a) any prosecution relating to or arising from investigations by HMRC
- b) any prosecution for offences against the person including offences of a sexual nature
- c) any prosecution for criminal damage
- d) any prosecution alleging dishonesty
- e) any prosecution for non-endorsable road traffic offences except tachograph prosecutions and weight prosecutions
- f) an allegation of speeding or driving whilst under the influence of alcohol and/or drugs
- g) failure to insure a motor vehicle as required by law

### Sub-Section C – Employment Disputes

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** and **Awards of Compensation** incurred by the **Insured** in defending legal proceedings brought against the **Insured** by an **Employee** ex-**Employee** or prospective **Employee** in respect of their contract of employment with the **Insured** or a breach of employment-related legislation

In order to be covered by this Sub-Section the **Insured** must have sought and followed all the advice from the **LV= Legal Line** as to the procedure to be adopted and has received specific authorisation from the **LV= Legal Line**

- a) prior to carrying out any disciplinary procedure or action or suspension of an **Employee**
- b) prior to dismissal of an **Employee**
- c) prior to instituting a redundancy programme and prior to making an **Employee** redundant
- d) prior to notifying an **Employee** of their intended retirement date or retiring an **Employee**
- e) upon notification formally or informally of a grievance from an **Employee** or ex-**Employee**
- f) upon notification formally or informally of a complaint relating to discrimination victimisation or harassment because of age disability gender reassignment marriage/civil partnership pregnancy/maternity race religion or belief sex or sexual orientation
- g) prior to any adverse variation or any attempt to adversely vary the terms and conditions of employment (including altering the hours or time or place worked or demotion or deduction from or reduction in an **Employee's** remuneration)
- h) immediately an **Employee** walks out with or without written notice
- i) upon receipt of an appeal from an **Employee** or ex-**Employee** against a decision taken as a result of a disciplinary or grievance procedure or retirement procedure or a decision to dismiss

### Sub-Section D – Tax Protection

#### Sub-Section D1 – Inland Revenue Investigations

The **Insurer** agrees to indemnify the **Insured** against **Professional Expenses** incurred in respect of representation of the **Insured** in an **Inland Revenue Investigation** including representation at a First-tier Tribunal and at an appeal against a decision following such a Tribunal provided that there is a reasonable prospect of reducing the liabilities alleged by HMRC

## SECTION 7 – LEGAL EXPENSES CONTINUED

### Sub-Section D2 – VAT Disputes

The **Insurer** agrees to indemnify the **Insured** against **Professional Expenses** incurred in representation of the **Insured** in a **VAT Dispute** in respect of

- a) the local review procedure in order to reach agreement with HMRC
  - b) a First-tier Tribunal Upper Tribunal or VAT Tribunal including an appeal
- provided that there is a reasonable prospect of reducing the liabilities alleged by HMRC

#### Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** in respect of

- a) technical or routine treatment of matters not connected with nor arising out of an expression of dissatisfaction with the **Insured's** affairs
- b) the defence of any criminal prosecution
- c) taxation proceedings which arise out of negligent mis-statements or omissions made by or on behalf of the **Insured** in respect of returns or accounts or where there has been a lack of reasonable care in the keeping of business books and records
- d) any **HMRC Investigation** which results solely from investigation of earlier accounts or records
- e) any **Claim** where the tax return is submitted outside the statutory time limits and/or in a penalty position or where the **Insured** has not notified chargeability to tax within the statutory time limits
- f) the preparation and/or correction of Self Assessment Returns accounts Income Tax Returns P11Ds P35s VAT returns or any other statutory returns
- g) any enquiry under Public Notice 160 or Section 60 of the VAT Act 1994 or matters handled by HM Revenue and Customs Specialist Investigations Civil Investigations of Fraud and Criminal Investigations Sections. Also Code of Practice 8 and 9 cases
- h) an enquiry into the validity of a claim for Working Tax Credit or a dispute concerning the payment of the Working Tax Credit by an employer
- i) any dispute in connection with the payment of the National Minimum Wage
- j) a dispute or enquiry in respect of IR35 legislation
- k) any **Claim** made where a return submitted at the final filing date contains provisional figures in respect of all of the trading income and expenditure items
- l) an investigation arising out of a voluntary disclosure made to HMRC in respect of omitted tax NIC or VAT liabilities which become due as a result of the **Insured's** deliberate act or following an HMRC amnesty where the **Insured** has made an incorrect return to HMRC
- m) an investigation by HMRC into a tax planning arrangement where the Anti Avoidance Intelligence Unit of HMRC has allocated a number for inclusion on the relevant Self Assessment Return or any matter relating to bespoke tax planning

