

The Contract of Insurance

This is to certify that the **Insured** having made to the **Underwriters** a **Proposal** which shall be the basis of this contract and in consideration of the payment by the **Insured** of the premium specified in the **Schedule** in accordance with the written authority (which number is shown in the **Schedule**) allows your broker or insurance advisor to sign and issue this certificate on behalf of **Underwriters** whose syndicate numbers are given in the authority and said **Underwriters** are hereby bound each for his own part and not one for another their Heirs Executors and Administrators to indemnify the **Insured** to the extent and in the manner detailed herein or endorsed hereon during the **Period of Insurance** subject to the terms Exceptions and Conditions contained herein or endorsed hereon.

For and on behalf of **Underwriters**:

Signed: _____
Authorised Signatory

Print: _____

Date: _____

IMPORTANT

This Certificate is a legal contract and it is important that you examine it carefully to make sure that it meets your requirements. If it does not, or your requirements change, please let us know right away. You are reminded of the need to tell us immediately of any facts or changes which we would take into account in our assessment or acceptance of this insurance as failure to disclose all relevant facts may invalidate the certificate, or may result in the certificate not operating fully.

Policy Definitions

Wherever the following words and phrases appear in the **Policy** they will always have the same meaning

Annual Gross Rentals

The **Gross Rentals** during the twelve months immediately before the date of the **Damage**.

Building(s)

The building(s) situate at the address(es) specified in the **Schedule** which include;

- a) Landlord's Fixtures and Fittings
- b) annexes, gangways, outbuildings and extensions
- c) walls, gates and fences
- d) yards, car parks, roads and pavements

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

The term Landlord's Fixtures and Fittings means those fixtures and fittings which form a permanent part of the structure including;

- i) additional structural fixtures and fittings which were not part of the original structure
- ii) central heating systems
- iii) sanitary fittings.

Business

The ownership by the **Insured** of the **Property Insured** including;

- a) maintenance, occupation or use of the **Property Insured** by the **Insured**
- b) the provision and management of canteen, sports, social or welfare organisations for the benefit of **Employees** and fire, security, first aid, medical and ambulance services
- c) private work undertaken with the prior consent of the **Insured** by **Employees** for any director or senior official of the **Insured**.

Computer Virus

A set of corrupting harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code programmatic or otherwise that propagate themselves through a computer system or network of whatsoever nature. **Computer Virus** includes but is not limited to "Trojan Horses" "worms" and "time or logic bombs".

Damage(d)

Accidental loss or destruction of or damage to the **Property Insured**.

Defined Peril

The words **Defined Peril** shall mean fire, lightning, explosion, aircraft, or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons, theft, earthquake, storm, flood, overflowing or leaking of any sprinkler apparatus, escape of water from any tank apparatus or pipe, impact by any road vehicle or animal, falling trees branches and falling aerials.

Electronic Data

Facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Employee(s)

- a) Any person under a contract of service or apprenticeship with the **Insured**
- b) Any person who is hired to or borrowed by the **Insured**
- c) Any person engaged in connection with a work experience or training scheme
- d) Any labour master or person supplied by him
- e) Any person engaged by labour-only sub-contractors
- f) Any self-employed person working on a labour only basis under the control or supervision of the **Insured**.

Excess

The first part of each and every loss which the **Insured** must bear after the application of any condition of average.

Glass

All fixed plain sheet or plain Glass in windows, doors, fanlights, skylights, partitions, furniture, display and show cases, counters or shelves or mirrored Glass fixed hand basins, lavatory bowls, bidets, shower trays and baths including lettering, embossing, beading, silvering or ornamental work at the **Premises** stated in the **Schedule**.

Policy Definitions continued

Gross Rentals

The money paid or payable to the **Insured** for tenancies and other charges and for services rendered 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 number of months thereafter stated in the **Schedule** during which the results of the **Business** shall be affected in consequence of the **Damage**.

Injury

Bodily injury, death, disease, illness or nervous shock.

Insured(s)

The firm, company or individual named in the **Schedule**.

Landlords Contents

Contents of common parts, furniture, furnishings, fitted carpets, domestic appliances and fixtures and fittings all belonging to the **Insured** or for which the **Insured** is responsible whilst contained in the **Buildings** insured by this section excluding:-

- a) Landlord's Fixtures and Fittings
- b) Stock and materials in trade
- c) Property more specifically insured.

Offshore

From the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform.

Outstanding Debit Balances

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

Period of Insurance

Any period for which the **Underwriters** may accept payment of a premium in respect of this **Policy**.

Policy

The entirety of the **Policy** of insurance specified in the **Schedule** and/or contained in any and all endorsements or amendments forming part of the **Policy** (whether or not such endorsements or amendments are agreed prior to the **Policy** of insurance coming into force or at any time thereafter). All references to the terms of this **Policy** shall be construed as references to the entire **Policy**, including all terms conditions exclusions **Sums Insured** excesses deductibles limits **Schedules** endorsements amendments and any other written contractual provisions that form part of the **Policy**.

Premises

The Address(es) specified in the **Schedule**.

Property Insured

The **Buildings**, Landlord's Fixtures and Fittings and Landlords Contents at the **Premises**, all as defined in these Definitions, if and to the extent they are included as **Property Insured** in the **Schedule**.

Proposal

The signed Proposal form Statement of Fact or any additional information supplied to the **Underwriters** by or on behalf of the **Insured**.

Schedule(s)

The **Schedule** specifying the terms and extent of this **Policy**.

Standard Gross Rentals

The Gross Rentals during the period in the twelve months immediately before the date of the **Damage** which corresponds with the **Indemnity Period**.

Under the Definitions **Annual Gross Rentals** and **Standard Gross Rentals** 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**.

Policy Definitions continued

Sum Insured/Limit of Indemnity

The sum or limit specified in the **Schedule** as applying to the relevant Section of this **Policy** or items insured.

Territorial Limits

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

Underwriters

Certain Underwriters at Lloyd's.

Unlawful Association

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 Terrorism Act 2000 or any similar legislation.

Unoccupied

When the **Premises** are closed for **Business** for a period in excess of seven consecutive days.

Section 1 - Buildings

In the event of the **Property Insured** suffering **Damage** by any **Defined Peril** during the **Period of Insurance**, the **Underwriters** will pay the amount of the **Damage** or at its option replace or repair such **Damage**.

The liability of the **Underwriters** will not exceed the value of the property at the time of the **Damage** or the cost of the **Damage**. The maximum amount payable will not exceed the individual **Sum Insured** stated in the **Schedule** or specification attached thereto in any one **Period of Insurance**.

At the inception of each **Period of Insurance** the **Insured** shall notify the **Underwriters** of the **Sum Insured** of the **Property Insured** by each of the said item(s). In the absence of such declaration the last amount declared by the **Insured** shall be taken as the **Sum Insured** for the ensuing **Period of Insurance**.

If at the time of **Damage** the **Sum Insured** of the property covered by such item be less than the cost of reinstatement at the inception of the **Period of Insurance** then the **Underwriters** liability for any **Damage** shall not exceed that proportion thereof which the **Sum Insured** bears to such cost of reinstatement.

The liability of the **Underwriters** for the repair or restoration of property **Damaged** in part only shall not exceed the amount which would have been payable had such property been wholly destroyed.

No payment beyond the amount which would have been payable in the absence of this Condition shall be made;

- a) unless reinstatement commences and proceeds without unreasonable delay
- b) until the cost of reinstatement shall have been actually incurred
- c) if the **Property Insured** at the time of its loss destruction or **Damage** shall be insured by any other insurance effected by or on behalf of the **Insured** which is not upon the same basis of reinstatement.

All the terms and conditions of this **Policy** shall apply in respect of any claim payable under the provisions of this clause except insofar as they are varied hereby.

Where by reason of;

- a) any of the above Conditions no payment is to be made beyond the amount which would have been payable under this Section if this Condition had not been incorporated therein or
- b) the **Insured** elect not to rebuild the **Property Insured** in a condition equal to but not better or more extensive than its condition when new then the provisions of this clause are cancelled and the rights and liabilities of the **Underwriters** and the **Insured** in respect of the **Damage** shall be subject to the terms and conditions of the **Policy** including the following Condition of Average:
The insurance by each item of this Section is declared to be subject to Average i.e. if the property covered shall at the breaking out of any **Damage** insured hereby be collectively of greater value than 125% of the **Sum Insured** stated in the **Schedule** then the **Insured** shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly.

This Section does not cover the amount of the **Excess** stated in the **Schedule**.

Additional Metered Water Charges

Additional metered water charges incurred by the **Insured** as a result of **Damage** except those in respect of any loss which has not been discovered and remedial action taken within thirty days of the occurrence of the **Damage** provided that the maximum amount payable under this Extension in any one **Period of Insurance** shall not exceed GBP 5,000.

