

COMBINED PROPERTY DAMAGE AND BUSINESS INTERRUPTION INSURANCE

The Underwriters agree (subject to the terms, conditions and exclusions contained herein or endorsed or otherwise expressed hereon which shall so far as the nature of them respectively will permit be deemed to be conditions precedent to the right of the Assured to recover hereunder) that if after payment of the Premium specified in the Schedule and at any time during the Period of Insurance or of any subsequent period in respect of which the Assured shall have paid and the Underwriter shall have accepted the premium required for the renewal of this Certificate:-

1. any of the Interest Insured described in the Schedule hereto be lost, destroyed or damaged (such loss, destruction or damage hereinafter termed Damage) by any of the Insured Event(s) shown in the Schedule as insured the Underwriters will pay to the Assured under Specification 1 hereof the value of the property at the time of the Damage or the amount of such Damage, or at their option, reinstate or replace such property or any part thereof;
2. any building or other property or any part thereof used by the Assured at the Premises described in the Schedule hereto for the purpose of the Business described in the Schedule suffers Damage by any of the Insured Event(s) shown in the Schedule as insured, the Underwriters will pay to the Assured under Specification 2 hereof the amount of loss resulting from interruption of or interference with the Business carried on by the Assured at the Premises in consequence of the Damage (such loss being hereinafter termed Consequential Loss) in accordance with the provisions contained in Specification 2;
3. the Assured's books of account or other business books or records at the premises described in the Schedule be lost or destroyed or damaged (such loss, destruction or damage being hereinafter termed Damage) by any of the Insured Event(s) shown in the Schedule as insured and the Assured being in consequence thereof unable to trace or establish Outstanding Debit Balances in whole or in part due to them, the Underwriters will pay to the Assured under Specification 3 the loss sustained in respect of Outstanding Debit Balances directly due to the Damage in accordance with the provisions contained in Specification 3.

PROVIDED THAT :-

- A. in respect of the Insurance under each Specification hereof the liability of the Underwriters in any one period of Insurance shall in no case exceed
 - i) in respect of each item the sum expressed to be insured thereon or in the whole total Sum Insured thereby,
 - ii) any limit of liability shown in the Specificationor such other amount as may be substituted therefore by memorandum hereon signed by or on behalf of the Underwriters:
- B. in respect of the Insurance under Specification 2 at the time of the happening of the Damage there shall be in force, under Specification 1 or otherwise, an insurance covering the interest of the Assured in the property against such Damage and that :-
 - i) payment shall have been made or liability admitted therefor, or
 - ii) payment would have been made or liability would have been admitted therefor but for the operation of a proviso in such insurance excluding liability for losses below a specified amount.

SCHEDULE

Certificate No.
Contract No. 688/C34

Assured:

Business

Period of Insurance:
From
To
both days inclusive

The Interest Insured: As detailed in Specification 1.

The Premises:

including open yards, annexes and outbuildings, exhibition venues and storage locations anywhere in the United Kingdom

The Premium:

The Insured Event(s): All Risks (as defined in the Certificate)

TOTAL SPECIFICATION SUMS INSURED :

Specification 1 - Material Damage	£
Specification 2 - Consequential Loss	£
Indemnity Period	
Specification 3 - Book Debts	£

DEDUCTIBLES :

Specification 1 -	£
Specification 2 -	£
Specification 3 -	£

Dated in London :

DEFINITIONS

ALL RISKS MEANS :

Accidental loss, destruction or damage excluding :-

1. Damage or Consequential Loss caused by :-

- a) i) faulty or defective design, materials or workmanship, operational error, inherent vice, latent defect, gradual deterioration, wear and tear or frost.
- ii) explosion occasioned by the bursting -

in respect of Specification 1. of a boiler (not being a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus.

in respect of Specification 2 and 3 of any vessel, machine or apparatus (not being a boiler or economiser on the premises);

in which internal pressure is due to steam only and belonging to or under the control of the Assured:
- b) i) collapse or cracking of buildings.
- ii) corrosion, rust, change in temperature, dampness, dryness wet or dry rot, shrinkage, evaporation, loss of weight, contamination, change in colour, flavour, texture or finish, vermin, insects, marring or scratching.

but this shall not exclude such Damage or Consequential Loss if resulting from a cause which is not otherwise excluded :

- c) i) theft or any attempt thereat :-
 - a) which does not involve entry to or exit from a building by forcible and violent means or which does not follow actual or threatened assault or violence.
 - b) of or to movable property left in the open or in unsecured outbuildings.
 - c) expedited or in any way brought about by the Assured or any of the Assured's directors, partners or employees.
- ii) unexplained disappearance, unexplained or inventory shortage, misfiling or misplacing of information.
- iii) cracking, fracturing, collapse or overheating of boilers, economisers, vessels, tubes or pipes, nipple leakage and or the failure of welds of boilers.
- iv) mechanical or electrical breakdown and or derangement of machinery or equipment.
- v) bursting, overflowing, discharge or leaking of water tanks, apparatus or pipes when the Premises are empty or disused.
- vi) in respect of Specification 2 only, Consequential Loss resulting from Damage caused by the deliberate act of a supply authority in withholding the supply of water, gas, electricity or fuel unless performed:-
 - a) for the sole purpose of safeguarding life, or
 - b) for protecting any part of the authority's system, or
 - c) as a direct consequence of physical damage to a part of the supply authority's system:

but this shall not exclude :-

Such Damage or Consequential Loss if resulting from a cause which is not otherwise excluded or

Subsequent Damage or Consequential Loss resulting from an ensuing cause which is not otherwise excluded :

- d) i) subsidence or landslip :-
 - a) occasioned by the settlement or movement of made-up ground or by coastal or river erosion.
 - b) occurring while the property insured or any part thereof is in course of erection or undergoing demolition, structural alteration or structural repair.

The Assured shall give immediate notice to the Underwriters in the event of building, demolition or excavation operations being commenced on any adjoining site. In such event, the Underwriters shall have the right to vary or cancel the cover provided by the Certificate against Damage caused by subsidence, landslip and groundheave.

- ii) normal settlement or bedding down of new structures,
- iii) wind, rain, hail, sleet, snow, flood or dust to moveable property in the open (unless packed in an appropriate manner for storage in the open) or fences and gates.

but this shall not exclude :-

Such Damage or Consequential Loss if resulting from a cause which is not otherwise excluded or

Subsequent Damage or Consequential Loss resulting from an ensuing cause which is not otherwise excluded.

2. Damage to :-

- a) property as a result of its undergoing any process of manufacture, conversion, treatment and the like unless fire or explosion ensues, and then only for direct loss or damage by such fire or explosion:
- b) property in transit.

or Consequential Loss resulting therefrom but in respect of property in transit this shall not exclude Consequential Loss (not otherwise excluded) caused by Fire, Explosion, Aircraft, Riot and Malicious Damage, Earthquake and collision or overturning of the conveying vehicle.

3. In respect of Specification 2 only, Consequential Loss resulting from erasure or distortion of information on computer systems or other records :-

- i) whilst mounted in or on any machine or data processing apparatus or
- ii) due to the presence of a magnetic flux, unless caused by Damage to the machine or apparatus in which the records are mounted.

4. In respect of Specification 1 only. Damage, unless caused by Fire, Explosion, Aircraft, Riot and Malicious Damage, Earthquake, Storm or Tempest and Flood, Burst Pipes, Impact Full or Sprinkler leakage to :

money, cheques, stamps, bonds, credit cards, securities of any description.

5. Damage to :-

- a) vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives and or rolling stock, water craft or aircraft;
- b) buildings or structures in course of construction or erection and materials or supplies in connection with all such buildings or structures in course of construction or erection where the original contract value exceeds £75,000.;
- c) land, roads, pavements, piers, jetties, bridges, culverts, excavations;
- d) livestock, growing crops or trees (other than trees, shrubs and plants of a display or ornamental nature);

or Consequential Loss resulting therefrom, but in respect of Specification 2, this shall not exclude Consequential Loss (not otherwise excluded) caused by Fire, Explosion, Aircraft, Riot and Malicious Damage, Earthquake, Storm or Tempest and Flood, Burst Pipes, Impact Full or Sprinkler Leakage.