### Sub-Section E – Property Disputes

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in any dispute or legal proceedings made by or brought against the **Insured**

- a) over the physical possession of the **Property** provided that where appropriate all statutory and contractual notices have been correctly served by the **Insured**
- b) over the terms of a tenancy agreement between the **Insured** and a **Contracting Party** relating to the use or maintenance of the **Property** including dilapidations
- c) over the actual or alleged negligence damage or nuisance caused to the Property by anyone other than the tenant

Provided that the **Insured** will suffer financial loss if the **Insured** fails to pursue or defend the dispute or legal proceedings

## SECTION 7 – LEGAL EXPENSES CONTINUED

### Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** in respect of any **Claim** arising out of or in connection with

- a) the payment or non-payment or review of any tax rent or service charge
- b) a dispute relating to planning or building regulations or decisions or compulsory purchase orders or any actual planned or proposed works by or under the order of any government or public or local authority
- c) any dispute arising from the negotiation review or renewal of a tenancy agreement or the subsequent purchase of the **Property** whether or not such purchase is completed
- d) any dispute where the **Insured** has failed to maintain in full force and effect during the tenancy agreement buildings insurance covering the standard range of perils if the **Insured** was contractually obligated to have such insurance in force
- e) a dispute over subsidence or heave howsoever caused
- f) a contract dispute other than where the contract is a tenancy agreement with a **Contracting Party**

### Sub-Section F – Data Protection

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in defending any dispute or legal proceedings brought against the **Insured** arising under the Data Protection Act 1998 including an appeal by the **Insured** against a refusal of an application for registration or alteration of registered particulars or an appeal against an Enforcement Deregistration or Transfer Prohibition Notice. The **Insurer** further agrees to indemnify the **Insured** against compensation awards which the **Insured** is ordered to pay under Section 13 of the Data Protection Act 1998 consequent upon the holding loss or unauthorised disclosure of data provided that any compensation award follows the unsuccessful defence of an action arising out of the Data Protection Act 1998 to which the **Insurer's Representative's** consent has been granted and has not been withdrawn

### Sub-Section G – Statutory Licence

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in an appeal by the **Insured** against the suspension revocation imposed alteration of or refusal to renew a **Statutory Licence**

### Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** in respect of any **Claim** arising out of or in connection with

- a) any disciplinary or internal procedures conducted by authorities charged with the regulation of the **Insured** in the performance of their **Business** or for any appeal following such procedures
- b) an alteration or refusal to renew a **Statutory Licence** which is imposed by Act of Parliament
- c) any costs incurred to comply with a notice or order
- d) driving licences

### Sub-Section H – Personal Injury

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in the pursuit of any dispute or legal proceeding for damages for **Injury** to the **Insured** caused by the actual or alleged act or omission of a third party

### Sub-Section I – Wrongful Arrest Defence

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in the defence of civil legal proceedings against the **Insured** in respect of allegations of wrongful arrest or malicious prosecution

### Exclusion

The **Insurer** shall not be liable to indemnify the **Insured** in respect of any **Claim** arising out of or in connection with allegations made by or against or on behalf of an **Employee** or former **Employee** or any other person working for the **Insured** whether or not an **Employee**