Alternative Residential Accommodation

If as a result of **Damage** the residential portions of the property are unfit to live in or access is denied the **Underwriters** will pay insofar as they are not otherwise insured;

- a) the costs of reasonable alternative accommodation and the temporary storage of residents furniture
- b) the cost of reasonable accommodation in kennels or catteries for residents' dogs and cats

Provided the liability of the **Underwriters** under this Extension shall not exceed 20% of the **Sum Insured** on the **Property Insured** which has been **Damaged**.

Architects Surveyors Legal and Consulting Engineers Fees

An amount in respect of architects surveyors legal and consulting engineers fees necessarily incurred in the reinstatement or repair of the **Property Insured** consequent upon its **Damage** but not for preparing any claim it being understood that the amount payable for such destruction or **Damage** and fees shall not exceed in the aggregate the **Sum Insured**.

Section 1 – Buildings continued

Book Debts

In the event of loss, destruction of, or **Damage** to, the **Insureds** books of account or other **Business** books or records at the **Premises** during the **Period of Insurance** by any Cover insured hereby (loss, destruction or **Damage** so caused being hereinafter termed **Damage**) and the **Insured** be in consequence thereof unable to trace or establish the **Outstanding Debit Balances** in whole or in part due to them then the **Underwriters** will pay to the **Insured** the amount of loss resulting from such **Damage** in accordance with the provisions herein contained.

Provided that the liability of **Underwriters** shall not exceed:

the Total **Sum Insured** stated in the **Schedule** at the time of the **Damage**

the **Sum Insured** remaining after deduction for any other **Damage** during the same **Period of Insurance**, unless the **Underwriters** shall have agreed to reinstate any such **Sum Insured**.

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

- 1) the difference between:
 - a) **Outstanding Debit Balances** and
 - b) the total of the amounts received or traced in respect thereof
- 2) the additional expenditure incurred with the previous consent of the **Underwriters** in tracing and establishing Customers' debit balances after the **Damage** provided that if the **Sum Insured** by this Item be less than the **Outstanding Debit Balances** the amount payable shall be proportionately reduced.

The **Underwriters** will pay the reasonable charges payable by the **Insured** to their Professional Accountants for producing any particulars or details or any other proofs, information or evidence as may be required by the **Underwriters** under the terms of this **Policy** and reporting that such particulars or details are in accordance with the **Insureds** books of account or other **Business** books or documents provided that the sum of the amount payable under this clause and that amount otherwise payable under this Section shall in no case exceed the Total **Sum Insured** hereby.

Capital Additions

Subject to its terms and conditions;

- a) any newly acquired and/or newly erected buildings or buildings in course of erection (excluding any property for which a building contractor is responsible) insofar as the same are not otherwise insured
and
- b) alterations additions and improvements to buildings but not in respect of any appreciation in value

anywhere in the United Kingdom provided that;

- i) at any one situation this cover shall not exceed GBP 500,000 of the **Sum Insured** by this Section but in no case exceeding GBP 1,000,000
- ii) the **Insured** undertake to give particulars of such extension of cover as soon as practicable and in any event within 6 months of any newly acquired and/or newly erected buildings or alterations additions and improvements to buildings and to effect specific insurance thereon retrospective to the date of the commencement of the **Underwriters** liability
- iii) the provisions of this extension shall be fully maintained notwithstanding any specific insurance effected under (ii) above.

Damage to Landscaped Gardens

The cost of restoring any **Damage** to landscaped gardens including trees by the Emergency Services in attending the **Premises** as a result of **Damage** insured by this Section provided that the maximum amount payable under this Extension in any one **Period of Insurance** shall not exceed GBP 25,000.

Damage to Cables and Underground Pipes

The cost of repairing **Damage** or which the **Insured** is responsible to cables and underground pipes and drains (and their inspection covers) on the **Property Insured** or connecting them to the public mains subject to the terms and conditions of the **Policy**.

Section 1 – Buildings continued

European Community and Public Authorities

Such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the Stipulations of;

- a) European Community Legislation or
- b) Building or other Regulations under or framed in pursuance of any Act of Parliament or Bye-Laws of any Public Authority (hereafter referred to as 'the Stipulations') in respect of the lost destroyed or **Damaged** property thereby insured undamaged portions thereof

Excluding;

- a) the cost incurred in complying with the Stipulations:-
 - i) in respect of **Damage** occurring prior to the granting of this Extension
 - ii) in respect of **Damage** not insured by this Section
 - iii) under which notice has been served upon the **Insured** prior to the happening of the **Damage**
 - iv) for which there is an existing requirement which has to be implemented within a given period
 - v) in respect of property entirely undamaged by any peril hereby insured against
- b) the additional cost that would have been required to make good the property lost destroyed or **Damaged** to a condition equal to its condition when new had the necessity to comply with the Stipulations not arisen
- c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with the Stipulations.

Special Conditions

- 1) The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve months after the **Damage** or within such further time as the **Underwriters** may allow (during the said twelve months) and may be carried out upon another site (if the Stipulations so necessitate) subject to the liability of the **Underwriters** under this Extension not being thereby increased
- 2) If the liability of the **Underwriters** under (any item of) this Section apart from this Extension shall be reduced by the application of any of the terms and conditions of the **Policy** then the liability of the **Underwriters** under this Extension (in respect of any such item) shall be reduced in like proportion
- 3) The total amount recoverable under any item of this Section in respect of this Extension shall not exceed;
 - a) in respect of the lost destroyed or **Damaged** property
 - i) 15% of its **Sum Insured**
 - ii) where the **Sum Insured** by the item applies to property at more than one premises 15% of the total amount for which the **Underwriters** would have been liable had the **Property Insured** by the item at the premises where the **Damage** has occurred been wholly destroyed
 - b) in respect of undamaged portions of property (other than foundations) 15% of the total amount for which the **Underwriters** would have been liable had the **Property Insured** by the item at the premises where the **Damage** has occurred been wholly destroyed
- 4) The total amount recoverable under any item of this Section shall not exceed its **Sum Insured**
- 5) All the terms and conditions of the **Policy** except insofar as they are varied hereby shall apply as if they had been incorporated herein.

Extinguishment and Alarm Resetting Expenses

The reasonable costs incurred by the **Insured** in refilling fire extinguishing appliances replacing used sprinkler heads and resetting fire or intruder alarms as a result of **Damage** to the **Property Insured**.

Section 1 – Buildings continued

Glass

Breakage of **Glass** at the **Premises** as specified in the **Schedule** including;

- a) The reasonable cost of boarding up rendered necessary by such breakage
- b) The reasonable cost of repairing or replacing window frames and framework consequent upon the breakage of **Glass**
- c) The reasonable cost of refitting alarm foil consequent upon the breakage of **Glass**.

The liability of the **Underwriters** under this Extension does not cover;

- a) The amount of the **Excess** specified in the **Schedule**
- b) Consequential loss of any kind or description except as stated herein to the contrary
- c) Any breakage arising directly or indirectly from: -
 - i) alterations or repairs to the **Premises** or occurring whilst the **Premises** are empty or not in use
 - ii) defects in frames, framework or other fittings.

Provided that the liability of **Underwriters** shall not exceed the **Sum Insured** stated in the **Schedule** at the time of the **Damage**.

Inflation Protection

The **Underwriters** will adjust the **Sum Insured** in line with suitable indices of costs and the renewal premium for this Section will be based on the adjusted **Sum Insured**.

Landlords Contents

This Section extends to include **Damage** to **Landlords Contents** for the **Sum Insured** stated in the **Schedule**.

Mortgagees and Other Interests

The interest of the Leaseholder(s), Mortgagee(s) and Tenant(s) in the individual portions of the **Property Insured** to which their interest applies is noted such interest to be advised to the **Underwriters** in the event of a claim. In addition the interest of the **Insured** or Mortgagee(s) in this insurance shall not be prejudiced by any act or neglect of the Occupier(s) or Mortgagor(s) of any **Building** hereby insured whereby the risk of **Damage** is increased without the authority or knowledge of the **Insured** or Mortgagee(s) provided that the **Insured** or Mortgagees shall immediately on becoming aware thereof give notice in writing to the **Underwriters** and on demand pay such reasonable additional premium as the **Underwriters** may require.

Personal Possessions

Directors, partners, customers, visitors and **Employees** personal effects of every description (other than motor vehicles) within the **Premises** insofar as they are not otherwise insured for an amount not exceeding GBP 500 in respect of any one person.

Reinstatement of Sum Insured

In the event of loss the **Sum Insured** by this Section will be automatically reinstated from the date of the loss unless written notice is given to the contrary either by the **Underwriters** or by the **Insured** and the **Insured** undertake to pay such necessary premiums as may be required for such reinstatement from that date.

Removal of Debris

Costs and expenses necessarily incurred by the **Insured** with the consent of the **Underwriters** in;

- a) removing debris
- b) dismantling and/or demolishing
- c) shoring up or propping of the portions of the **Property Insured**
- d) clearing drains sewers and gutters at the **Property Insured**

as a result of **Damage** hereby insured against

The **Underwriters** will not pay for any costs or expenses;

- 1) incurred in removing debris except from the site of such property destroyed or **Damaged** and the area immediately adjacent to such site
- 2) arising from pollution or contamination of property not insured by this Section

The liability of the **Underwriters** under this Extension and this Section in respect of any item shall in no case exceed the **Sum Insured** thereby.