SPECIFICATION 1

This Specification insures:-

Sum Insured

COLUMN 1	Buildings includes landlords fixtures and fittings therein and thereon and walls, gates, fences, hoardings signs and the like around and pertaining thereto.	£
COLUMN 2	Machinery, Plant and all Other Contents (excluding landlords fixtures and fittings, Stock and Materials in trade and property more specifically insured) the property of the Assured or held by them in trust for which they are responsible.	£
COLUMN 3	Stock and Materials in Trade including raw materials, work in progress, finished goods and all similar property incidental to the Assured's business, the property of the Assured or held by them in trust or on commission for which they are responsible.	£
COLUMN 4	Miscellaneous Property includes Interest as described :- a) On months Rent subject to the Rent Clause b) Other Interests as described :-	£ £
TOTAL SUM Insured of above columns under Specification 1.		£

All at the Premises specified on the Schedule.

Designation of Property

For the purpose of determining when necessary the heading under which any property is insured, Underwriters agree to accept the designation under which such property has been entered in the Assured's books/records. The undernoted columns shall include unless otherwise stated :-

COLUMN 1	underground water, drainage, sewerage, gas, electricity or telephone pipes or cables extending from the Buildings to the public mains for which the Assured is responsible.
COLUMN 2	a) Money, cheques, stamps (other than National Insurance Stamps), bonds, credit cards, securities of any description other than as specifically excluded under the Insured Event(s). b) National Insurance Stamps (including any liability for Damage by any Insured Event hereby insured against established upon the Assured for such stamps affixed to cards). c) Documents, Manuscripts and Business Books but only for the value of the materials as stationary together with the cost of clerical labour expended in writing up and not for the value to the Assured of the information contained therein. d) Computer Systems Records but only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expense in connection with the production of information to be recorded therein) and not for the value to the Assured of the information contained therein.

- e) Patterns, Models, Moulds, Plans, Drawings and Designs.
- f) Employees Pedal Cycles, Tools and other Personal Effects whilst on Assured's Premises or being used in connection with the business of the Assured.

Average

Each of the Sum(s) Insured by Specification 1 (other than those applying solely to fees, rent, removal of debris or private dwelling houses) is declared to be separately subject to Average.

Whenever a Sum Insured is declared to be subject to Average, if the property covered thereby shall at the commencement of any Damage hereby insured against be collectively of greater value than such Sum(s) Insured, then the Assured shall be considered as being the insurer of the difference and shall bear a rateable share of the loss accordingly.

Deductible

The Assured shall bear at his own risk and uninsured the first amount of each and every loss stated on the Schedule as Deductible.

CLAUSES

AVERAGE (85%)

The Sum(s) Insured other than under Columns 3 and 4 are subject to Average (unless stated to the contrary in respect of an item, or items under Column 4).

If the Sum(s) Insured at the time of any Damage be less than eighty five per cent of the value of the property insured by such sum(s) the Assured shall be considered as being his own insurer for the difference between the specific Sum(s) insured and the full value of the property insured thereby at the time of the Damage and shall bear a rateable share of the loss accordingly.

BRANDED GOODS

In the event of a claim for Damage to the property insured under Column 3 of the Specification any salvage of branded goods and/or merchandise, the Assured's own or held by them in trust or on commission and/or any goods sold but not delivered, shall not be disposed of by sale without the consent of the Assured. If such salvage is not disposed of by sale then the Damage will be assessed at the value agreed between the Assured and the Underwriters and taken into consideration at the settlement of the loss.

CONTRACT PRICE

Under Column 3 of the Specification in respect only of goods sold but not delivered for which the Assured is responsible and with regard to which under the conditions of the sale, the sale contract is cancelled by reason of the fire or any other peril hereby insured against either wholly or to the extent of the Damage, the liability of Underwriters shall be based on the contract price, and for the purpose of average the value of goods to which this Clause would in the event of Damage be applicable shall be ascertained on the same basis.

FIRE FIGHTING COSTS

This Specification includes within each Sum Insured any Fire Brigade Charges or other extinguishing expenses, whether or not charges or expenses are imposed by the terms of a prior contract or agreement.

OMISSIONS

This Specification includes property in respect of which insurance has by accidental omission not been effected (but not appreciation in value in excess of existing Sum(s) Insured) subject to the conditions of the Certificate for a sum not exceeding £100,000. or 10% of the relative Sum(s) Insured, whichever is the less.

The Assured on their part undertake as soon as any omission comes to their knowledge to effect the appropriate additional insurance retrospective to the date when such insurance became necessary.

FOUNDATIONS

It is hereby declared and agreed that in cases where any insurance on Buildings is subject to any Condition of Average such insurance does not include the part below the level of the floor of the lowest storey (whether such floor constitutes the flooring of the basement or otherwise). Notwithstanding this provision it is understood that whenever all or any of the foregoing exclusions are included in the Assured's valuation for Fire Insurance the same are included in the insurance on the relative buildings.

PROFESSIONAL FEES

The insurance by each item on Buildings and General Contents under Columns 1 and 2 of the Specification includes an amount in respect of Architects', Surveyors', Consulting Engineers Legal and other Professional Fees necessarily incurred in the reinstatement of the property insured consequent upon its Damage but not the cost of preparing any claim it being understood that the amount payable for such Damage and fees shall not exceed in the aggregate the sum insured by each item.

PUBLIC AUTHORITIES' REQUIREMENTS

The insurance by the Building and General Contents items under Columns 1 and 2 of the Specification extends to include such additional cost of reinstatement of the destroyed or damaged property thereby insured as may be incurred solely by reason of the necessity to comply with Building or other Regulations under or framed in pursuance of any Act of Parliament or with Bye-Laws of any Municipal or Local Authority provided that :-

1. The amount recoverable under this Extension shall not include:-
 - A) the costs incurred in complying with any of the aforesaid Regulations or Bye-Laws:-
 - 1) in respect of Damage occurring prior to the granting of this extension,
 - 2) in respect of Damage not insured by the Certificate,
 - 3) under which notice has been served upon the Assured prior to the happening of the Damage,
 - 4) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from the insurance by this Certificate) of that portion of the property Damaged.
 - B) the additional cost that would have been required to make good the property Damaged to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations or By-Laws not arisen.
 - C) the amount of any rate tax duty development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid Regulations or Bye-Laws.
2. The work of reinstatement must be commenced and carried out with reasonable dispatch and may be carried out wholly or partially upon another site (if the aforesaid Regulations or By-Laws so necessitate) subject to the liability of the Underwriters under this Extension not being thereby increased.
3. If the liability of Underwriters under any item of the Certificate apart from this Extension shall be reduced by the application of any of the terms and conditions of the Certificate then the liability of Underwriters under this Extension in respect of any such item shall be reduced in like proportion.
4. The total amount recoverable under any item of the Certificate shall not exceed the Sum Insured thereby.
5. All the conditions of the Certificate except in so far as they may be hereby expressly varied shall apply as if they had been incorporated herein.

REINSTATEMENT CONDITIONS

It is hereby agreed that in the event of the property insured under the Buildings and General Contents items under Columns 1 and 2 of the Specification (other than motor vehicles and motor chassis and directors, partners and employees personal effects if insured hereby) being Damaged the basis upon which the amount payable under each of the said items of the Specification is to be calculated shall be the reinstatement of the property Damaged subject to the following special provisions and subject also to the terms and conditions of the Certificate except in so far as the same may be varied hereby.

For the purposes of the insurance under this Extension reinstatement shall mean :-

The carrying out of the aftermentioned work namely :-

- A) Where property is destroyed the rebuilding of the property if a building or in the case of other property, its replacement by similar property in either case in a condition equal to but not better or more exclusive than

its condition when new.