## SECTION 7 – LEGAL EXPENSES CONTINUED

### Sub-Section J – Jury Service Allowance

The **Insurer** agrees to indemnify the **Insured** against **Jury Service Allowance** with such indemnity being limited to £100 per day and a maximum of £1,000 for **Any One Claim**

### Sub-Section K – Pension Trustee Defence

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in defending civil proceedings against the **Insured** in the **Insured's** capacity as a trustee of a pension fund set up for the benefit of the **Insured's Employees**

### Exclusions to Section 7

The **Insurer** shall not be liable to indemnify the **Insured** in respect of

1. the defence of the **Insured** in civil legal proceedings for
  - a) injury or disease including psychiatric injury and/or stress
  - b) loss destruction or damage of or to property
  - c) alleged breach of any professional duty
  - d) any tortious liability (other than as specified in Sub-Sections E Property Disputes and K Pension Trustee Defence)
2. any dispute legal proceedings or **HMRC Investigation** made brought or commenced outside the **Territorial Limits**
3. **Legal Expenses** or **Professional Expenses** incurred without the prior written consent of the **Insurer's Representative** or in excess of the **Insurer's Representative's** consent
4. **Awards of Compensation** where the **Insurer's Representative's** consent to incur **Legal Expenses** has not been granted or has been withdrawn
5. any **Claim** relating to or arising from any cause event or circumstance occurring prior to or existing at inception of the Policy and which has or which the **Insured** knew or ought reasonably to have known may give rise to a dispute legal proceedings or **HMRC Investigation** or **Claim** for **Jury Service Allowance** by or against the **Insured**
6. fines or other penalties imposed by a court or tribunal
7. any dispute legal proceedings or **HMRC Investigation** in respect of which the **Insured** is or but for the existence of the Policy would be entitled to indemnity under any insurance policy whether a legal expenses insurance or not or under a legal aid certificate or representation order
8. any **Claim** arising from the **Insureds** intentional wrongdoing or an act or omission with negligent disregard as to its consequences
9. any dispute or legal proceedings with Government or Local Authority departments concerning the imposition of statutory charges
10. disputes or legal proceedings between **Insureds** as specified in the Schedule or any endorsement thereto or with any parent company or subsidiary company or associated company or partner
11. any dispute between the **Insured** and the **Insurer** the **Insurer's Representative** the **Appointed Representative** or their insurance broker
12. any dispute or legal proceedings arising out of breach or alleged breach of confidentiality or passing off whether related to intellectual property or not or the use or alleged use of any intellectual property
13. any dispute or legal proceedings arising out of or in connection with actual or alleged defamation or malicious falsehood
14. any **Legal Expenses** or **Professional Expenses** incurred in respect of or in connection with a judicial review
15. appeals arising out of legal proceedings or **HMRC Investigations** to which the **Insurer's Representative's** consent has not been granted
16. any **Legal Expenses** or **Professional Expenses** which the **Insured** should or would have had to incur irrespective of any dispute or legal proceeding

## SECTION 7 – LEGAL EXPENSES CONTINUED

### Legal Expenses Claims Conditions

#### 1. Notification of Claims

In order to be covered by this Section the **Insured** must during the Period of Insurance immediately notify the **Insurer's** appointed representative Lyons Davidson Solicitors in writing if the **Insured** is aware of any cause event or circumstance which has given or may give rise to a **Claim** dispute legal proceedings or **HMRC Investigation** involving the **Insured**

Where such notification has been given the **Insurer** agrees to treat any subsequent **Claim** in respect of the cause event or circumstance notified as though the **Claim** had been notified during the Period of Insurance

Lyons Davidson Solicitors can be contacted by email or phone

Email LVCommercial@lyonsdavidson.co.uk

Telephone 0800 0321145

#### 2. Insurer's Representative's Consent

The **Insurer** will only indemnify the **Insured** under this Section if the **Insurer's** consent in writing is obtained before any **Legal Expenses** or **Professional Expenses** are incurred. This consent will be given by the **Insurer's Representative** on behalf of the **Insurer** if the **Insured** can satisfy the **Insurer's Representative** that