Section 1 – Buildings continued

Removal of Debris- Tenants Contents

The irrecoverable costs and expenses (insofar as they are not otherwise insured) necessarily incurred by the **Insured** with the consent of the **Underwriters** in removing from the **Property Insured** the debris of contents (not being the property of the **Insured**) as a result of **Damage** hereby insured against.

The **Underwriters** will not pay for any costs or expenses;

- 1) incurred in removing debris except from the site of such property destroyed or **Damaged** and the area immediately adjacent to such site
- 2) arising from pollution or contamination of property not insured by this Section

The liability of the **Underwriters** under this Extension and this Section in respect of any item shall in no case exceed the **Sum Insured** thereby.

Repairs and Alterations

Joiners and other tradesmen may be employed to effect minor repairs or minor structural alterations other than any work involving the use of heat such as blow lamps, welding or cutting equipment in the **Premises** without prejudice to the insurance hereby.

Sale of Property Insured

If at the time of **Damage** to any **Building** insured under this Section the **Insured** shall have contracted to sell the interest of the **Insured** in such **Building** and the purchase shall not have been but shall be thereafter completed the purchaser on completion of the purchase if and so far as the property is not otherwise insured by or on behalf of the purchaser against such **Damage** shall be entitled to the benefits of this Section of the **Policy** so far as it relates to such **Damage** without prejudice to the rights and liabilities of the **Insured** or the **Underwriters** under this Section up to the date of completion.

Subrogation Waiver

In the event of a claim arising under this Section the **Underwriters** agree to waive any rights remedies or relief to which they might have become entitled by subrogation against;

- a) any company standing in relation of Parent to Subsidiary (Subsidiary to Parent) to the **Insured** as defined in the Companies Act or the Companies (N.I.) Order as appropriate current at the time of **Damage**
- b) any company which is a subsidiary of a Parent Company of which the **Insured** are themselves a Subsidiary in each case within the meaning of the Companies Act or the Companies (N.I.) Order as appropriate current at the time of **Damage**
- c) any tenant provided that;
 - i) the **Damage** did not result from a criminal fraudulent or malicious act of the tenant and
 - ii) the tenant contributes to the cost of insuring the **Property Insured** against the event which caused the **Damage**.

Temporary Removal

The insurance by each item of **Property Insured** extends to cover telephones, gas, water and electric instruments, meters, piping, cabling and accessories including similar property in the adjoining yards and roadways or underground (and pertaining to any **Building** insured by this section), all belonging to the **Insured** or for which the **Insured** is responsible.

Theft of Keys

The reasonable costs necessarily incurred in replacing external door locks at the **Property Insured** following the loss of keys by;

- a) theft from the **Property Insured** or Registered Office or from the home of
- b) theft following hold-up whilst such keys are in the personal custody of

the **Insured** or any principal, director, partner or **Employee** authorised to hold such keys or reasonable evidence that the keys have been duplicated by an unauthorised person.

Provided that the maximum amount payable under this Extension in any one **Period of Insurance** shall not exceed GBP 1,000.

Section 1 – Buildings continued

Trace and Access

The reasonable costs necessarily incurred by the **Insured** in locating the source and subsequent making good of **Damage** resulting from;

- a) the escape of water from any tank, apparatus or pipe
- b) accidental **Damage** to cables, underground pipes and drains serving the **Property Insured**

Provided that the maximum amount payable under this Extension shall not exceed in any one **Period of Insurance** GBP 5,000.

Unauthorised Use of Utilities

The cost of metered electricity, gas or water for which the **Insured** are legally responsible arising from its unauthorised use by persons taking possession keeping possession or occupying the **Property Insured** without the **Insureds** authority provided that the **Insured** shall take all practical steps to terminate such unauthorised use as soon as it is discovered provided that the maximum amount payable under this Extension shall not exceed in any one **Period of Insurance** GBP 10,000.

Unoccupied Buildings

- a) Whenever the **Property Insured** by this Section is **Unoccupied** the Unoccupancy Conditions will apply
- b) The **Underwriters** must be notified in writing immediately if any **Unoccupied** building or **Unoccupied** portion of a **Building** insured hereby becomes occupied or any occupied building becomes **Unoccupied** and a suitable extra premium paid if required.

Value Added Tax

Value Added Tax (VAT) paid by the **Insured** which is not subsequently recoverable.

Provided that;

- a) the **Insureds** liability for such tax arises solely as a result of the reinstatement or repair of the building following **Damage**
- b) the **Underwriters** have paid or have agreed to pay for such **Damage**
- c) if any payment made by the **Underwriters** in respect of the reinstatement or repair of such **Damage** shall be less than the actual cost of the reinstatement or repair of the **Damage** any payment under this Clause resulting from that **Damage** shall be reduced in like proportion
- d) the **Insureds** liability for such tax does not arise from the replacement building having a greater floor area than or being better or more extensive than the destroyed or **Damaged** building
- e) where an option to reinstate on another site is exercised the **Underwriters** liability under this Extension shall not exceed the amount of tax that would have been payable had the building been rebuilt on its original site
- f) the **Underwriters** liability under this Extension shall not include amounts payable by the **Insured** as penalties or interest for non payment or late payment of tax
- g) the **Insured** has taken all reasonable precautions to insure adequately for VAT liability at inception of the **Policy** and at each subsequent renewal date

NB Provisions to the contrary elsewhere in this **Policy** are overridden as follows in respect of those items to which this Extension applies;

- i) for the purpose of any Condition of Average reinstatement costs will be exclusive of VAT
- ii) the liability of the **Underwriters** may exceed the **Sum Insured** by an item or in the whole the total **Sum Insured** where such excess is solely in respect of VAT.

Section 2 – Rental Income

In the event of **Damage** to the **Property Insured** under Section 1 (hereinafter called the **Premises**) and the **Business** carried on by the **Insured** at the **Premises** stated in the **Schedule** being in consequence thereof interrupted or interfered with the **Underwriters** will (subject to the terms definitions exclusions and conditions of the **Policy**) pay the **Insured** the amount of loss arising as a result in accordance with the following provisions.

The insurance is limited to loss due to;

- a) loss of **Gross Rentals**
- b) increase in cost of working and the amount

payable as indemnity thereunder shall be;

- i) the amount by which the **Gross Rentals** during the **Indemnity Period** shall in consequence of the **Damage** fall short of the **Standard Gross Rentals**
- ii) the additional expenditure necessarily and reasonably incurred including the cost of re-letting the **Premises** (including legal fees) for the sole purpose of avoiding or diminishing the loss of **Gross Rentals** which but for that expenditure would have taken place during the **Indemnity Period** in consequence of the **Damage** but not exceeding the amount of the reduction in **Gross Rentals** thereby avoided less any sum saved during the **Indemnity Period** in respect of such charges or expenses of the **Business** as may cease or be reduced in the consequence of the **Damage**

provided that;

- 1) payment shall have been made or liability admitted under Section 1 of this **Policy** in respect of such **Damage**
- 2) if the **Sum Insured** by this Section be less than twice the **Annual Gross Rentals** (or to a proportionately reduced multiple where the **Indemnity Period** is less than 24 months or to a proportionately increased multiple where the **Indemnity Period** is greater than 24 months) the amount payable shall be proportionately reduced.

Advance Gross Rentals

Where **Gross Rental** is insured in respect of new property developments the **Insured** must show that but for the **Damage** **Gross Rentals** would have been earned and will be required to support a claim for loss of **Gross Rentals** by submitting reasonable evidence of the amount of such **Gross Rentals** and the date from which they would have been earned. The **Underwriters** will have regard;

- a) to actual negotiations with prospective tenants both before and after the **Damage**
- b) for demand for similar accommodation in the locality
- c) the general level of rents applying

If required the advice of a professional valuer acceptable to both the **Insured** and **Underwriters** will be sought and such fees will be included in the indemnity under this Clause.

Alternative Trading

If during the **Indemnity Period** accommodation shall be provided or services rendered elsewhere other than at the **Premises** for the benefit of the **Business** either by the **Insured** or others on their behalf the money paid or payable in respect of such accommodation and services shall be brought into account in arriving at the **Gross Rentals** during the **Indemnity Period**.

Automatic Rent Review

Where the **Gross Rentals** are subject to a rent review during the **Period of Insurance** the relevant **Sum Insured** will be automatically increased to reflect the revised **Gross Rentals** earned up to a maximum increase of 100% of the **Sum Insured** on **Gross Rentals** stated in the **Schedule**.

No additional premium will be charged for this increase in cover during the **Period of Insurance** provided that the **Insured** advises **Underwriters**, prior to renewal, of the revised **Gross Rentals** for the ensuing **Period of Insurance**.