- B) Where property is damaged the repair of the damage and the restoration of the damaged portion of the property to a condition substantially the same as but not better or more extensive than its condition when new.

Special Provisions

1. The work of reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Assured subject to the liability of Underwriters not being thereby increased) must be commenced and carried out with reasonable dispatch otherwise no payment beyond the amount which would have been payable under the Certificate if this Extension had not been incorporated therein shall be made.
2. When any property insured under this Extension is Damaged in part only the liability of Underwriters shall not exceed the sum representing the cost which Underwriters could have been called upon to pay for reinstatement if such property had been wholly destroyed.
3. No payment beyond the amount which would have been payable under the Certificate if this extension had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred.
4. Each item under this Extension is declared to be separately subject to the following Underinsurance Condition namely :-

If at the time of reinstatement the sum representing eighty five per cent of the cost which would have been incurred in reinstatement if the whole of the property covered by such item had been destroyed exceeds the Sum Insured thereon at the commencement of any Damage hereby insured against then the Assured shall be considered as being their own insurer for the difference between the Sum Insured and the sum representing the cost of reinstatement of the whole of the property and shall bear a rateable proportion of the loss accordingly.
5. No payment beyond the amount which would have been payable under the Certificate if this Extension had not been incorporated therein shall be made if at the time of the Damage to any property insured hereunder such property shall be insured by any other insurance effected by or on behalf of the Assured which is not upon the identical basis of reinstatement set forth herein.
6. Where by reason of any of the above Special provisions no payment is to be made beyond the amount which would have been payable under the Certificate if this Extension had not been incorporated therein the rights and liabilities of Underwriters and the Assured in respect of the Damage shall be subject to the terms and conditions of the Certificate including any Underinsurance Condition therein as if this Extension had not been incorporated therein.

REMOVAL OF DEBRIS

It is understood that the Insurance other than by Column 4 of the Specification (except as may be specifically included therein) extends to include costs and expenses necessarily incurred by the Assured with the consent of Underwriters in :-

- a) removing the debris of,
- b) dismantling or demolishing,
- c) shoring up or propping,

the portion or portions of the property Damaged by an Insured Event and to which such Sum(s) Insured respectively relate.

This extension does not however cover such costs and expenses :

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

This Clause is subject otherwise to all the terms and conditions of the Certificate to which it is attached.

RENT

Under Column 4:

The insurance on Rent applies only if any of the Buildings are wholly or partially unfit for occupation in consequence of Damage and then the amount payable shall not exceed such proportion of the Sum Insured on Rent as the period necessary for reinstatement bears to the term of the Rent insured.

SERVICES

Columns 1 and 2 of this Specification include gas, water and electric instruments, meters, cabling and the like and the accessories thereof, all the property of the Assured, their Suppliers or others for which the Assured is responsible.

SPRINKLER HEADS

Columns 1 and 2 of this Specification include within the Sum Insured the cost of replacing sprinkler heads and other fire extinguishing appliances rendered necessary after a fire.

MOTOR VEHICLES

Notwithstanding Definition 5a) of this Certificate motor vehicles, motor chassis and their contents are included in Column 2 of this insurance only :-

- A) to the extent that such property is not otherwise insured and
- B) against Damage caused by Fire, Explosion, Aircraft, Riot and Malicious Damage, Earthquake, Storm or Tempest and Flood, Burst pipes, Impact, Sprinkler Leakage.

STOCK DECLARATION

The insurance by Column 3 when the Sum Insured is marked **SDA** is subject to the following :-

1. The first and renewal premiums are provisional and subject to adjustment as hereinafter provided.
2. The value of the property on the last day of each month shall be declared by the Assured within thirty days thereafter and if a declaration be not so given the Assured shall be deemed to have declared the maximum Sum Insured as the value.
3. On the expiry of each Period of Insurance the actual premium shall be calculated at the rate applicable on the average amount declared i.e. the total of the sums declared divided by the number of declarations. If the actual premium be greater than the first premium (or in case of the second or subsequent periods of insurance the renewal premium) the Assured shall pay the difference, if it be less the difference shall be payable to the Assured but such repayment shall not exceed one-third of the first or renewal premium for the Item(s) concerned respectively.
4. In consideration of the Insurance not being reduced by the amount of any loss the Assured shall pay the appropriate additional premium on the amount of the loss from the date thereof to the date of the expiry of the Period of Insurance.
5. It is warranted that every insurance on such property be identical in wording with this Insurance.

TEMPORARY REMOVAL

The property insured under Column 2 is insured whilst temporarily removed for cleaning, renovation, repair or other similar purposes elsewhere on the same or to any other premises and in transit thereto and therefrom by road, rail or inland waterway in Great Britain. The amount recoverable under this Clause in respect of each Item of the Specification shall not exceed the amount which would have been recoverable had the Damage occurred in that part of the Premises from which the property is temporarily removed nor in respect of any Damage occurring elsewhere than at the said Premises ten per cent of the Sum Insured.

This Clause does not apply to property if and so far as it is otherwise insured nor as regards Damage occurring elsewhere than at the Premises from which the Property is temporarily removed to :-

- a) motor vehicles and motor chassis,
- b) property held by the Assured in trust other than Machinery.

TEMPORARY REMOVAL (DEED AND DOCUMENTS)

Column 2 of this Insurance insofar as it applies to deeds and other documents (including stamps thereon) manuscripts, plans and writings of every description and books (written and printed) extends to insure such property for an amount not exceeding ten per cent of the value thereof whilst temporarily removed to any Premises not in the Assured's occupation and whilst in transit thereto and therefrom by road, rail or inland waterway all in Great Britain.

TRANSFER OF INTEREST

If at the time of Damage to any Building insured by this Certificate the Assured shall have contracted to sell his interest in such Building and the purchase is subsequently completed the purchaser shall be entitled on completion of the purchase to the benefit of this Certificate in respect of such Damage if and so far as the property is not otherwise insured by the purchaser or on his behalf against such Damage without prejudice to the rights and liabilities of the Assured or Underwriters under this Certificate up to the date of completion.

DRAINS AND GUTTER

The Insurance by Columns 1, 2 and 3 extends to include costs and expenses necessarily and reasonably incurred by the Assured with the consent of Underwriters in cleaning and/or clearing drains and/or sewers and/or gutters, the property of the Assured or for which they are responsible, following Damage to the property insured thereunder other than by an excluded cause.

WASTE

Warranted that all oily and dirty waste and greasy cleaning cloths be placed in metal receptacles and removed daily from the Premises before closing and that paper cuttings and all other trade refuse be swept up and bagged daily and removed from the premises at least once a week.

STILLAGE

This Certificate does not insure against Damage to property described under column 3 caused by water unless such property is stored at least 100mm off the floor.

SPONTANEOUS COMBUSTION

Notwithstanding anything contained herein to the contrary the insurance afforded by Column 2 of this insurance extends to include Damage to coal, coke, and wood blocks resulting from its own spontaneous fermentation, heating or combustion.

PROTECTION MAINTENANCE

It is agreed that the whole of the protections provided for the safety of the property insured shall be maintained in good order throughout the currency of this Certificate and shall be in use at all times out of business hours or when the Premises are left unattended and that such protections shall not be withdrawn or varied to the detriment of the interests of Underwriters without their consent.

FIRE APPLIANCES MAINTENANCE

The Assured shall maintain any fire extinguishing appliances installed for the protection of the property insured in full working order during the currency of this Certificate. Nevertheless this Certificate shall not be invalidated by any defect in any of the fire extinguishing appliances due to circumstances unknown to or beyond the control of the Assured.

ELECTRICAL APPLIANCES

This Certificate does not insure against Damage to any dynamo, transformer, motor, wiring, main or other electrical appliance directly caused by short-circuiting, over-running, excessive pressure or leakage of electricity but this exclusion does not apply to Damage thereto by fire resulting from such causes and origination outside the appliance.