- a) the **Legal Expenses** and **Professional Expenses** are **Proportional** and
- b)
  - i. where the **Insured** is pursuing there are **Prospects of Success** of proving the other party's legal liability and of recovering the damages claimed or other legal remedy sought
- or
- ii. where the **Insured** is defending there are **Prospects of Success** of defending the claim
- or
- iii. in respect of a criminal prosecution and where the **Insured** pleads guilty there are **Prospects of Success** of a significant mitigation of the **Insured's** sentence or fine

If during the course of a **Claim** the **Insured** ceases to satisfy the **Insurer's Representative** in respect of a) or b) above indemnity will be withdrawn in respect of **Legal Expenses Professional Expenses** or **Awards of Compensation**

The decision to grant consent or to withhold it will be taken on receipt of

- A) a fully completed claim form
- B) the information and documentation the **Insurer's Representative** reasonably requests
- C) a legal opinion from the **Appointed Representative** as to a) and b) above
- D) any advice the **Insurer's Representative** may deem it necessary to take

With the agreement of the **Insured** the **Insurer's Representative** may provide assistance in settling disputes the costs of which will be covered under the Policy subject to the payment of the **Excess** within the Limits of Indemnity

The **Insurer's Representative** at its discretion may require the **Insured** to obtain an opinion from Counsel at the **Insured's** expense as to the merits of the subject matter of the **Claim** such opinion to have regard to the same issues that the **Insurer's Representative** has in assessing the merits of any legal action. If based upon such opinion the **Insurer's Representative** is satisfied in respect of a) and b) above the **Legal Expenses** and **Professional Expenses** incurred in obtaining that opinion will be paid by the **Insurer** within the Limits of Indemnity

In granting its consent the **Insurer** undertakes to provide indemnity to the **Insured** subject to the terms and conditions of the Policy and Schedule but such consent does not imply that all **Legal Expenses Professional Expenses** or **Awards of Compensation** will be paid. In particular **Legal Expenses** or **Professional Expenses** for matters that go beyond the immediate scope of the **Claim** shall be deemed by the **Insurer** to fall outside the indemnity provided by the Policy

The **Insurer's Representative** reserves the right to limit its consent by time and/or financial amount of **Legal Expenses** or **Professional Expenses** and/or stage of proceedings to allow for a review of their continued consent

## SECTION 7 – LEGAL EXPENSES CONTINUED

If after consent has been granted it is shown that the **Claim** has not been brought within the terms and conditions of the Policy and Schedule the **Insurer's Representative's** consent will be withdrawn and no indemnity shall be provided. The **Insurer** shall be entitled to recover any **Legal Expenses Professional Expenses Awards of Compensation Jury Service Allowance** or compensation under Sub-Section F Data Protection previously paid

If the **Insured** elects to proceed with the pursuit or defence of a dispute or legal proceedings to which the **Insurer's Representative's** consent has been refused through lack of reasonable prospects as required in b) i. and ii. above and if the **Insured** is successful in such pursuit or defence the **Insurer** will pay **Legal Expenses** or **Professional Expenses** incurred after such consent had been refused subject to the terms and conditions of the Policy

### 3. Instruction and Choice of Appointed Representative and Counsel

The **Insurer's Representative** will choose an **Appointed Representative** to act on behalf of the **Insured** in any **Claim** under certain Sub-Sections as specified in the Schedule

In all other Sub-Sections where recourse is necessary to a lawyer and there are enquiries or legal proceedings the **Insured** is free to choose an **Appointed Representative** to act in the name of and on behalf of the **Insured** in any enquiry or legal proceedings. The name and address of the **Appointed Representative** the **Insured** proposes to instruct must be notified to the **Insurer's Representative** in writing. The proposed **Appointed Representative** will enable the **Insured** to comply with the terms and conditions of the Policy and will be appointed to act for the **Insured** in line with the **Insurer's Representative's** standard conditions of appointment. Any **Professional Expenses** or **Legal Expenses** charged by the **Insured's** proposed **Appointed Representative** in excess of those that would normally be incurred using the **Insurer's Representative's** standard scale of charges (available on request) will be the responsibility of the **Insured**