Section 2 – Rental Income *continued*

Bomb scare or Unlawful Occupation

This Section extends to include interruption of or interference with the **Business** due to;

- a) the suspected or actual presence of an incendiary or explosive device on or in the vicinity of the **Premises**
- b) occupation of the **Premises** or other property in the vicinity by members of a terrorist or criminal organisation or unlawful occupants

Provided the **Underwriters** will not be liable for;

- i) any incident involving an interruption of less than 48 hours duration
- ii) any period other than the actual period of prevention or hindrance of access to the **Premises**
- iii) eviction costs

The Insurance by this Clause shall only apply for the period beginning with the loss and ending not later than three months thereafter during which the results of the **Business** shall be affected in consequence of the **Damage**.

Buildings Awaiting Sale

If at the time of the **Damage** the **Insured** has contracted to sell his interest in the **Buildings** and the sale is cancelled or delayed solely in consequence of the **Damage** the amount payable under this Section may at the **Insureds** option be amended as follows;

- a) during the period prior to the date upon which but for the **Damage** the **Buildings** would have been sold: reduction in **Gross Rentals**, being the amount by which the **Gross Rentals** earned during the **Indemnity Period** will, in consequence of the **Damage**, fall short of the **Standard Gross Rentals**
- b) during the period commencing with the date upon which but for the **Damage** the **Buildings** would have been sold and ending with the actual date of sale or with the expiry of the **Indemnity Period** if earlier: the loss of interest, being:
 - i) reasonable interest actually incurred on capital borrowed in connection with the **Business** solely to replace (in whole or in part) the loss of use of the sale proceeds
 - ii) reasonable investment interest lost on any balance of the sale proceeds (after deduction of any capital borrowed as provided for under i. above)
- c) additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or minimising the loss payable under paragraphs a or b above, but not exceeding the amount of the reduction avoided by such expenditure.

Provided that the liability of the **Underwriters** under this Extension and the section will not exceed the **Sum Insured** set against the item on **Gross Rentals** in the **Schedule** plus any payment under the Automatic Rent Review Extension in any one **Period of Insurance**.

Capital Additions

This Section extends to include **Gross Rentals** in respect of;

- a) alterations, additions, extensions and improvements to the **Premises** insured
- b) newly acquired and or newly erected buildings anywhere in the United Kingdom provided they are not otherwise insured

Provided that;

- i) at any one **Premises** the cover shall not exceed GBP 500,000 of the total **Sum Insured** on **Gross Rentals** or GBP 1,000,000 whichever is the less
- ii) the **Insured** undertake to give particulars of such extension of cover as soon as practicable and in any event within 6 months of any newly acquired and/or newly erected buildings or alterations, additions and improvements to buildings and to effect specific insurance thereon retrospective to the date of the commencement of the **Underwriters** liability
- iii) the provisions of this Clause shall be fully maintained notwithstanding any specific insurance effected under ii) above.

Section 2 – Rental Income continued

Denial of Access and Loss or Damage at Managing Agents Premises

Subject to the conditions of the **Policy** loss resulting from interruption of or interference with the **Business** in consequence of **Damage**;

- a) to property in the vicinity of the **Premises** destruction of or **Damage** to which shall prevent or hinder the use of the **Premises** or access thereto whether the **Premises** or property of the **Insured** therein shall be **Damaged** or not (but excluding loss, destruction of or **Damage** to property of any supply undertaking from which the **Insured** obtains electricity, gas or water or telecommunications services which prevent or hinder the supply of such services)
- b) to property at the **Premises** of the **Insureds** Managing Agents

shall be deemed to be loss resulting from **Damage** to property used by the **Insured** at the **Premises**.

Failure of Public Supply

This Section extends to include interruption of or interference with the **Business** caused by **Damage** as defined in this Section giving rise to destruction or **Damage** to property at any;

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

from which the **Insured** obtains electricity, gas, water or telecommunication services within the **Territorial Limits**.

Limit of Liability

The maximum payable during any **Period of Insurance** under this Section is the **Sum Insured** shown in the **Schedule** adjusted in accordance with the Inflation Protection Clause if applicable plus any payment made under the Rent Review Extension.

Loss of Attraction

This Section extends to include loss resulting from interruption of or interference with the **Business** due to **Damage** to property in the vicinity of the **Premises** which shall deter potential tenants whether the **Premises** of the **Insured** or property of the **Insured** therein shall be **Damaged** or not provided that the maximum amount payable under this Clause in any **Period of Insurance** shall not exceed;

- a) GBP 50,000 or the **Sum Insured** in respect of each **Premises** whichever is the less
- b) GBP 250,000 in aggregate.

Murder Suicide or Disease

The **Underwriters** shall indemnify the **Insured** in respect of **Damage** resulting from interruption of or interference with the **Business** during the **Indemnity Period** following;

- a) any human infectious or human contagious disease (excluding Acquired Immune Deficiency Syndrome (AIDS) or any AIDS related condition) an outbreak of which the local authority has stipulated shall be notified to them manifested by any person whilst in the **Premises** or within a 25 miles radius of it
- b) murder or suicide in the **Premises**
- c) **Injury** or illness sustained by any person arising from or traceable to foreign or injurious matter in food or drink provided in the **Premises**
- d) vermin or pests in the **Premises**
- e) the closing of the whole or part of the **Premises** by order of a competent public authority consequent upon defect in the drains or other sanitary arrangements at the **Premises**

The insurance by this Extension shall only apply for the period beginning with the occurrence of the loss and ending not later than three months thereafter during which the results of the **Business** shall be affected in consequence of the **Damage**.

Section 2 – Rental Income continued

New Business

For the purpose of any claim arising from **Damage** occurring before the completion of the first years trading of the **Business** at the **Premises** Definitions **Annual Gross Rentals** and **Standard Gross Rentals** shall bear the following meanings and not as within stated;

- Annual Gross Rentals - The proportional equivalent for a period of twelve months of the **Gross Rentals** realised during the period between the commencement of the **Business** and the date of the **Damage**
- Standard Gross Rentals - The proportional equivalent for a period equal to the **Indemnity Period** of the **Gross Rentals** realised during the period between the commencement of the **Business** and the date of the **Damage**

To which adjustments shall be made as may be necessary to provide for the trend of the **Business** and for variation 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**.

Payments on Account

In the event of loss the **Underwriters** will make monthly payments on account during the **Indemnity Period** to the **Insured** if desired.

Professional Accountants Charges

The **Underwriters** will indemnify the **Insured** in respect of reasonable fees payable by the **Insured** to their professional accountants for producing any particulars or details contained in the **Insureds** business books or documents or other such proofs information or evidence as the **Underwriters** may require under the terms of the *Claims - Insureds Duties* section of the Policy Conditions and reporting that such particulars or details are in accordance with the **Insureds** business books or documents.

Rent Free Period

If at the date of the **Damage** any **Premises** are subject to a rent free period under the terms of the lease then the **Indemnity Period** stated in the **Schedule** shall be adjusted by adding the unexpired portion of the rent free period to the number of years shown in the **Schedule** provided that the **Underwriters** liability does not exceed the **Sum Insured** or any **Limit of Liability** stated in the **Policy** whichever is the lower.

Sale of Property Insured

If at the time of **Damage** to the **Premises** the **Insured** shall have contracted to sell the interest of the **Insured** in such building and the purchase shall not have been but shall be thereafter completed the purchaser on completion of the purchase if and so far as the **Gross Rentals** are not otherwise insured by or on behalf of the purchaser against such **Damage** shall be entitled to the benefits of this Section of the **Policy** so far as it relates to such **Damage** without prejudice to the rights and liabilities of the **Insured** or the **Underwriters** under this Section up to the date of completion.

Unoccupied Buildings

Where **Gross Rental** is insured in respect of any **Unoccupied** buildings in the event of **Damage** the **Insured** must show that but for the **Damage** **Gross Rentals** would have been earned and will be required to support a claim for loss of **Gross Rentals** by submitting reasonable evidence of the amount of **Gross Rental** and the date from which it would have been earned.

The **Underwriters** will have regard;

- a) to actual negotiations with prospective tenants both before and after **Damage**
- b) for demand for similar accommodation in the locality
- c) of the general level of rents applying

If required the advice of a professional valuer acceptable to both the **Insured** and **Underwriters** will be sought and such fees will be included in the indemnity under this Clause.

Value Added Tax

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

Section 3 – Property Owners Liability

The **Underwriters** will indemnify the **Insured** against all sums the **Insured** shall become legally liable to pay as damages and claimants costs and expenses arising out of accidental;

- a) **Injury** to any person
- b) loss or **Damage** to material property
- c) nuisance or trespass, obstruction, loss of amenities or interference with any right of way, air, light or water or other easement
- d) wrongful arrest, detention, imprisonment or eviction of any person or invasion of the right of privacy occurring within the **Territorial Limits** during the **Period of Insurance** and happening in connection with the **Business**.