SEASONAL INCREASE

Automatic seasonal increase of the Sum(s) Insured under the Column 3 (Stock) of the Specification during the months of November and December. This increase to be a figure not more than 20% of the Sum(s) Insured under Column 3 (Stock) of the Specification.

SPRINKLER AND FIRE APPLIANCES MAINTENANCE

It is a condition under this Insurance that the Assured shall:-

- a) maintain the Sprinkler Installation(s) and other Fire extinguishing Appliances provided for the protection of the property insured in full working order during the Period of Insurance,
- b) make a test every week for the purpose of ascertaining that the alarm gong is in full working order and that the stop valves controlling the water supplies are fully open.
- c) remedy promptly any defect revealed by such tests.

Nevertheless this Certificate shall not be invalidated by any defect in the Sprinkler Installation(s) or other Fire Extinguishing Appliances due to circumstances unknown to or beyond the control of the Assured.

ALARM AND PROTECTIONS

It is a condition under this Insurance that :-

- a) if the Premises containing the property insured are fitted with a burglar alarm system approved by Underwriters, then no withdrawal, alteration or variation of the system, shall be made without the consent of Underwriters,
- b) the burglar alarm system and all locks and padlocks shall have been put into full and effective operation at all times when the Premises are closed for business, and at all other appropriate times,
- c) the burglar alarm system shall have been maintained in good order throughout the Period of Insurance under a maintenance contract with the installing company,
- d) all other protections provided for the safety of the property insured shall be maintained in good order throughout the Period of Insurance and that they are in full and effective operation at all appropriate times, and
- e) all keys and duplicate keys relative to the above alarms and protections are removed from the Premises, when the Premises are closed for business, and at all other appropriate times, and
- f) immediate advice to be given to Underwriters of any notice of withdrawal of police or any other security force or protection.

CO-INSURANCE

It is warranted that % of all Damage insured hereunder shall be borne by the Assured at their own risk and uninsured.

DAMAGE BY THEFT TO BUILDINGS

If the Buildings at the Premises are not included within the property insured by Specification 1. the insurance afforded by Specification 1. nevertheless includes Damage by Theft (as otherwise insured hereby) to such Buildings, for which the Assured is liable subject to a sub-limit hereon of £250,000. each and every loss.

AVERAGE (FIRST LOSS)

The Sum(s) Insured by each Column of the Specification marked **(FL)** are subject to the following:-

If the Declared Value (**DV**) of the property insured be less than the actual value at the time of Damage to such property by any Insured Event hereby insured against the amount payable under the said item shall be proportionately reduced.

DAY ONE BASIS (ADJUSTABLE)

This Clause applies only where the Sum Insured is marked **DOA**

1. The Assured having stated in writing the Declared Value incorporated in each Column to which this Clause applies the premium has been calculated accordingly.

Declared Value shall mean the Assured's assessment of the cost of reinstatement of the Property Insured arrived at in accordance with paragraph (a) of the Reinstatement conditions Clause at the level of costs applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with insofar as the insurance by the column provides due allowance for :-

- i) the additional cost of reinstatement to comply with Public Authorities requirements.
 - ii) Professional Fees.
 - iii) Removal of Debris
2. At the inception of each Period of Insurance the Assured shall notify Underwriters of the Declared Value of the property insured by each of the said Columns. In the absence of such declaration the last amount declared by the Assured shall be taken as the Declared Value for the ensuing Period of Insurance.
 3. The premium thereon is provisional. On expiry of each Period of Insurance the premium shall be adjusted by 50% of the difference between :-
 - i) the provisional premium at the commencement of the period and
 - ii) the provisional premium for the subsequent period of insurance calculated at the terms which have applied during the period under adjustment.
 4. For the purpose of paragraph 3 of this Clause only :-
 - i) if the Certificate (or any column thereof) is cancelled or not renewed the Assured shall provide the Declared Value of the property insured by each of the said Columns calculated in accordance with paragraph 1. of this Clause but at the level of costs applying at the date of cancellation or non-renewal,
 - ii) where property has not been reinstated following Damage the Assured shall provide the Declared Values as though the property had not been Damaged,
 - iii) where a declaration of the Declared Value is not submitted to Underwriters an additional premium of 7.5% of the provisional premium shall become payable.

Notwithstanding any general indication or endorsement to the contrary the following wording shall replace Special Provisions 4 and 6 of the Reinstatement Conditions Clause.

4. Each item insured under this Extension is declared to be separately subject to the following conditions of average namely :-

If at the time of Damage the Declared Value of the property insured by such item be less than the cost of reinstatement (as defined in paragraph 1 of the Day One Basis Clause) at the inception of the Period of Insurance then the Underwriters liability for any Damage hereby insured shall be limited to that proportion thereof which the Declared Value bears to such cost of reinstatement.

6. Where by reason of any of the above Special Provisions no payment is to be made beyond the amount which would have been payable under the Certificate if this Extension had not been incorporated therein the rights and liabilities of Underwriters and the Assured in respect of the Damage shall be subject to the terms of the Certificate including any condition of average therein as if this Extension had not been incorporated therein except that the Sum(s) Insured shall be limited to 100% of the Declared Values.
5. In respect of each of the Columns subject to this Clause the figure(s) stated in brackets below the Sum(s) Insured represent the Declared Values as defined in paragraph 1 of this Clause.

DAY ONE BASIS (NON-ADJUSTABLE)

This clause applies only where the Sum Insured is marked **DON**

1. The Assured having stated in writing the Declared Value incorporated in each Column to which this Clause applies the premium has been calculated accordingly.

Declared Value shall mean the Assured's assessment of the cost of reinstatement of the Property Insured arrived at in accordance with paragraph (a) of the Reinstatement conditions Clause at the level of costs applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with insofar as the insurance by the column provides due allowance for :-

- i) the additional cost of reinstatement to comply with Public Authorities requirements.
- ii) Professional Fees.
- iii) Removal of Debris

2. At the inception of each Period of Insurance the Assured shall notify Underwriters of the Declared Value of the property insured by each of the said Columns. In the absence of such declaration the last amount declared by the Assured shall be taken as the Declared Value for the ensuing Period of Insurance.
3. Notwithstanding any general indication or endorsement to the contrary the following wording shall replace Special Provisions 4 and 6 of the Reinstatement Clause.
4. Each item insured under this Extension is declared to be separately subject to the following conditions of average namely :-

If at the time of Damage the Declared Value of the property insured by such item be less than the cost of reinstatement (as defined in paragraph 1 of the Day One Basis Clause) at the inception of the Period of Insurance then the Underwriters liability for any Damage hereby insured shall be limited to that proportion thereof which the Declared Value bears to such cost of reinstatement.

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6. Where by reason of any of the above Special Provisions no payment is to be made beyond the amount which would have been payable under the Specification if this Extension had not been incorporated therein the rights and liabilities of Underwriters and the Assured in respect of the Damage shall be subject to the terms of the Certificate including any condition of average therein as if this Extension had not been incorporated therein except that the Sum(s) Insured shall be limited to 100% of the Declared Values.
4. In respect of each of the Columns subject to this Clause the figure(s) stated in brackets below the Sum(s)

Insured represent the Declared Values as defined in paragraph 1 of this Clause.

EXTENSIONS AND OUTBUILDINGS

Except where specifically insured the Buildings and/or contents other than Stock of :-

- a) Small outside buildings annexes gangways and conveniences,
- b) extensions communicating with any of the Buildings,

are insured under Columns 1 and 2 applying to the Buildings to which such property belongs.