In all other **Claims** the **Insurer's Representative** will choose the **Appointed Representative** subject to the **Excess** unless there is a conflict of interest between the **Insured** and the **Insurer's Representative** when the **Insured** is free to choose an **Appointed Representative** to act in the name and on behalf of the **Insured** in any **Claim** to which the **Insurer's Representative** has consented

The **Insured** must not without the written consent of the **Insurer's Representative** enter into any agreement with the **Appointed Representative** as to the basis of calculation of **Legal Expenses** or **Professional Expenses**.

In selecting the **Appointed Representative** the **Insured** shall have regard to its duty to minimise the cost of any **Claim** or legal proceedings. In all cases the **Appointed Representative** shall be appointed in the name of and on behalf of the **Insured**

If in the course of any **Claim** or legal proceedings the **Appointed Representative** wishes to instruct Counsel or an expert Counsel's or the expert's name and an explanation of the necessity for such instruction must be submitted to the **Insurer's Representative** for consent to the proposed instruction which will not be unreasonably withheld

A dispute arising from the **Insured's** choice of **Appointed Representative** may be referred to arbitration

### 4. Disclosure

In order for the **Insurer** to indemnify the **Insured** under this Section the **Insured** must

- a) give the **Appointed Representative** and the **Insurer's Representative** all necessary help and information including a complete and truthful account of the facts of the case and all relevant documentary or other evidence in the **Insured's** possession. The **Insured** must provide obtain or execute all documents as necessary and attend meetings or conferences as requested
- b) instruct the **Appointed Representative** to provide the **Insurer's Representative** any information document or advice in connection with any **Claim** and the subject matter of any **Claim** even if privileged. In addition the **Insured** must instruct the **Appointed Representative** to provide the **Insurer's Representative** with regular updates on the progress of the subject matter of any **Claim** and inform the **Insurer's Representative** immediately if and when any circumstance adversely impacts the factors taken into account in granting the **Insurer's Representative's** consent.

Indemnity may be withdrawn if the **Insured** fails to co-operate at all or within a reasonable time with the **Insurer's Representative's** or the **Appointed Representative's** requests or if the **Insured** or **Appointed Representative** fails to provide the **Insurer's Representative** with any information in connection with any **Claim** or the subject matter of any **Claim**

## SECTION 7 – LEGAL EXPENSES CONTINUED

### 5. Payment of Legal Expenses Professional Expenses and Awards of Compensation

All bills for **Legal Expenses** or **Professional Expenses** which the **Insured** receives from the **Appointed Representative** should be forwarded to the **Insurer's Representative** without delay. If the **Insurer's Representative** so requires the **Insured** must ask the **Appointed Representative** to submit the bill of costs for assessment or certification by the appropriate Law Society court or tribunal

The **Insured** is responsible for payment of all **Legal Expenses Professional Expenses Awards of Compensation** or compensation under Sub-Section F Data Protection. The **Insurer** may settle these direct if requested by the **Insured** to do so

The payment of some **Legal Expenses** or **Professional Expenses** does not imply that all **Legal Expenses Professional Expenses Awards of Compensation** or compensation under Sub-Section F Data Protection will be paid

### 6. Offer of Settlement

In order for the **Insurer** to indemnify the **Insured** under this Section the **Insured** must inform the **Insurer's Representative** in writing as soon as an offer to settle the subject matter of a **Claim** is received and/or the **Insured** proposes to make an offer of settlement. In any settlement the **Insured** must have regard to **Legal Expenses Professional Expenses** or **Awards of Compensation** or compensation under Sub-Section F Data Protection incurred or likely to be incurred by the **Insurer** and the recovery thereof