Additional Persons Insured

The **Insured** shall extend to include in the event of the death of any person entitled to indemnity under this Section the deceased's legal personal representatives but only in respect of liability incurred by such deceased person

At the request of the **Insured** the **Underwriters** will indemnify in the terms of this Section any director of the **Insured** or **Employee** in respect of liability arising in connection with the ownership of the **Premises** described in the **Schedule**

Provided always that;

- a) each such additional person insured shall as though they were the **Insured** observe fulfil and be subject to the terms of this **Policy** insofar as they can apply
- b) the **Underwriters** shall retain the sole conduct and control of all claims.

Compensation for Court Attendance

In the event of any of the undermentioned persons attending court as a witness at the request of the **Underwriters** in connection with a claim in respect of which the **Insured** are entitled to indemnity under this Section the **Underwriters** will provide compensation to the **Insured** at the following rates per day for each day on which attendance is required;

a) any director or partner of the **Insured** GBP 150

b) any **Employee** GBP 100.

Contractual Liability Clause

In connection with liability assumed under agreement this Section;

- a) shall apply only if the conduct and control of claims is vested in the **Underwriters**
- b) shall not apply in respect of liquidated damages fines or penalties.

Cross Liabilities Clause

If more than one **Insured** is referred to in the **Schedule** each **Insured** so named shall be considered as a separate and distinct entity and the word **Insured** shall be construed as applying to each separate **Insured** in the same manner as if a separate policy had been issued to each.

Provided always that the liability of the **Underwriters** for all damages payable as a result of any one occurrence or of all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed in the aggregate the **Limit of Indemnity** stated in the **Schedule** irrespective of the number of insured parties involved.

Data Protection Act

The **Underwriters** will indemnify the **Insured** in respect of liability arising under the Data Protection Act 1984

Provided that;

- a) the process of registration under the above Act has been commenced or completed by the **Insured** and the application has not been refused or withdrawn
- b) no liability arises as a result of the provision by the **Insured** of the services of a computer bureau

The **Underwriters** shall not be liable in respect of;

- a) the recording or provision of data for reward or for determining the financial status of any person
- b) any liability which arises as a result of a deliberate act or omission of the **Insured** and which could reasonably have been expected by the **Insured** having regard to the nature and circumstances of such act or omission

The total liability of the **Underwriters** including all costs and expenses in this respect shall not exceed GBP 250,000 during any one **Period of Insurance**.

Section 3 – Property Owners Liability continued

Defective Premises Act

This Section subject otherwise to the terms of the **Policy** extends to indemnify the **Insured** against liability for **Injury**, loss or **Damage** arising solely by reason of Section 3 of the Defective Premises Act 1972 or Article 5 of the Defective Premises (Northern Ireland) Order 1975 in respect of any premises previously owned for purposes pertaining to the **Business** and since disposed of by the **Insured** provided that;

- 1 this extension shall not indemnify the **Insured** in respect of loss of or **Damage** to the land or premises disposed of or in connection with the cost of rectifying any defect or alleged defect therein
- 2 the **Underwriters** will not be liable under this extension if the **Insured** are entitled to indemnity under any other insurance.

Discharge of Liability Clause

The **Underwriters** may pay the **Limit of Indemnity** or any lesser amount for which any claim or claims against the **Insured** can be settled and the **Underwriters** shall be under no further liability in respect of such claim or claims except for costs or expenses incurred prior to the date of such payment.

Limit of Liability

The liability of the **Underwriters** for all damages payable as a result of any one occurrence or of all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the **Limit of Indemnity** stated in the **Schedule** irrespective of the number of insured parties involved.

In addition the **Underwriters** will pay;

- 1 all other defence costs and expenses incurred with its prior written consent
- 2 the legal costs and expenses incurred with its written consent for the defence of prosecution brought under Section 36 or 37 of the Health and Safety at Work Act 1974 for any alleged offence as detailed in Section 33(1) (a) (b) or (c) of the Act or under the Health and Safety at Work (Northern Ireland) Order 1978 under Article 31 including legal costs and expenses incurred with the consent of the **Underwriters** in an appeal against conviction arising from such proceedings provided that:
 - a) the proceedings relate to the health, safety and welfare of persons other than **Employees**
 - b) the **Underwriters** will not indemnify the **Insured** in respect of
 - i) fines and penalties
 - ii) costs or expenses insured by any other policy.

Overseas Personal Liability

The **Underwriters** will indemnify the **Insured** and if the **Insured** so request any director or partner of the **Insured** any **Employee** or spouse of such person against legal liability incurred in a personal capacity whilst temporarily outside the **Territorial Limits** in connection with the **Business**

The indemnity will not apply;

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

Policy Exclusions

(The following **Policy** Exclusions are applicable to Sections One, Two and Three)

Asbestos Exclusion (applicable to Section Three only)

This insurance does not cover any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of, or related to the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to Asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

Contamination and Pollution Exclusion Clause

1. This **Policy** shall not cover any loss or **Damage** due to contamination, sooting, deposition, impairment with dust, chemical precipitation, poisoning, epidemic and disease including but not limited to foot and mouth disease, pollution, adulteration or impurification or due to any limitation or prevention of the use of objects because of hazards to health.
2. This Exclusion does not apply if such loss or **Damage** arises out of one or more of the following perils;
 - i) Fire, lightning, explosion, impact of aircraft
 - ii) vehicle impact, sonic boom
 - iii) accidental escape of water from any tank, apparatus or pipe
 - iv) riot, civil commotion, malicious damage
 - v) storm, hail
 - vi) flood inundation
 - vii) earthquake
 - viii) landslide, subsidence
 - ix) pressure of snow, avalanche
 - x) volcanic eruption
3. All other terms and conditions of this **Policy** shall be unaltered and especially the exclusions shall not be superseded by this clause.

Electronic Data Endorsement

- 1) Electronic Data Exclusion
Notwithstanding any provision to the contrary within this **Policy** or any endorsement thereto, it is understood and agreed as follows;
 - a) The **Underwriters** shall not be liable for any loss, damage, destruction, distortion, erasure, corruption or alteration of **Electronic Data** from any cause whatsoever (including but not limited to **Computer Virus**) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom regardless of any other cause or event contribution concurrently or in any other sequence to the loss.
Electronic Data means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.
Computer Virus means a set of corrupting harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code programmatic or otherwise that propagate themselves through a computer system or network of whatsoever nature. **Computer Virus** includes but is not limited to "Trojan Horses" "worms" and "time or logic bombs".
 - b) However, in the event that a peril listed below results from any matters described in the above paragraph, this **Policy** subject to all its terms conditions and exclusions will cover physical damage occurring during the **Period of Insurance** to the **Property Insured** by the original policy directly caused by such listed peril.

Listed Perils;

- i) Fire
 - ii) Explosion
- 2) Electronic Data Processing Media Valuation
Notwithstanding any provision to the contrary within the **Policy** or any endorsement thereto, it is understood and agreed as follows;
Should electronic data processing media insured by this **Policy** suffer physical loss or **Damage** insured by this **Policy**, then the basis of valuation shall be the cost of the blank media plus the costs of copying the **Electronic Data** from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such **Electronic Data**. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this **Policy** does not insure any amount pertaining to the value of such **Electronic Data** to the **Insured** or any other party, even if such **Electronic Data** cannot be recreated gathered or assembled.

Policy Exclusions continued

(The following **Policy** Exclusions are applicable to Sections One, Two and Three)

Institute Radioactive Contamination Exclusion Clause

This clause shall be paramount and shall override anything contained in this **Policy** inconsistent therewith:

In no case shall this **Policy** cover loss **Damage** liability or expense directly or indirectly caused by or contributed to or arising from;

- i) ionizing radiations from 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 or contaminating properties of any nuclear installation reactor or other nuclear assembly or nuclear component thereof
- iii) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

Micro-Organism Exclusion Clause

This **Policy** does not cover any loss **Damage** claim cost expenses or other sum directly or indirectly arising out of or relating to mould, mildew, fungus, spores or other micro-organism of any type, nature or description including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is;

- i) any physical loss or **Damage** to insured property
- ii) any **Defined Peril** or cause whether or not contributing concurrently or in any way sequence
- iii) any loss of use occupancy or functionality
- iv) any action required including but not limited to repair replacement removal cleanup abatement disposal relocation or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in this **Policy** that provides insurance, in whole or in part, for these matters.

Northern Ireland Overriding Exclusion

Notwithstanding anything within the **Policy** or in any extensions thereof it is hereby declared and agreed that as an exclusion overriding all other terms (including the nature and terms of perils insured against) this **Policy** does not cover loss or destruction of or **Damage** to any property in Northern Ireland or loss resulting therefrom caused by or happening through or in consequence directly or indirectly of;

- i) civil commotion
- ii) any unlawful, wanton or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any **Unlawful Association**

In any action suit or other proceedings where **Underwriters** allege that by reason of the provisions of this exclusion any loss, destruction or **Damage** or consequential loss is not covered by this **Policy** the burden of proving that such loss is covered shall be upon the **Insured**.