SPECIFICATION 2 PART (A)

This Specification insures :-

GROSS PROFIT

SUM INSURED : £

The insurance under this item is limited to loss of Gross Profit due to (a) **REDUCTION IN TURNOVER** and (b) **INCREASE IN COST OF WORKING** and the amount payable as indemnity thereunder shall be :-

- (a) **IN RESPECT OF REDUCTION IN TURNOVER** the sum produced by applying the rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the Damage fall short of the Standard Turnover.
- (b) **IN RESPECT OF INCREASE IN COST OF WORKING** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the 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.

less any sum saved during the Indemnity period in respect of such of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage.

provided that if the Sum Insured by this item be less than the sum produced by applying the rate of gross Profit to the Annual Turnover (or to a proportionately increased multiple thereof where the Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

Note 1: To the extent that the Assured is accountable to the tax authorities for Value Added Tax all terms in this Specification shall be exclusive of such tax.

Note 2: For the purpose of these definitions any adjustment implemented in current cost accounting shall be disregarded.

DEFINITION

Indemnity Period - The period beginning with the occurrence of the Damage and ending not later than the last day of the period specified as Indemnity Period (as shown in the Schedule) thereafter during which the results of the Business shall be affected in consequence of the Damage.

Turnover - The money paid or payable to the Assured for goods sold and delivered and for services rendered in course of the Business at the Premises.

Gross Profit - The amount by which :-

- 1) the sum of the amount of the Turnover and the amounts of the closing stock and work in progress shall exceed
- 2) the sum of the amounts of the opening stock and work in progress and the amount of the Specified
- 3)
- 4)
- 5) .

Note

The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with the Assured's normal accountancy methods due provision being made for depreciation

Specified Working Expenses (unless otherwise stated in the Certificate)

Purchases and discounts relative thereto
Bad Debts

The words and expressions used in the definition of Specified Working Expenses shall have the meaning usually

attached to them in the books and accounts of the Assured

Rate of Gross Profit - The rate of gross profit earned on the Turnover during the financial year immediately before the date of the Damage.

Annual Turnover - The Turnover during the twelve months immediately before the date of Damage.

Standard Turnover - The Turnover during that period in the twelve month's immediately before the date of the Damage which corresponds with the Indemnity Period.

to which such 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.

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SPECIFICATION 2 PART (B)

This Specification Insures :-

DECLARATION LINKED GROSS PROFIT

ESTIMATED GROSS PROFIT: £

The insurance under this item is limited to loss of Gross Profit due to (a) **REDUCTION IN TURNOVER** and (b) **INCREASE IN COST OF WORKING** and the amount payable as indemnity thereunder shall be :-

- (a) **IN RESPECT OF REDUCTION IN TURNOVER** the sum produced by applying the rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the Damage fall short of the Standard Turnover.
- (b) **IN RESPECT OF INCREASE IN COST OF WORKING** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the 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.

less any sum saved during the Indemnity period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of the Damage.

LIMIT OF LIABILITY

Notwithstanding anything herein contained to the contrary the liability of the Underwriters shall in no case exceed in respect of Gross Profit 133 1/3% of the Estimated Gross Profit stated herein or such other amounts as may be substituted therefor by memorandum signed by or on behalf of the Underwriters.

In the absence of written notice by the Assured or Underwriters to the contrary Underwriter's liability shall not stand reduced by amount of any Damage the Assured undertaking to pay the appropriate additional premium for such automatic reinstatement of insurance.

DEFINITIONS

Gross Profit - The amount by which the sum of the amount of the Turnover and the amounts of the closing stock and work in progress

shall exceed

the sum of the amounts of the opening stock and work in progress and the amount of the Specified Working Expenses.

- Note 1 The amount of the opening and closing stocks and works in progress shall be arrived at in accordance with the Assured's normal accountancy methods due provision being made for depreciation.
- Note 2 The words and expressions used in this definition shall have the meaning usually attached to them in the books of account of the Assured.
- Note 3 To the extent that the Assured is accountable to the tax authorities for Value Added Tax all terms of the specification shall be exclusive of such tax.

Estimated Gross Profit - The amount declared by the Assured to Underwriters as representing not less than the Gross Profit which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (or a proportionately increased multiple thereof where the Indemnity Period exceeds twelve months).

Turnover - The money paid or payable to the Assured for goods sold and delivered and for services rendered in course of the Business at the Premises.

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

Standard Turnover - The Turnover during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period.

Indemnity Period - The period beginning with the occurrence of the Damage and ending not later than the last day of the period specified as Indemnity Period (as shown in the Schedule) thereafter during which the results of the Business shall be affected in consequence of the Damage.

Specified Working Expenses (unless otherwise stated in the Certificate)

Purchases and discounts relative thereto
Bad Debts

The words and expressions used in the definition of Specified Working Expenses shall have the meaning usually attached to them in the books and accounts of the Assured

to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for valuations 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.

17a

SPECIFICATION 2 PART (C)

This Specification insures :-

GROSS RENTALS

SUM INSURED: £

The insurance under this item is limited to (a) **LOSS OF GROSS REVENUE** and (b) **INCREASE IN COST OF WORKING** and the amounts payable as indemnity thereunder shall be :-

- (a) **IN RESPECT OF LOSS OF GROSS REVENUE** the amount by which the Gross Revenue during the Indemnity Period shall in consequence of Damage fall short of the Standard Revenue.
- (b) **IN RESPECT OF INCREASE IN COST OF WORKING** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Revenue which but for the expenditure would have taken place during the indemnity Period in consequence of the Damage but not exceeding the amount of the reduction in Gross Revenue thereby avoided.

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

Provided that if the Sum Insured by this item be less than the Annual Revenue (or to a proportionately increased multiple thereof where the Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

DEFINITIONS

Gross Revenue - The money paid or payable to the Assured for work done and services rendered in the course of the Business.

Standard Revenue - The Gross Revenue during that period in the twelve months immediately before the date of the Damage which corresponds with the Indemnity Period

Annual Revenue - The Gross Revenue during the twelve months immediately before the date of the Damage.

to which such 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

Note To the extent that the Assured is accountable to the tax authorities for Value Added Tax all terms to this Specification shall be exclusive of such tax.

Indemnity Period - The period beginning with the occurrence of the Damage and ending not later than the last day of the period specified as Indemnity Period (as shown in the Schedule) thereafter during which the results of the Business shall be affected in consequence of the Damage.

SPECIFICATION 2 PART (E)

This Specification insures :-

ADVANCE PROFITS

SUM INSURED: £

The insurance under this item is limited to loss of Gross Profit due to (a) **REDUCTION IN TURNOVER** and (b) **INCREASE IN COST OF WORKING** and the amount payable as indemnity thereunder shall be :-

- (a) **IN RESPECT OF REDUCTION IN TURNOVER** the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall in consequence of the Damage fall short of the Standard Turnover.
- (b) **IN RESPECT OF INCREASE IN COST OF WORKING** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the 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.

less any sum saved during the Indemnity period in respect of such of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage.

Provided that if the Sum Insured by this item be less than the sum produced by applying of Gross Profit to the Comparative Turnover (or to a proportionately increased multiple thereof where the Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

DEFINITIONS

Gross Profit - The amount by which the sum of the Turnover and the amount of Closing Stock and Work in Progress

shall exceed

the sum of the amount of the Opening Stock and Work in Progress and the amount of the Uninsured

.

Note: The amount of the Opening and Closing Stocks and Work in Progress shall be arrived at in accordance with the Assured's normal accountancy methods, due provision being made for depreciation.

Specified Working Expenses (unless otherwise stated in Certificate)

Purchases and discounts relative thereto.

Bad Debts

The words and expressions used in the definition of Specified Working Expenses shall have the meaning usually attached to them in the books and accounts of the Assured

Note: The words and expressions used in the definitions in the Uninsured Working Expenses shall have the meaning usually attached to them in the books and accounts of the Assured

Turnover - The money paid or payable to the Assured for goods sold and delivered and for services rendered in course of the Business of the Assured.

Rate of Gross Profit - The Rate of Gross Profit which but for the Damage would have been earned during the Indemnity Period

Comparative Turnover - The Turnover which but for the Damage would have been earned during the period specified in the Schedule under Indemnity

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period immediately following the date on which Turnover would have commenced to be earned

Standard Turnover - The Turnover which but for the damage would have been earned during the Indemnity Period

based upon the estimated production programme of the Business and costs and prices relating thereto to which adjustments shall be made as may be necessary to provide for the trend of the Business and for variations in or special 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.