No indemnity will be provided if the **Insured** enters into any agreement to settle without the prior written consent of the **Insurer's Representative** (such consent not to be unreasonably withheld) and the **Insurer** shall be entitled to recover any **Legal Expenses Professional Expenses Awards of Compensation** or compensation under Sub-Section F Data Protection previously paid

If the **Insured** unreasonably rejects an offer of settlement which the **Insurer's Representative** recommends acceptance of or makes an offer which the **Insurer's Representative** does not agree no further indemnity shall be provided

The **Insurer** may at its absolute discretion decide to pay the **Insured** the amount of damages that the **Insured** is claiming or is being claimed against the **Insured** instead of indemnifying the **Insured** for **Legal Expenses Professional Expenses Awards of Compensation** or compensation under Sub-Section F Data Protection. Where the **Insurer** exercises this discretion the **Insurer** will cease to be liable for any further **Legal Expenses Professional Expenses Awards of Compensation** or compensation under Sub-Section F Data Protection

The **Insurer** may also require the **Insured** to make an offer to pay an **Award of Compensation** to an **Employee** or ex-**Employee** or prospective **Employee** provided the **Insurer** agrees to pay that **Award of Compensation**. If the **Insured** fails to make that offer the **Insurer** will cease to be liable for any further **Legal Expenses** or **Awards of Compensation**

### 7. Recovery of Costs

Whenever the **Insured** is awarded costs or under the terms of any settlement where costs are included those costs are to be repaid to the **Insurer**

The **Insured** and their **Appointed Representative** must make every effort to make a full recovery of costs. Where a settlement purports to be a global or a without costs settlement or where costs are awarded but not recovered the **Insured** agrees that a fair and reasonable proportion of that settlement will be deemed costs and due to the **Insurer**

Where such a settlement is paid in instalments all costs to the **Insurer** shall be paid first

### 8. Appeal Procedure

If following legal proceedings to which the **Insurer's Representative** has consented the **Insured** wishes to appeal against the judgment or decision of a court or tribunal the grounds for such appeal must be submitted to the **Insurer's Representative** through the **Appointed Representative** immediately or as soon as practicable so that the **Insurer's Representative** may consider whether to consent to such further action. If an appeal is lodged against a judgment or decision of a court or tribunal made in favour of the **Insured** following legal proceedings to which the **Insurer's Representative** has consented the **Insured** must notify the **Insurer's Representative** immediately in order that cover shall continue. The **Insurer's Representative** will inform the **Appointed Representative** of its decision. If the **Insurer's Representative** so requires it the **Insured** must co-operate in an appeal against the judgment or decision of a court or tribunal

## SECTION 7 – LEGAL EXPENSES CONTINUED

### 9. Duty to Minimise

The **Insured** must take all reasonable precautions to avoid and prevent **Claims HMRC Investigations** legal proceedings and disputes. The **Insured** must use every endeavour and take all reasonable measures to minimise the cost and effect of any **Claim**

### 10. Insolvency or Liquidation of the Insured

If the **Insured** becomes insolvent or is placed in liquidation receivership administration or bankruptcy or enters into a voluntary arrangement or deed of arrangement or if any application is made to the court or meeting convened for any such purpose the **Insurer** has the right to immediately cease to provide indemnity for **Legal Expenses Professional Expenses Awards of Compensation Jury Service Allowance** or compensation under Sub-Section F Data Protection notwithstanding any previous consent the **Insurer's Representative** may have granted

### 11. Value Added Tax

If the **Insured** is registered for VAT the **Insurer** will not pay the VAT element of any **Legal Expenses** or **Professional Expenses**

### 12. Arbitration

Any dispute between the parties as to the amounts to be paid under the Section may where both parties agree be referred to an arbitrator who will be either a solicitor or a barrister. If the parties cannot agree on their choice of arbitrator the Law Society may be asked to make a nomination. The arbitration will be binding and carried out under the Arbitration Act. The costs of the arbitration will be at the discretion of the arbitrator