Nuclear Energy Risks Exclusion Clause

This **Policy** shall exclude Nuclear Energy Risks whether such risks are written directly and/or via Pools and/or Associations.

For the purpose of this **Policy** Nuclear Energy Risks shall be defined as all first party and or third party insurances in respect of;

- i) nuclear reactors and nuclear power stations or plant.
- ii) any other premises or facilities whatsoever related to or concerned with:
 - a) the production of nuclear energy or
 - b) the production or storage or handling of nuclear fuel or nuclear waste
- iii) any other premises or facilities eligible for insurance by any local Nuclear Pool and/or Association.

Policy Exclusions continued

(The following **Policy** Exclusions are applicable to Sections One, Two and Three)

Terrorism Exclusion Endorsement

Notwithstanding any provision to the contrary within this **Policy** or any endorsement thereto it is agreed that this **Policy** excludes loss, **Damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from, arising out of 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 Endorsement an act of Terrorism means an act, including but not limited to 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.

This endorsement also excludes loss, **Damage**, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of Terrorism.

If **Underwriters** allege that by reason of this exclusion, any loss, **Damage**, cost or expense is not covered by this **Policy** the burden of proving the contrary shall be upon the **Insured**.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

War and Civil War Exclusion Clause

Notwithstanding anything to the contrary contained herein this **Policy** does not cover loss or **Damage** directly or indirectly 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.

Policy Exclusions continued

(The following **Policy** Exclusions are applicable to Sections One and Two only)

The insurance by these Sections does not cover;

- 1) **Damage** caused by or consisting of;
 - a) inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, its own faulty or defective design or materials
 - b) the bursting by steam pressure of a boiler economiser vessel machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of the **Insured** other than any boiler or economiser on the **Premises** used for domestic purposes, such as a hot water and/or central heating/ventilation system.
 - c) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds

But this shall not exclude subsequent **Damage** or subsequent loss resulting from **Damage** which itself results from a cause not otherwise excluded

- 2) **Damage** caused by or consisting of;
 - a) faulty or defective workmanship, operational error or omission on the part of the **Insured** or an **Employee**but this shall not exclude;
 - i) such **Damage** not otherwise excluded which itself results from a **Defined Peril**
 - ii) subsequent **Damage** which itself results from a cause not otherwise excluded
 - b) acts of fraud or dishonesty by the **Insureds Employees**

but this shall not exclude such **Damage** not otherwise excluded which itself results from a **Defined Peril**

- 3) **Damage** caused by or consisting of;
 - a) Corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects
 - b) change in temperature, colour, flavour, texture or finish
 - c) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith
 - d) mechanical or electrical breakdown or derangement of the particular machine, apparatus or equipment in which such breakdown or derangement originates
 - e) in respect of Section 2 Rental Income - the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunication services

But this will not exclude;

- i) such **Damage** not otherwise excluded which itself results from a **Defined Peril** or from any other accidental loss destruction or **Damage**
- ii) subsequent **Damage** which results from a cause not otherwise excluded

- 4) Infidelity or dishonesty of the **Insured** or any **Employee** or other persons to whom **Property Insured** may be entrusted, nor loss, destruction or **Damage** resulting from the **Insured** voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme, trick, device or false pretence or any unexplained loss or loss or shortage disclosed on taking inventory
- 5) **Damage** caused by or consisting of;
 - a) Subsidence, ground heave or landslip unless resulting from fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe
 - b) normal settlement or bedding down of new structures

Policy Exclusions continued

(The following **Policy** Exclusions are applicable to Sections One and Two only)

- 6) **Damage** caused by or consisting of or arising directly or indirectly from;
 - a) Disappearance, unexplained or inventory shortage, misfiling or misplacing of information
 - b) in respect of Section 2 Rental Income:
 - i) erasure, loss, distortion or corruption of information on computer systems or other records, programs or software caused deliberately by rioters, strikers, locked-out workers, persons taking part in labour disturbances or civil commotion or malicious persons
 - ii) other erasure, loss, distortion or corruption of information on computer systems or other records, programs or software unless resulting from a **Defined Peril** insofar as it is not otherwise excluded
- 7) In respect of Section 1 Buildings - destruction of or **Damage** to a building or structure caused by its own collapse or cracking unless resulting from a **Defined Peril** in so far as it is not otherwise excluded
- 8) In respect of Section 2 Rental Income - loss resulting from destruction of or **Damage** to a building or structure used by the **Insured** at the **Premises** caused by its own collapse or cracking unless resulting from a **Defined Peril** in so far as it is not otherwise excluded
- 9) **Damage** in respect of movable property in the open, fences and gates by theft, wind, rain, hail, sleet, snow, flood or dust
- 10) **Damage** in respect of **Unoccupied Buildings** unless resulting from fire, lightning, aircraft or explosion
- 11) **Damage** in respect of;
 - a) glass (other than fixed **Glass**), china, earthenware, marble or other fragile or brittle objects
 - b) in respect of Section 1 Buildings - curiosities or works of art other than such **Damage** caused by a **Defined Peril** and not otherwise excluded
- 12) Unless specifically mentioned as insured under Section 1 Buildings;
 - a) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
 - b) land, roads, pavements, piers, jetties, bridges, culverts or excavations
- 13) In respect of Section 1 Buildings - property which at the time of the happening of **Damage** is insured by or would but for the existence of this **Policy** be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this insurance not been effected
- 14) In respect of Section 1 Buildings - any property more specifically insured by or on behalf of the **Insured**

Policy Exclusions continued

(The following **Policy** Exclusions are applicable to Section Three only)

- 15) **Injury** to any **Employee**
- 16) Loss of or **Damage** to;
a) property belonging to the **Insured**
b) property which is leased, let, rented, hired or lent to or which is the subject of a bailment to the **Insured**
- 17) **Injury**, loss or **Damage** caused by or in connection with or arising out of the ownership, possession or use by or on behalf of the **Insured** of any;
a) Aircraft, hovercraft or watercraft
b) mechanically-propelled vehicle or trailer attached thereto (other than motorised garden implements used to maintain the land belonging to the **Premises** described in the **Schedule**)
- 17) This Section will not indemnify the **Insured** for any sums for which the **Insured** is/or becomes liable to pay as a result of any claim(s) made against the **Insured** or for any associated defence costs or expenses of any kind from any liability arising directly or indirectly out of;
a) loss of alteration of or **Damage** to or
b) a reduction in the functionality availability or operation of
a computer system or programme, hardware, data information repository, microchip, integrated circuit or similar device in computer equipment or non-computer equipment as a result of the **Insureds** e-activities.
For the purpose of this exclusion, e-activities means any use of electronic networks including the internet and private networks, intranets, extranets, electronic mail, worldwide web and similar medium carried out by the **Insured** or by any person, persons, partnership, firm or company acting for the **Insured** or on the **Insureds** behalf.

Policy Endorsements

(Applicable only if specified in the **Schedule**)

PO1 - Accidental Damage Extension

Section 1 is extended to cover the **Property Insured** specified in the **Schedule** against All Risks of accidental physical loss or **Damage** occurring during the **Period of Insurance** at the **Premises** and subject to the **Sums Insured** specified in the **Schedule**.

This Extension does not cover;

- a) The amount of the **Excess** specified in the **Schedule**
- b) **Damage** caused by or following upon subsidence, collapse, landslip, ground heave, settling, cracking, shrinkage or expansion of any building or foundation
- c) Mechanical and/or electrical derangement and/or breakdown, Breakage of valves, filaments and the like burning out or **Damage** directly caused by short circuiting and/or claims arising from overheating
- d) **Damage** caused by moth, vermin or insect, wear, tear, gradual deterioration, rust or oxidization, rot, mould or mildew, inherent vice, latent defect, mysterious disappearance or unexplained shortage
- e) **Damage** caused by faulty manipulation, scratching or denting or loss of magnetism and/or erasure of tapes or faulty projection, shortage in weight, contamination, taint or insufficiency of insulation
- f) Breakage of articles of a brittle nature (other than jewellery) unless such Breakage is caused by burglars, thieves or fire and/or Breakage of **Glass**, over winding or internal damage of clocks and/or watches
- g) Loss by delay, loss of market, consequential loss of any and every description
- h) **Damage** which may be sustained whilst the **Property Insured** is being worked upon or is under any process and directly resulting therefrom
- i) **Damage** caused by climatic or atmospheric conditions or extremes of temperature
- j) Infidelity or dishonesty by the **Insured** or any **Employee(s)** of the **Insured**
- k) **Damage** to aircraft, watercraft, vehicles, livestock, growing timber or crops, jewellery, furs, watches, precious metals/stones, **Money**, documents, data or word-processing, media or computer systems records
- l) **Damage** insured more specifically under any other Section or Sections of this **Policy** or any other Insurance
- m) **Damage** to TV and radio aerials, satellite dishes, aerial fittings and masts.