Indemnity Period - The period beginning with the date upon which but for the Damage Turnover would have commenced to be earned and ending not later than the last day of the period specified in the Schedule as Indemnity Period during which the results of the Business shall be affected in consequence of the Damage.

17a

SPECIFICATION 2 PART (F)

This Specification insures :-

GROSS FEES AND AUDITORS CHARGES SUM INSURED: £

The Insurance under this item is limited to (a) **LOSS OF GROSS FEES** (b) **INCREASE IN COST OF WORKING** and (c) **AUDITORS CHARGES** and the amount payable as indemnity thereunder shall be:

- (a) **IN RESPECT OF LOSS OF GROSS FEES** the amount by which the Gross Fees earned during the Indemnity Period shall in consequence of the Damage fall short of the Standard Gross Fees.
- (b) **IN RESPECT OF INCREASE IN COST OF WORKING** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Gross Fees, which but for the expenditure would have taken place during the indemnity Period in consequence of the Damage but not exceeding the reduction in Gross Fees thereby avoided.

less any sum saved during the Indemnity Period in respect of such of the working expenses and standing charges of the Business as may cease or be reduced in consequence of the Damage.

Provided that if the sum Insured by this item be less than the Annual Gross Fees the amount payable shall be proportionately reduced.

- (c) **IN RESPECT OF AUDITORS CHARGES** the reasonable charges payable by the Assured to the Auditors for producing and certifying any particulars or details contained in the Assured's books of account or other business books or documents or such other proofs, information or evidence as may be required by the Underwriters in connection with a claim under this Insurance.

DEFINITIONS

Gross Fees - The money paid or payable to the Assured for services rendered and expenses incurred in the course of the Business at the Premises.

Indemnity Period - The period beginning with the occurrence of the Damage and ending not later than the last day of the period specified as Indemnity Period (as shown in the Schedule) thereafter during which the results of the Business shall be affected in consequence of the Damage.

Standard Gross Fees - The Gross Fees during the period in the twelve months immediately before the date of the Damage which corresponds with Indemnity Period

Annual Gross Fees - the Gross Fees during the twelve months immediately before the date of the Damage.

to which such 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.

SPECIFICATION 2 CLAUSES

ACCUMULATED STOCKS - applying to Parts (A) and (B) only

In adjusting any loss, account shall be taken and equitable allowance made if any shortage in Turnover due to the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks of finished goods.

DENIAL OF ACCESS

Subject to the terms conditions and exclusions of the Certificate loss due to interruption of or interference with the Business in consequence of :-

- a) Premises owned, hired, leased or used by the Assured :-
 - i) being closed (in whole or part) or rendered unusable by a competent authority,
 - ii) not having free or unhindered access thereto for members of the public or trade vehicles, for any reason, other than resulting from strike action or picketing,
- b) Damage to property in the vicinity of the Assured's Premises which shall prevent or hinder the use of the Premises or access thereto, whether the Premises or property of the Assured therein shall be damaged or not,

shall be deemed to be loss resulting from Damage to property used by the Assured for the purposes of the Business.

The term Premises shall include premises which the Assured are due to occupy (in whole or part).

SALVAGE SALE - applying to Parts (A) and (B) only

If following Damage giving rise to a claim under this Specification the Assured shall hold a salvage sale during the indemnity Period clause (a) of the item on Gross Profit shall for the purposes of such claim read as follows:-

- (a) **IN RESPECT OF REDUCTION IN TURNOVER.** The sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity period (less the turnover for the period of the salvage sale) shall in consequence of the Damage fall short of the Standard Turnover from which sum shall be deducted the Gross Profit actually earned during the period of the salvage sale.

RENEWAL (DECLARATION LINKED GROSS PROFIT) - applying to Part (B) only

The Assured shall prior to each renewal furnish Underwriters with the Estimated Gross Profit for the financial year most nearly concurrent with the ensuing year of insurance.

EXTENSIONS

Interruption of or interference with the Business in consequence of Damage to :-

property of the Assured whilst stored anywhere in the United Kingdom elsewhere than at the Premises

shall be deemed to have resulted from Damage to property at the Premises provided that the Underwriter's liability after the application of all the terms and conditions of the Certificate shall not exceed under this Extension :-

10% of the total of the Sum(s) Insured or £250,000. whichever is the lessor,

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ALTERNATIVE TRADING CLAUSE - applying to Parts (A) and (B) only

If during the Indemnity period goods shall be sold or services shall be rendered elsewhere than at the Premises for the benefit of the Business either by the Assured or by others on their behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the turnover during the Indemnity Period.

PROFESSIONAL ACCOUNTANTS CLAUSE

Any particulars or details contained in the Assured's books of account or other business books or documents which may be required by Underwriters under the Claims Condition of this Certificate for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for the Assured and their report shall be prima facie evidence of the particulars and details to which such report relates.

Underwriters will pay to the Assured the reasonable charges payable by the Assured to their professional accountants for such particulars or details or any other proofs information or evidence as may be required by the Underwriters under the terms of the Claims Condition of this Certificate and reporting that such particulars or details are in accordance with the Assured's books of account or other business books or documents.

Provided that the sum of the amount payable under this Clause and the amount otherwise payable under the Certificate shall in no case exceed the Sum Insured.

PROVISIONAL PREMIUM CLAUSE - This clause applies only where the Sum Insured is marked '**PP**'

The first and annual premiums are provisional being 75% of the premiums payable at the commencement of the Period of Insurance with the balance of 25% to be paid within six months of the expiry of that period except that :-

- i) in respect of any item(s) on gross Profit the premium paid shall be adjusted on receipt by Underwriters of a declaration of gross Profit earned during the financial year most nearly concurrent with such Period of Insurance, as reported by the Assured's auditors.
- ii) if any Damage shall have occurred giving rise to a claim for loss of Gross Profit the above mentioned declaration shall be increased by Underwriters for the purpose of premium adjustment by the amount by which Gross Profit was reduced during the financial year solely in consequence of the Damage,
- iii) if the declaration (adjusted as provided for the above and proportionately increased where the maximum Indemnity Period exceeds twelve months) :-
 - a) is less than 75% of the Sum Insured on Gross Profit or Estimated Gross Profit for the relative period. Underwriters will allow a pro rata return of premium not exceeding 33. % of provisional premium paid.
 - b) is greater than 75% of the Sum Insured on Gross Profit or the Estimated Gross Profit for the relative period, the Assured shall pay a pro rata additional premium not exceeding 33. % of the provisional premium paid.

In the event that no declaration is received within six months of the expiry of such period of Insurance the balance of 25% shall be paid.

DEPARTMENTAL CLAUSE

If the Business be conducted in departments the independent trading results of which are ascertainable, the provisions of clauses a) and b) of the item of Gross Profit shall apply separately to each department affected by the Damage except that if the Sum Insured by the said item be less than the aggregate of the sums produced by applying the rate of Gross Profit for each department of the Business (whether affected by the Damage or not) to the relative Annual Turnover (or to a proportionately increased multiple thereof where the Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

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PAYMENTS ON ACCOUNT CLAUSE

Payments on account may be made during the Indemnity Period of desired.

REFUND OF PREMIUM CLAUSE - This clause applies only where the Sum Insured is marked '**ROP**'

The premium paid hereon may be adjusted on receipt by Underwriters of a declaration of Gross Profit earned during the financial year most nearly concurrent with the Period of Insurance as reported by the Assured's auditors.

If any Damage shall have occurred giving rise to a claim for loss of Gross Profit the above mentioned declaration shall be increased by Underwriters for the purpose of a premium adjustment by the amount by which the Gross Profit was reduced during the financial year solely in consequence of the Damage.