# GENERAL CLAIMS CONDITIONS

## 1. Action by the **Insured** (not applicable to Section 7 – Legal Expenses)

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

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

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

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

No claim under the Policy shall be payable unless the terms of this Condition have been complied with

## 2. Rights of the Insurer

The **Insurer** shall

- a) be entitled at any stage to take over the defence or settlement of any claim made upon the **Insured** by any other party and to prosecute for its own benefit any claim for indemnity or compensation against any other persons in respect of any event insured by the Policy and at no cost to the **Insurer** the **Insured** shall give all assistance as may be reasonably required by the **Insurer**
- b) have the right to enter the **Premises** where the **Damage** has occurred and to keep possession of any **Property** insured without thereby incurring any liability or diminishing any of the **Insurer's** rights under the **Policy** and to deal with the salvage in a reasonable manner but the **Insured** shall not be entitled to abandon any **Property** to the **Insurer**
- c) at its option indemnify the **Insured** by payment reinstatement replacement or repair in respect of any **Property** lost or damaged or part thereof. If the **Insurer** elects to reinstate or replace any **Property** they shall not be bound to reinstate or replace exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the Sum Insured thereon

## 3. Conditions

Every Condition to which the Policy or any part thereof is or may be subject shall from the time the Condition attaches apply and continue to be in force during the whole currency of the Policy and non-compliance with any such Condition insofar as it increases the risk of loss destruction or damage shall be a bar to any claim in respect of such loss destruction or damage provided that whenever the Policy is renewed a claim in respect of loss destruction or damage occurring during the renewal period shall not be barred by reason of a Condition not having been complied with any time before the commencement of such period

## GENERAL CLAIMS CONDITIONS CONTINUED

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

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

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

### 5. Arbitration (not applicable to Section 7 – Legal Expenses)

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

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

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

### 6. Claims Co-operation

The **Insured** will provide all help and assistance and co-operation required by the **Insurer** in connection with any claim

## USEFUL INFORMATION

### How to make a claim

Please contact in the first instance the Broker Intermediary or Agent who arranged the Policy. Alternatively telephone the Claims Helpline on **0800 032 1170**. Please quote your Policy Number

If you need to notify a possible Claim under Section 7 – Legal Expenses please immediately contact the **Insurer's** appointed representative Lyons Davidson Solicitors to obtain a claim form by email or telephone

Email [LVCommercial@lyonsdavidson.co.uk](mailto:LVCommercial@lyonsdavidson.co.uk)

Telephone **0800 0321145**

### How to complain

If you have a complaint about your policy or the service you have received please contact the Broker Intermediary or Agent that arranged it

If they are unable to resolve your complaint you may refer your complaint to the Financial Ombudsman Service within six months of receiving their final response letter

Should you be unhappy with the service provided by LV= please contact us by phone on **0800 678 3161** or write to us at LV=, County Gates, Bournemouth, BH1 2NF E-mail: [feedback@LV.com](mailto:feedback@LV.com)

Please quote the Policy Number in all correspondence

A copy of our complaint handling procedure is available on request

If we cannot resolve your complaint you may refer your complaint to the Financial Ombudsman Service within six months of receiving our final response letter

The address is: Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London E14 9SR

Telephone: **0800 023 4567** or **0300 123 9 123** (from mobile or non BT lines)

E-mail: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Making a complaint will not affect your right to take legal action

### Details about our Regulator

Liverpool Victoria Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority

### Compensation

If we are unable to meet our liabilities to policyholders, you may be able to claim compensation from the Financial Services Compensation Scheme. The level of compensation differs depending on the type of cover:

Compulsory Insurance    Non-compulsory Insurance

100% of the claim            90% of the claim

Further information can be obtained from:

Financial Services Compensation Scheme,  
10th Floor  
Beaufort House  
15 St Botolph Street  
London  
EC3A 7QU

Telephone **0800 678 1100** or **020 7741 4100**

[enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk)

[www.fscs.org.uk](http://www.fscs.org.uk)









**LVbroker.co.uk**