

**Policy Wording
for
VACANT PREMISES
INSURANCE**

NELSON POLICIES AT LLOYD'S

2nd Floor

Knightrider Street

12 Knightrider Street

Maidstone

Kent

ME15 6LP

INTRODUCTION

Wherever words appear in bold in this document, they will have the meanings shown under Definitions on page 5.

In return for having accepted **your** premium, **we**, on behalf of the subscribing insurers, will insure **you** against loss, damage or legal liability arising from events happening during the **period of insurance**, always subject to the terms and conditions of the contract between **you** and **us**, all of which are set out in **your** insurance policy. It is important that **you** comply with **your** duties under each section and under the insurance as a whole.

This document together with the **schedule** makes up **your** insurance policy and sets out clearly what is and what is not covered. Please read **your** policy, including the **schedule** and any **endorsements** that apply, very carefully. It is important that **you** check that the sections **you** have requested are included in the **schedule**, because any section of this policy stated as not insured in the **schedule** shall be inoperative regardless of how **you** may interpret other sections of the policy. **Your** insurance policy should be kept in a safe place.

In deciding to accept this **insurance** and in setting the Terms and Premium, **we** have relied on the information **you** have given **us**. **You** must take care when answering any questions **we** ask by ensuring the information provided is accurate and complete.

If **we** establish that **you** deliberately or recklessly provided **us** with false or misleading information **we** will treat this insurance as if it never existed and decline all claims.

If **we** establish that **you** were careless in providing **us** with the information we have relied upon in accepting this insurance and setting its terms and premium **we** may:

- treat this insurance as if it had never existed and refuse to pay all claims and return the **premium paid**. **We** will only do this if **we** provided **you** with insurance cover which **we** would not otherwise have offered; or
- amend the terms of **your** insurance right back to the start date, by either charging **you** more for **your insurance** or by changing what is covered or by reducing the amount **we** pay on certain claims (if you declined to pay any additional premium we asked for, all claims payments by **us** would be reduced in the proportion the **premium you** have paid bears to the premium **we** have requested **you**); or
- cancel **your** insurance in accordance with the "cancellation clause" below.

If **we** establish that **you** are under-insured, which means the cost of rebuilding the **buildings** at the time of loss is more than the **buildings** sum insured stated within **your schedule**, then **we** will only pay a proportion of the claim. This is the effect of the Underinsurance Clause set out later in the policy.

We or **your broker** will write to **you** if **we**:

- intend to treat this insurance as if it never existed; or
- need to amend the terms of **your insurance**; or
- require **you** to pay more for **your** insurance

The written authority (which number is shown in the **schedule**) allows **us** to sign and issue this policy on behalf of Certain Underwriters at Lloyd's Unique Reference Market Number B1262BW0048414

IMPORTANT INFORMATION

Cooling Off Period

You may cancel this insurance contract provided **you** have not made a claim and **your broker** receives written confirmation of cancellation by post, fax or email within 14 days of the policy start date or the date **you** receive the full policy documentation. **We** will refund any premiums paid and treat the policy as though it never existed.

Cancellation Clause

You will be able to take steps at any time to cancel the policy by writing to **your broker**, using post, fax or email, and giving at least 24 hours' notice of **your** intention to cancel. (The only circumstances in which the policy will be terminated at a date prior to **you** writing to **your broker** are those where **you** are notifying **us** that **you** have ceased to be the owner of the property.) If the policy is cancelled, a portion of the premium will be returned to **you**; such portion will reflect that part of the original period where ultimately there was no protection required, except if a claim has been made by **you**, when there will be no return premium.

We can cancel this policy by giving **you** thirty (30) days notice in writing. **We** will only do this for a valid reason (some examples of which are as follows):

- Non-payment of a premium

- A change in risk occurring which means that we can no longer provide **you** with the insurance cover
- Non-cooperation or failure to supply any information or documentation we request
- Threatening or abusive behaviour or the use of threatening or abusive language.

Complaints Procedure

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

In the event that you remain dissatisfied and wish to make a complaint, it may be possible in certain circumstances for you to refer the matter to the Complaints team at Lloyd's.