If the declaration (adjusted as provided for above and proportionately increased where the Indemnity Period exceeds twelve months) is less than the Sum Insured on gross Profit for the relative Period of Insurance Underwriters will allow a pro rata return premium not exceeding 50% of the premium paid.

SUPPLIERS AND CUSTOMERS

Subject to the terms, conditions and exclusions of the Certificate loss resulting from interruption of or interference with the Business in consequence of Damage to property :-

- a) of suppliers, manufacturers or processors of components, goods, materials, suppliers or services or other facilities, and their suppliers;
- b) of customers;
- c) whilst in transit by road, rail or inland waterway;

anywhere in the World due to the Insured Events insured by this Specification shall be deemed to be loss resulting from Damage to property of the Assured.

STILLAGE

This insurance does not insure against Damage to property stored in the Premises less than 100 mm off the floor.

DEDUCTIBLE

The Assured shall bear at his own risk and uninsured the first amount of each and every loss stated on the Schedule as deductible.

SPECIFICATION 3

This Specification insures :-

OUTSTANDING DEBIT BALANCES SUM INSURED: £

The Insurance under this item payable in respect of Damage shall not exceed :-

- i) the difference between :-
 - a) the Outstanding Debit Balances
and
 - b) the total of the amounts received or traced in respect thereof.
- ii) the additional expenditure incurred with the previous consent of Underwriters in tracing and establishing Outstanding Debit Balances after the Damage.

DEFINITION

Outstanding Debit Balances

The total declared in the statement last given under the provisions of the Declaration Condition adjusted for:-

- a) Bad Debts.
- b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the Damage) to customers' accounts in the period between the date to which said last statement relates and the date of the Damage and
- c) any abnormal condition of trade which had or could have had a material effect on the Business,

so that the figures thus adjusted shall represent as nearly as may be reasonably practicable those which would have been obtained had the Damage not occurred.

CONDITIONS

Declarations

The Assured shall within thirty days of the end of each month deposit with Underwriters a signed statement showing the total amount outstanding in customers' accounts as set out in the Assured's accounts as at the end of the said month.

On the expiry of each Period of insurance the actual premium shall be calculated at the rate per cent per annum on the average amount insured i.e. the total of the sums declared divided by the number of declarations if the actual premium be less than the first premium (or in the case of the second and subsequent period of insurance the renewal premium) the difference shall be repaid to the Assured but such repayment shall not exceed one half of the first or renewal premium respectively.

If the amount of a declaration exceeds the Sum Insured at the date of such declaration then for the purposes of this condition only the Assured shall be deemed to have declared such Sum Insured.

In consideration of the insurance not being reduced by the amount of loss the Assured shall pay the appropriate extra premium on the amount of the loss from the date thereof to the date of the expiry of the Period of Insurance.

Average (Book Debts)

If the Sum Insured be less than the Outstanding Debit Balances the amount payable shall be proportionately reduced.

GENERAL CLAUSES - applying to whole Certificate

AUTOMATIC ACQUISITIONS CLAUSE

It is understood and agreed that this Certificate is automatically extended to insure additional property and interests as described in this Certificate, which may be acquired or otherwise become at the risk of the Assured during the term of this Certificate within the territorial limits stated herein, subject to the values at the time not exceeding 20% of the Sum(s) Insured and subject to the values for such additional property and/or interests being reported and payment being made of appropriate additional premium.

In the event of insurance being required for additional property and/or interests where the values at the time

exceed 20% of the Sum(s) Insured, details of said property and/or interests are to be provided to Underwriters for their consideration not later than thirty days from the date the said additional property and/or interest have become at the risk of the Assured, this Certificate providing insurance automatically for such period of time.

AUTOMATIC REINSTATEMENT OF SUM(S) INSURED

In consideration of this Insurance not being reduced by the amount of any Damage by any Insured Event the Assured shall pay an additional premium at the appropriate rate(s) on the amount of the Damage from the date thereof to the date of expiry of the Period of Insurance.

OTHER INTERESTS

Various parties may from time to time have an interest in this insurance and the Assured undertake to declare the names of such interested parties to Underwriters prior to settlement of any claim hereunder.

SALVAGE AND RECOVERIES

All salvage, recoveries and payments recovered or received subsequent to a loss settlement under this Insurance shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be may by the parties hereto.

VACANCY OR UNOCCUPANCY

If any Premises belonging to or occupied by the Assured shall become or be likely to become vacant or unoccupied for a period of greater than ninety days, Underwriters shall be advised within ten days of this eventuality coming to the knowledge of the Assured.

WAIVER OF SUBROGATION

It is understood and agreed that this insurance shall not be invalidated should the Assured waive in writing, prior to Damage affected thereby, any or all rights of recovery against any party for loss or damage to the property described herein. Underwriters expressly waive subrogation against any subsidiary or parent company of the Assured.

WORKMEN

Workmen are allowed on the Premises for the purpose of effecting repairs and minor structural and other alterations and also for general maintenance purposes and the like without prejudice to this Insurance.

NON-INVALIDATION CLAUSE

This Certificate shall not be invalidated by any act or omission or by any alteration whereby the risk of Damage is increased, unknown to or beyond the control of the Assured that the Assured, immediately they become aware thereof, shall give notice to the Underwriters and pay an additional premium if required.

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FREEHOLDERS AND LESSORS AND MORTGAGEES

The interest of the freeholder or lessor or mortgagee in this Insurance shall not be prejudiced by any act or neglect of the leaseholder or lessee or mortgagor or occupier of any Building insured whereby the risk of Damage is increased without the authority or knowledge of the freeholder or lessor or mortgagee provided the freeholder or lessor or Mortgagee shall immediately on becoming aware thereof give notice in writing to Underwriters and on demand pay such reasonable additional premium as the Underwriters may require.

DIFFERENCE IN CONDITIONS

This Certificate is not to apply as contributing insurance in respect of any loss arising from perils insured under

specific insurances except as expressly provided for herein.

If at the time of Damage insured hereunder, there is any other insurance in force which would have attached if this Certificate had not been affected, then this Certificate shall apply only as excess of the amount payable by such insurance.

CONDITIONS

Conditions 1 - 5 apply to the whole Certificate

1. Identification

The Certificate Schedule and the Specifications annexed (which form an integral part of this Certificate) shall be read together as one contract and words and expressions to which specific meanings have been attached in any part of this Certificate or of the Schedule shall bear such specific meanings wherever they may appear.

2. **Certificate Voidable**

This Certificate shall be voidable in the event of misrepresentation, misdescription or non-disclosure in any material particular.

3. **Fraud**

If any claim be in any respect fraudulent or if any fraudulent means or devices be used by the Assured or anyone acting on their behalf to obtain any benefit under this Certificate or if any Damage be occasioned by the wilful act or with the connivance of the Assured, all benefit under this Certificate shall be forfeited.

4. **Subrogation**

Any claimant under this Certificate shall at the request and at the expense of Underwriters do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by Underwriters for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which Underwriters shall be or would become entitled or subrogated upon their paying for or making good any loss under this Certificate, whether such acts and things shall be or become necessary or required before or after indemnification by Underwriters.

5. **Arbitration**

If any difference shall arise as to the amounts to be paid under this Certificate (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with the statutory provisions in that behalf for the time being in force. 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 Underwriters.

Conditions 6 - 12 apply to Specification 1

6. **Alteration**

This Specification shall be avoided with respect to any item thereof in regard to which there be any alteration after the commencement of this insurance :-

- i) by removal, or
 - ii) whereby the risk of Damage is increased, or
 - iii) whereby the interest of the Assured ceases except by will or operation of law,
- unless such alteration be admitted by memorandum signed by or on behalf of Underwriters.

7. **Reasonable Precautions**

The Assured shall take all reasonable precautions to prevent Damage.