PO2 - Auditorium Condition

It is a condition precedent to liability that a thorough examination of the **Premises** for smouldering matches, tobacco or other material will be carried out at the close of each day the **Premises** are in use for **Business** purposes.

Policy Endorsements continued

(Applicable only if specified in the **Schedule**)

PO3 - Composite Panel Conditions

It is a condition precedent to liability that in respect of any **Building** containing composite panels that;

- 1) suitable fire extinguisher appliances to be supplied in all cooking areas
- 2) ducting, conduit wiring and hot flues be adequately protected within fire resistant sleeves where passing through composite panels
- 3) at least weekly inspections to be undertaken by the **Insured** to check for damage to composite panels or panel joints. Any defects found to be rectified without delay or replaced by a panel with a non-combustible core within 7 days
- 4) no repairs to be made to composite panels that involve welding, grinding, cutting or other obvious ignition sources
- 5) all heat sources to be kept at least 2 metres from any composite paneling or such paneling to be of a non-combustible core
- 6) no external storage of combustible stock, packaging, pallets, waste or waste skips or bins within 10 metres of the **Buildings**
- 7) any work involving the application of heat must only be carried out by a qualified Contractor and the **Insured** is to ensure the Contractor has adequate Public Liability Insurance in force and shall confirm same through sight of certificate of insurance. Subrogation rights against such Contractor shall not be waived by the **Insured**. The following conditions precedent to liability apply:
 - i) the area in which work is to be carried out shall be adequately cleared and combustible materials shall be removed to a distance not less than 6 metres from the area of proposed work
 - ii) if work is to be carried out overhead then the area beneath shall be similarly cleared and all combustible materials removed
 - iii) suitable fire extinguisher with a capacity of not less than 9 litres shall be kept available for immediate use
 - iv) blow lamps and blow torches shall be lit in as short a time as possible before use and extinguished immediately after use
 - v) lighted blow lamps and torches shall not be left unattended
 - vi) half an hour after each period of work a thorough examination shall be made of and in the area in which works have been undertaken
 - vii) if work is to be carried out in the vicinity of composite/sandwich panels then such panels must be protected by non-combustible blankets drapes or screens.

PO4 - Daily Waste Condition

It is a condition precedent to liability that all combustible trade waste and refuse will be removed from the **Buildings** every night.

PO5 - First Loss Average Clause

When the **Sum Insured** is shown FIRST LOSS in the **Schedule** - The applicable item of this Section is subject to the condition of average (First Loss), that is to say, if the total value of all property covered by the item shall at the time of any loss be greater than the value notified by the **Insured**, then the **Insured** shall be entitled to recover hereunder only such proportion of the said loss as the said notified value bears to the total value, up to but not exceeding the **Sum Insured** for the item.

PO6 - Flat Roof Maintenance Condition

It is a condition precedent to liability in respect of **Damage** by storm, tempest and flood that any flat felted roof portion of the **Premises** shall have been inspected at least once every two years by a qualified builder or property surveyor and any defects brought to light by that inspection shall be repaired immediately.

Policy Endorsements continued

(Applicable only if specified in the **Schedule**)

PO7 - Frying and Cooking Equipment Conditions

It is a condition precedent to liability that;

- 1) all frying and other cooking ranges, equipment, flues and exhaust ducting will be kept securely fixed and free from contact with combustibile materials
- 2) all extraction hoods, canopies, filters and grease traps will be cleaned at least every 2 weeks
- 3) all extraction ducts will be cleaned regularly and maintained and checked at least once every six months by a specialist contractor
- 4) the record of such cleaning and servicing of the extraction ducts will be kept elsewhere other than at the **Premises** and will be made available for inspection at any time
- 5) frying equipment will be installed, used and maintained in accordance with the manufacturer's instructions
- 6) multi purpose fire extinguishers and at least one fire retardant blanket which conforms to the relevant British Standard suitable for extinguishing oil and fat fires will be kept in close proximity to the working area of the range and maintained ready for use
- 7) frying ranges will not be left unattended whilst in use
- 8) all naked flames (other than pilot lights) and all electrical elements will be turned of at the close of the working day.

PO8 - Metal Workers Waste Condition

It is a condition precedent to liability that all oily and/or greasy waste and used cleaning cloths which remain in the **Buildings** overnight will be kept in metal receptacles with metal lids and removed from the **Buildings** at least once a week.

PO9 - Minimum Security Requirements (B)

It is a condition precedent to liability that **Damage** caused by theft or attempted theft is not covered unless;

- 1) the Minimum Security Requirements (A) as stated in the **Policy** Conditions is complied with
- 2) the intruder alarm is installed and put into full and effective operation at night and whenever the **Premises** are closed for business or left unattended. We will not regard the intruder alarm as effective if the specification or system record provides for a telephone line, direct line or central monitoring station warning system and the **Insured** have had notice of the withdrawal of the Police, telephone or central monitoring station service and such service has actually been withdrawn
- 3) the intruder alarm is maintained under contract by a company which is either included in the official list of recognised firms of the National Approval Council for Security Systems (NACOSS), or the Security System and Alarm Inspections Board (SSAIB) or approved by **Underwriters**
- 4) all keys of the intruder alarm are removed from the **Premises** at night and whenever they are closed for business or left unattended. Where the **Insured** or an **Employee** occupies part of the **Premises** for residential purposes, the keys must be removed from the **Business** part of the **Premises**.

PO10 - Minimum Security Requirements (C)

It is a condition precedent to liability that **Damage** caused by theft or attempted theft is not covered unless;

- 1) the Minimum Security Requirements (A) as stated in the **Policy** Conditions is complied with
- 2) the intruder alarm provides for a police telephone line, direct line or central monitoring station warning system installed and put into full and effective operation at night and whenever the **Premises** are closed for business or left unattended. We will not regard the intruder alarm as effective if the **Insured** have had notice of the withdrawal of such service and such service has actually been withdrawn
- 3) the intruder alarm is maintained under contract by a company which is either included in the official list of recognised firms of the National Approval Council for Security Systems (NACOSS), or the Security System and Alarm Inspections Board (SSAIB) or approved by **Underwriters**
- 4) all keys of the intruder alarm are removed from the **Premises** at night and whenever they are closed for business or left unattended. Where the **Insured** or an **Employee** occupies part of the **Premises** for residential purposes, the keys must be removed from the **Business** part of the **Premises**.

PO11 - No Smoking Condition

It is a condition precedent to liability that smoking will not be permitted on the **Premises** at any time and signs to this effect will be prominently displayed.

Policy Endorsements continued

(Applicable only if specified in the **Schedule**)

PO12 - Obsolete Building Clause

The basis of valuation for the purpose of average shall be;

- 1) the cost of purchasing a similar building to the insured building plus an allowance for removal of debris costs or
- 2) the cost of erecting a modern building providing comparable facilities to the insured building plus an allowance for professional fees removal of debris costs and the additional expenditure which might arise out of local authorities' requirements.

PO13 - Paint Spraying Conditions

It is a condition precedent to liability that all spraying of paints or varnishes with a flash point below 32 degrees centigrade will be carried out in an area enclosed by non-combustible materials and extraction to the open air and any electrical installation including that for extraction will be of flameproof design and any heating will be of the black-heat type and with fully enclosed elements.

It is also a condition precedent to liability that;

- 1) only one days supply of flammables will be kept in the spraying area
- 2) all other flammables will be kept in a designated enclosed steel bin or if the stocks of same are substantial they will be kept in a store with high and low level vents to the open air or forced flameproof extractor at floor level
- 3) all lighting will also be flameproof
- 4) smoking will be prohibited in the areas where processes are carried and signs to this effect will be prominently displayed.

PO14 - Residential Tenants Clause

It is a condition precedent to liability that any Residential portion(s) of the **Premises** are not let or used by;

- 1) local authorities or the department of social security
- 2) students
- 3) asylum seekers.

PO15 - Smoking Condition

It is a condition precedent to liability that smoking will be prohibited throughout the **Premises** except in offices and /or canteens and for other specifically designated areas. Suitable notices to this effect will be displayed in prominent positions.

PO16 - Storage of Combustible Materials in the Open Condition

It is a condition precedent to liability that no combustible materials are externally stored within ten metres of the **Buildings** outside business hours.

Policy Endorsements continued

PO17 - Subsidence Ground Heave and Landslip Extension

Notwithstanding Exclusions 7(a) and 7(b) the insurance by Sections 1 and 2 extends to cover **Damage** caused by Subsidence or Ground Heave of any part of the site on which the property stands or Landslip excluding;

- a) the first GBP 1,500 of each and every loss after the application of any Condition of Average
- b) **Damage** to yards, car parks, roads, pavements, walls, gates and fences unless also affecting a building insured hereby
- c) **Damage** caused by or consisting of;
 - i) the normal settlement or bedding down of new structures
 - ii) the settlement or movement of made-up ground
 - iii) coastal or river erosion
 - iv) defective design or workmanship or the use of defective materials
 - v) fire, subterranean fire, explosion, earthquake or the escape of water from any tank apparatus or pipe
- d) **Damage** which originated prior to the inception of this cover
- e) **Damage** resulting from;
 - i) demolition, construction, structural alteration or repair of any property or
 - ii) groundwork or excavation at the **Premises**

Special Conditions

Insofar as this insurance relates to **Damage** caused by Subsidence Ground Heave or Landslip;

- a) The **Insured** shall notify the **Underwriters** immediately they become aware of any demolition, groundworks, excavation or construction being carried out on any adjoining site
- a) The **Underwriters** shall then have the right to vary the terms or cancel this cover.