Their address is:

Complaints
Lloyd's
One Lime Street
London
EC3M 7HA

Tel No: 020 7327 5693

Fax No: 020 7327 5225

E-mail: complaints@lloyds.com

Website: www.lloyds.com/complaints

Details of Lloyd's complaints procedures are set out in a leaflet "Your Complaint - How We Can Help" available at www.lloyds.com/complaints and are also available from the above address. If you remain dissatisfied after Lloyd's has considered your complaint, you may have the right to refer your complaint to the Financial Ombudsman Service.

The Financial Ombudsman Service is an independent service in the UK for settling disputes between consumers and businesses providing financial services. You can find more information on the Financial Ombudsman Service at www.financial-ombudsman.org.uk

Compensation for Default

Lloyd's insurers are covered by the Financial Services Compensation Scheme. **You** may be entitled to compensation from the scheme if a Lloyd's insurer is unable to meet its obligations to **you** under this contract. If **you** were entitled to compensation under this scheme, the level and extent of the compensation would depend on the nature of this contract. Further information about this scheme is available from the Financial Services Compensation Scheme 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU and on their website: www.fscs.org.uk.

Data Protection

You should understand that any information **you** have provided will be processed by **us**, in compliance with the provisions of the Data Protection Act 1998, for the purposes of providing insurance and handling claims, if any, which may necessitate providing such information to other parties.

Law Applicable

The Parties are free to choose the law applicable to this insurance contract. Unless specifically agreed to the contrary this Insurance shall be subject to English Law and that the English courts alone shall have jurisdiction in any dispute arising hereunder.

Sanctions Limitation And Exclusion Clause

We shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose **us** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Contracts (Rights of Third Parties) Act Clause

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

TERMS AND CONDITIONS OF THIS INSURANCE

Conditions Precedent

There are conditions contained within this policy that are conditions precedent to **our** liability. If **you** breach any of these conditions precedent some or all of **your** claims may be rendered null and void or **we** may reduce the amount payable by **us** under the policy, or **we** may treat this insurance as though it never existed.

It is a condition precedent to **our** liability that **you** comply fully with all the security and maintenance measures indicated on the **schedule** as being required.

Claims

We expect **you** to look after **your premises** just as carefully as if **you** had no insurance, and in addition to the security measures indicated on the **schedule**, to carry out all reasonable measures to prevent accidents and to prevent and minimise any damage to the insured property. Any act or failure on **your** part that leads to (or increases the cost of) a claim may be taken into account when **we** decide how much to pay in settlement of that claim and in such circumstances **our** settlement may be less than **you** would have received otherwise.

If **you** commit a fraud in relation to a claim, then

- a) **we** will have no liability to pay the fraudulent claim and shall be entitled to recover any payments which have been made in respect of the fraudulent claim; and
- b) **we** will be entitled to refuse all claims after that fraud; and
- c) **we** will have the right to treat the policy as being terminated at the time of the fraudulent act, and **we** may exercise this right as soon as the fraud is discovered, whether or not the policy has expired before discovery of the fraud. If **we** exercise the right, **we** will not be liable to pay claims in respect of losses after the fraudulent act. **We** need not return any premiums to **you** which have been paid before the right is exercised; although
- d) **we** will remain liable for legitimate losses before the the fraud.

To make a claim **you** must notify **us** in the first instance and thereafter one or more of **our** representatives will communicate with you. **You** should notify **us** of any occurrence which could result in a claim under this policy as soon as possible. **You** must notify **us** with 7 days of the building becoming illegally occupied. **We** or **our** representatives will be entitled to enter the **premises** or any **building** where any loss or damage has occurred to deal with **your** claim.

You must not admit any liability for, or offer to agree to settle, any claim without **our** prior written consent.

We will also be entitled to defend or settle any legal action and take proceedings to recover compensation from any third party in respect of anything that is covered by this policy, **we** may do this in **your** name and for **our** benefit but at **our** expense. **You** must provide any and all documents and information **you** believe to be relevant as well as any other documents and information as may be requested by **us**, to assist **us** in any such proceedings

You must forward to **us**, by registered post within 3 working days of receipt, any written summons or other legal document served on **you** in connection with a claim or possible claim. **You** must not answer any correspondence, admit, deny or negotiate any claim without **our** prior written consent. **You** must not take any steps, even if requested by a recognised authority, that would potentially result in our investigations being prejudiced without first seeking and receiving written approval from **us**.

General Conditions applying to the whole policy

Telling us about a change

You must tell **us** immediately about any change in the information given to **us** as part of the process of obtaining this insurance. If **you** do not, **your** insurance may not be valid or may not cover **you** fully. When **we** receive this notice **we** have the option to change the conditions of this insurance.