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8. **Claims**

- a) On the happening of any Damage the Assured shall forthwith give notice thereof in writing to Underwriters.
- b) In respect of Damage caused by Theft or malicious persons it is a condition precedent to any claim that immediate notice of the Damage shall have been given by the Assured to the police authority.
- c) The Assured shall within thirty days after any Damage (seven days in the case of Damage caused by riot, civil commotion, strikes, locked-out workers or persons taking part in labour disturbances or malicious persons) or such further time as Underwriters may in writing allow at the expense of the Assured deliver to Underwriters a claim in writing containing as particular an account as may be reasonably practicable of the several articles or portions of property damaged and of the amount of Damage thereto respectively having regard to their value at the time of the

Damage together with details of any other insurances on any property hereby insured. The Assured shall also give to Underwriters all such proofs and information with respect to the claim as may reasonably be required together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith. No claim under this Certificate shall be payable unless the terms of this condition have been complied with.

9. **Reinstatement**

If Underwriters elect or become bound to reinstate or replace any property, the Assured shall at the expense of the Assured produce and give to Underwriters all such plans, documents, books and information as Underwriters may reasonably require. Underwriters shall not be bound to reinstate 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.

10. **Rights of Underwriters**

On the happening of any Damage in respect of which a claim is or may be made under this Specification. Underwriters and every person authorised by Underwriters may without thereby incurring any liability and without diminishing the right of Underwriters to reply upon any condition of this Certificate enter take or keep possession of the building or Premises where the Damage has happened and may take possession of or require to be delivered to them any of the property hereby insured and may keep possession of an deal with such property for all reasonable purposes and in any reasonable manner.

This condition shall be evidence of the leave and license of the Assured to Underwriters so to do. If the Assured or anyone acting on behalf of the Assured shall not comply with the requirements of Underwriters or shall hinder or obstruct Underwriters in doing any of the above mentioned acts then all benefit under this Specification shall be forfeited. The Assured shall not in any case be entitled to abandon any property to Underwriters whether taken possession of by Underwriters or not.

11. **Contribution and Average**

If at the time of any Damage resulting in a loss under this Specification there be any other insurance effected by or on behalf of the Assured covering such loss or any part of it, the liability of Underwriters hereunder shall be limited to their rateable proportion of such loss. If any such other insurance shall be subject to any condition of average, this Specification if not already subject to any condition of average shall be subject to average in like manner.

If any other insurance effected by or on behalf of the Assured is expressed to cover any of the property hereby insured but is subject to any provision whereby it is excluded from ranking concurrently with this Specification either in whole or in part or from contributing rateably to the loss, the liability of

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Underwriters hereunder shall be limited to such proportion of the loss as the sum hereby insured bears to the value of the property.

12. **Warranties**

Every warranty to which the property insured or any item thereof is or may be made subject, shall from the time the warranty attaches apply and continue to be in force during the whole currency of this Specification and non-compliance with any such warranty whether it increases the risk or not shall be a bar to any claim in respect of such property or item provided that whenever this Specification is renewed a claim in respect of Damage occurring during the renewal period shall not be barred by reason of a warranty not having been complied with at any time before the commencement of such period.

Conditions 12 - 15 apply to Specifications 2 and 3

13. **Alteration**

These Specifications shall be avoided if :

- a) the Business be wound up or carried on by a liquidator or receiver or permanently discontinued, or
- b) the Assured's interest ceases otherwise than by death, or
- c) any alteration be made either in the Business or in the Premises or property therein whereby the risk of Damage is increased.

as any time after the commencement of this insurance, unless its continuance be admitted by memorandum signed by or on behalf of Underwriters.

14. **Claims**

- a) On the happening of any Damage in consequence of which a claim is or may be made under these Specifications, the Assured shall forthwith give notice thereof in writing to Underwriters.
- b) In respect of Damage caused by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances or malicious persons the Assured shall furnish Underwriters with full details of such Damage within seven days of its happening.
- c) The Assured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss and in the event of a claim being made under these Specifications, shall not later than thirty days after the Damage in respect of Specification 3 or the expiry of the indemnity Period in respect of Specification 2 or within such further time as Underwriters may in writing allow, at their own expense deliver to Underwriters in writing a statement setting forth particulars of their claim together with details of all other insurances insuring the Damage or any part of it or consequential loss of any kind resulting therefrom. The Assured shall at their own expense also produce and furnish to Underwriters such books of account and other business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence as may reasonably be required by Underwriters for the purpose of investigating or verifying the claim together with (if demanded) a statutory declaration of the truth of the claim and of any matters connected therewith. No claim under those Specifications shall be payable unless the terms of this condition have been complied with and in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to Underwriters forthwith.

15. **Contribution**

If at the time of the Damage resulting in a loss under these Specifications there be any other insurance effected by or on behalf of the Assured covering such loss or any part of it the liability of Underwriters hereunder shall be limited to their rateable proportion.

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GENERAL EXCLUSIONS

This Certificate does not insure against :-

- 1) Damage or Consequential Loss attributable solely to change in the water table level.

This exclusion does not apply to Extension of insurance (B) - Personal Injury (Robbery)

- 2) Damage or Consequential Loss caused by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

but this shall not exclude subsequent Damage or Consequential Loss resulting from an ensuing cause which is not otherwise excluded.

This exclusion does not apply to Extension of insurance (B) - Personal Injury (Robbery)

- 3) Damage or Consequential Loss directly or indirectly occasioned by or happening through or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or nationalisation, confiscation, requisition, seizure or destruction by any government or any public or local authority.

This exclusion does not apply to Extension of insurance (B) - Personal Injury (Robbery)

- 4) 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 : -
- i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel,
 - ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

This exclusion does not apply to Extension of insurance (B) - Personal Injury (Robbery)

- 5) Damage in NORTHERN IRELAND or Consequential Loss resulting therefrom occasioned by or happening through :-
- i) riot, civil commotion and (except in respect of Damage by fire or explosion), strikers, locked-out workers or persons taking part in labour disturbances or malicious persons,
 - ii) any unlawful, wanton or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any lawful association,

For the purpose of this exclusion -

"**unlawful association**" mean any organisation which is engaged in terrorism and includes an organisation which at any relevant time is a proscribed organisation within the meaning of the Northern Ireland (Emergency Provisions) Act, 1973.

"**terrorism**" means the use of violence for political ends and includes any use of violence for the purpose of putting the public or any section of the public in fear.

In any action, suit or other proceedings where the Underwriters allege that by reason of the provision of this exclusion any Damage or Consequential Loss is not covered by this Certificate the burden of proving that such Damage or Consequential Loss is covered shall be upon the Assured.

This exclusion does not apply to Extension of insurance (B) - Personal Injury (Robbery)

6. In respect of Specification 1 only Damage to property which at the time of the happening of such Damage is insured by or would but for the existence of this Certificate be insured by any marine policy or policies in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this Insurance not been effected.

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This exclusion does not apply to Extension of insurance (B) - Personal Injury (Robbery)

7. Damage caused by pollution or contamination except (unless otherwise excluded) to the property insured caused by : -
- (i) pollution or contamination which itself results from fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikes, locked-out workers, persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, bursting, overflowing, discharging or leaking of water tanks, apparatus or pipes, sprinkler leakage or impact by any road vehicle or animal,
 - (ii) any of the perils limits in (i) above which itself results from pollution or contamination.

This exclusion does not apply to Extension of insurance (B) - Personal Injury (Robbery)

ENDORSEMENT attaching to and forming part of Certificate No:

COMBINED PROPERTY DAMAGE & BUSINESS INTERRUPTION

It is understood and agreed that the following Clause is added to SPECIFICATION 2 CLAUSES:

PUBLIC UTILITIES

Subject to the terms, conditions and exclusions of this Certificate, loss as insured by this Certificate resulting from interruption of or interference with the Business in consequence of Damage (as defined in this Certificate) to property at any

electricity station or sub-station, gas works or water works of the public supply undertaking from which the Assured obtains electric current, gas or water shall be deemed to be loss resulting from Damage to property used by the Assured at the Premises

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