Underinsurance Clause

It is your responsibility to ensure that the **buildings** and **contents** sums insured are sufficient to cover the full cost of rebuilding the **buildings** and replacing the **contents**. If the cost of rebuilding the **buildings** in the same form, size, style and condition as new is more than the sum insured shown on your **schedule**, **we** will (a) not pay the difference, and (b) will pay only a portion of the amount claimed, this portion being determined by the underinsurance. For example, if the sum insured is equal to 75% of the amount needed to rebuild the **buildings**, **we** will only pay 75% of any claim relating to the **buildings**.

If the sum insured for **contents** is less than the full replacement cost of the **contents**, **we** will (a) not pay the difference, and (b) will pay only a portion of the amount claimed, this portion being determined by the underinsurance. For example, if the amount of your contents cover is equal to 75% of the amount needed to replace all the **contents**, **we** will pay only 75% of the value of any claim relating to **contents**.

Several Liability Notice

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

Other Insurance Clause

We will not pay any claim for any loss, damage or liability covered under this insurance which is also covered wholly or in part under any other insurance except in respect of any amount beyond that which would have been covered under other such insurance had this insurance not been affected.

General Exclusions applicable to the whole of this Insurance

This policy is subject to the following exclusion clauses:

Radioactive Contamination And Nuclear Assemblies

We will not pay for loss or destruction of or damage to any property, or any other loss or expense, or any legal liability of any nature caused by, or contributed to, or arising from

- i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel,
- ii) the radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component of such an assembly.

War And Civil War Exclusion Clause

We will not pay for loss or damage occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any Government or Public or Local Authority.

Pressure Waves

We will not pay for any loss, destruction or damage occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

Contamination & Pollution

We will not pay for loss or destruction of or damage to any property, or any other loss or expense, or any legal liability of any nature caused by, or contributed to, or arising from

This policy does not cover any loss or damage due to pollution or contamination regardless of where or when it occurs and regardless of whether such loss or damage was caused by any peril hereby **insured** against.

Electronic Data Exclusion Clause

We will not pay for loss or destruction of or damage to any property, or any other loss or expense, or any legal liability of any nature caused by, or contributed to, or arising from

- computer viruses, erasure or corruption of electronic data;
- the failure of any equipment to correctly recognise the date or change of date;

For the purposes of this exclusion "computer virus" means a corruption instruction from an unauthorised source that propagates itself via a computer system or network.

Terrorism Exclusion

We will not pay for loss or destruction of or damage to any property, or any other loss or expense, or any legal liability of any nature caused by, or contributed to, or arising from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this insurance an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

We will not pay for loss, damage, cost or expense of whatsoever nature caused by, resulting from or arising from or in connection with any action taken by third parties in controlling, preventing, or suppressing any act of terrorism.

Contractors Exclusion

We will not pay for loss or destruction of or damage to any property, or any other loss or expense, or any legal liability of any nature caused by, or contributed to, or arising from or in connection with the activities of contractors working on the **premises**. For the purpose of this exclusion a contractor is defined as any person, company or organisation working at or about the **premises**, including **you** where **you** are working in the capacity of a tradesman.

DEFINITIONS

Accident	An event occurring at the premises , the occurrence of which was unforeseen, and which can be shown to have commenced during the period of insurance , and which results in damage to property or bodily injury.
Bodily Injury	Damage to persons arising from accidents.
Buildings	The building(s) situated at the address of the premises shown in the schedule and being built of brick, stone, concrete and with the external surface of the roof constructed of slates, tiles, concrete, asphalt or of any entirely non-combustible mineral material, including all interior decorations and fixtures and fittings, plus, if so indicated on the schedule , outbuildings including garages, fixed fuel tanks, swimming pools, tennis courts, drives, patios, terraces, walls, gates and fences.
Contents	Those articles not part of the buildings , nor any fixtures and fittings, which are included in the sums insured and shown on the schedule as contents and which you own or are responsible for.
Endorsement	A change in the terms and conditions of this insurance and/or a written statement evidencing such change.
Excess	The amount shown as such in the schedule , and the amount you must contribute to the claims costs arising in respect of each separate accident .
Period of Insurance	The period during which this insurance is in force, as shown in the schedule and for which you have paid and we have accepted a premium.
Premises	The address which is printed in the schedule .
Schedule	The schedule , which is clearly labelled as such, forms part of your policy and contains details of you, the premises, the excess , the sums insured, the period of insurance and the sections of this insurance which apply.
We / us /our	Nilefern Limited trading as Nelson Policies at Lloyd's and acting as a coverholder on behalf of certain underwriters at Lloyd's (the Insurers).
You / Your / Insured	The person or persons named in the schedule .
Your broker	The insurance broker who arranged this insurance on your behalf.

COVERAGE DETAILS

SECTION 1 – PROPERTY

What is Covered	What is not covered
Loss of or damage to the buildings and loss of or damage to the contents as a result of :-	Loss of or damage to the buildings or the contents as a result of :-
Fire arising in any way (a standard peril)	
Explosion (a standard peril)	An explosion caused by the bursting of a boiler (not being a boiler used for domestic purposes only) or other apparatus which contains pressurised steam and which is owned or operated by the Insured .
Lightning (a standard peril)	
Impact of AIRCRAFT and other aerial devices or articles dropped therefrom (a standard peril)	
Earthquake shock (a standard peril)	
OTHER LIMITED PERILS - Wind, rain, hail and flood but only if so indicated on the schedule as being covered.	Frost or weight of snow.

What we will pay in respect of a valid claim	What we will not pay in respect of a valid claim
<p>Costs pre-authorised by us for material, labour and equipment necessary to effect repair or rebuilding or replacement (whichever is the lesser) of the Buildings and Contents. Such costs are limited to the amount shown in the applicable part of the schedule.</p> <p>If the buildings were not in a good state of repair immediately prior to the loss or damage, we will reduce the amount of our payment to allow for wear and tear.</p> <p>Remember: any act or failure on your part that leads to (or increases the cost of) a claim may be taken into account when we decide how much to pay in settlement of that claim.</p>	<p>Any cost or expense not pre-authorised by us UNLESS the cost or expense has been incurred in reducing the actual or potential cost of an on-going event.</p> <p>Any amount which means you have not borne the excess applicable.</p> <p>Any expenses incurred by you in preparing a claim or an estimate of loss or damage.</p> <p>Any costs arising from loss or damage to outbuildings and garages which are not built of brick, stone, concrete and with the external surface of the roof constructed of slates, tiles, concrete, asphalt or of any entirely non-combustible mineral material.</p>
Architects' and surveyors' fees necessarily incurred with our consent in the repair or rebuilding of the Buildings .	Any amount over 10% of the buildings sum insured
The cost incurred with our consent in removing debris, shoring up or demolition of buildings .	Any amount over 5% of the buildings sum insured

Any cost necessary to comply with requirements set by Government, Local Authority or other statutory body.	Any such costs associated with requirements notified to you before the happening of the event which gave rise to the claimed-for loss or damage, or with requirements relating to undamaged parts of the building or its foundations.
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We will not reduce the sum insured under section one after **we** have settled a claim as long as **you** agree to carry out **our** recommendations to prevent further loss or damage.

SECTION 2 – LIABILITY

What is covered	What is not covered
<p>Your legal liability as owner of the buildings and its land if, as a direct consequence of an accident, someone dies, is injured, falls ill or has their property damaged.</p>	<p>Your legal liability arising from:</p> <ul style="list-style-type: none"> - the death, bodily injury or illness of you or a member of your family or your domestic staff or employees; - loss or damage to any property you or a member of your family or your domestic staff or employees own, or are responsible for; - an agreement that imposes a liability you would not otherwise have been under; - any professional, occupational or business activities; - the cost of putting right any fault or alleged fault which, if not put right, may cause accidental bodily injury or disease or accidental loss of or damage to property; - the ownership or operation of lifts, elevators or hoists; - repairs, alterations or other work carried out by contractors.

What we will pay in respect of a valid claim	What we will not pay in respect of a valid claim
<p>The most we will pay for the costs of settling and defending any and all claims arising from one accident, including claimants' costs and expenses, is the amount shown on the schedule.</p>	<p>Any amount which means you have not borne the excess applicable.</p> <p>Liability arising out of any criminal or violent act to another person.</p> <p>The cost of putting right any fault or alleged fault which, if not put right, may cause accidental bodily injury or disease or accidental loss of or damage to property.</p>