PO18 - Survey Clause

Cover hereon is strictly subject to receipt by **Underwriters** of a satisfactory survey carried out by an authorised surveyor within 30 days of the inception date of this insurance or by a date to be agreed by the **Underwriters** and advised to the **Insured**.

The **Underwriters** reserve the right to cancel this insurance with immediate effect or impose special terms and conditions and/or revise the premium rate upon receipt of the survey.

The **Insured** shall implement the survey requirement(s) or as otherwise agreed by the **Underwriters** within a period to be agreed by the **Underwriters** and advised to the **Insured**.

If the **Insured** fails to implement the requirement(s) within the period agreed by the **Underwriters** then all coverage hereunder shall terminate at the end of said period.

Policy Endorsements continued

PO19 - Terrorism Extension

This Insurance is extended for the **Period of Insurance** stated above to include;

- a) loss of or **Damage to Property Insured** at the **Premises**, as stated in the **Schedule** to this Insurance, situated in the United Kingdom other than Northern Ireland (meaning England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987) and
 - b) where applicable under this Insurance consequential loss arising from business interruption,
- the proximate cause of which is an Act of Terrorism duly certified as such by Her Majesty's Government or HM Treasury or any successor or other relevant authority

provided always that the Terrorism Insurance provided under this Extension is

- A limited to loss or **Damage** occasioned by or happening through or in consequence of acts of persons acting on behalf, or in connection with any, organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty's Government in the United Kingdom or any other government de jure or de facto

In any action suit or other proceedings where the **Underwriters** allege that any loss or **Damage** is not covered by this Extension the burden of proving that such loss or **Damage** is covered shall be upon the **Insured**

- B not applicable to;

- 1) any land or building of which any part is
 - a) insured in the name of an individual; or
 - b) occupied as a private residence, or owned or occupied in the name of an individual, unless
 - i) the part so occupied/owned is less than 80% of the land or building as a whole; and
 - ii) the proportion of such land or building which is commercially occupied is more than 20%; and
 - iii) any part which is occupied as a private residence, or owned or occupied in the name of an individual, is insured
 - under the same policy to which this Extension applies and which otherwise insures the part which is not so occupied, or owned or occupied, or
 - separately, but in any event not in the name of an individual

(where any person holds or owns flats or houses insured hereunder as a trustee pursuant to the terms of a trust, or by way of a business as a sole trader, such person shall not be construed as an 'individual' for the purposes of this proviso B.1, unless such person occupies any such flat – not including a block of flats - or house as a private residence)

- 2) any Nuclear Installation or Nuclear Reactor

Nuclear Installation

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

- a) the production or use of atomic energy
- b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations

or

- c) the storage processing or disposal of nuclear fuel or bulk quantities of other radioactive matter, being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.

Nuclear Reactor

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

- C not subject to any of the excluded perils specified in this Insurance other than those applying specifically in respect of the Terrorism Insurance provided under this Extension as stated in E and F below
- D subject otherwise to the terms conditions exclusions deductibles and limits of this Insurance except as expressly varied hereby
- E subject to the exclusion of war and allied risks, defined as any loss whatsoever occasioned by riot civil commotion war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power

PO19 - Terrorism Extension continued

- F subject to the exclusion of digital or cyber risks, defined as any loss whatsoever directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from;
- 1) **Damage** to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property of the **Insured** or not, where such **Damage** is caused by Virus or Similar Mechanism or Hacking or Denial of Service Attack or
 - 2) consequential loss directly or indirectly caused by or arising from Virus or Similar Mechanism or Hacking or Denial of Service Attack.

Virus or Similar Mechanism

Virus or Similar Mechanism means program code programming instruction or any set of instructions intentionally constructed with the ability to **Damage**, interfere with or otherwise adversely affect computer programs data files or operations, whether involving self-replication or not. The definition of Virus or Similar Mechanism includes but is not limited to Trojan horses worms and logic bombs.

Hacking

Hacking means unauthorised access to any computer or other equipment or component or system or item which processes stores or retrieves data, whether the property of the **Insured** or not.

Denial of Service Attack

Denial of Service Attack means any actions or instructions constructed or generated with the ability to **Damage** interfere with or otherwise affect the availability of networks network services network connectivity or information systems. Denial of Service Attacks include, but are not limited to the generation of excess traffic into network addresses the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks;

and provided that the **Underwriters** liability in respect of all losses arising out of any one occurrence and, where applicable under this Insurance, in the aggregate in any one **Period of Insurance** shall not exceed the limits as otherwise specified in this Insurance.

Irrespective of the currency in which this Insurance is expressed, the limit of liability and the premium for the Terrorism Insurance effected by this Extension will be determined in sterling.

Special Conditions

The Terrorism Insurance provided under this Extension shall not apply to;

- a) any Long Term Agreement / Undertaking to which this Insurance is subject
- b) any terms in this Insurance that provide for adjustments of premium based upon declarations on expiry or during the **Period of Insurance**
- c) any aggregate limit contained in this Insurance regarding the amount to be borne by the **Insured** as a result of the operation of a deductible

Special Provision

Notwithstanding anything anything stated herein to the contrary, this Terrorism Extension applies also to any **Property Insured** at the **Premises**, as stated in the **Schedule** to this Insurance, which is insured in the name of an individual and is occupied as a private residence, other than in respect of any loss whatsoever or any expenditure resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from;

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- b) chemical and/or biological and/or radiological irritants contaminants or pollutants.

PO20 - Thatch Conditions

It is a condition precedent to liability that;

- 1) all chimneys to solid-fuel stoves, boilers and open fires are kept in a good state of repair and that they are professionally cleaned once a year before winter
- 2) all old thatch and thatching is burnt at a distance of more than 100 metres from the **Premises**
- 3) no naked flames or tools producing naked flames be present in the attic or loft space at any time.

If you fail to comply with any of the above duties this insurance may become invalid in respect of loss or **Damage** caused by fire.

Policy Endorsements continued

PO21 - Unoccupancy Conditions Wider Perils

The Unoccupancy Conditions contained within the Policy Conditions are replaced by the following:-

It is a condition precedent to liability that when any building (or part thereof) are untenanted or **Unoccupied**;

- a) all gas, water and electricity mains supplies will be kept disconnected (except those supplies required to maintain automatic sprinkler installations, lighting or alarm systems which are to remain in operation for security or fire protection purposes)
- b) all water tanks, apparatus, pipes and heating other than those connected to automatic sprinkler systems must be drained down
- c) all reasonable precautions are taken to ensure that the buildings are secure against entry by intruders including:
 - i) securely locking and fastening all doors and windows
 - ii) any letter boxes being sealed
 - iii) setting all security and alarm protections in full operation and ensuring that the protections are in proper working order
- d) all waste refuse and other disused combustible materials will be cleared from the building and removed from the **Premises** at least once a week
- e) tanks containing fuel or other flammable liquids must be drained and purged within 7 days of the **Buildings** becoming **Unoccupied**
- f) the **Buildings** must be inspected at least once every 7 days by the **Insured** or the **Insureds** nominee in order to inspect the **Premises** both internally and externally and to carry out any work necessary to maintain the above security arrangements. A record will be kept of such inspections
- g) notice is to be given to **Underwriters** when any untenanted or **Unoccupied** building (or part thereof) is again occupied

Underwriters shall not be liable for any **Damage** or **Injury** arising out of or in connection with any works of alteration demolition refurbishment or renovation.

Policy Exclusion 10 is hereby deleted.

Defined Perils are hereby restricted to fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood or impact by any road vehicle or animal, falling trees, branches and falling aerials.

PO22 - Use of Heat Conditions

It is a condition precedent to liability that the following precautions are complied with on each occasion of the use or application of heat (as defined below) taking place on the **Premises**;

- a) application of heat by means of electric, oxyacetylene or other welding or cutting equipment or angle grinders, blow lamps, blow torches, hot air guns or hot air strippers;
 - i) the area in the immediate vicinity of the work (including in the case of work carried out on one side of a wall or partition, the opposite side of the wall or partition) must be cleared of all loose combustible material; other combustible material must be covered by sand or over-lapping sheets or screens of non-combustible material
 - ii) at least two adequate and appropriate portable fire extinguishers, in proper working order, must be kept in the immediate area of the work being undertaken and used immediately smoke or smouldering or flames are detected
 - iii) a fire safety check of the working area must be made approximately 60 minutes after the completion of each period of work and immediate steps taken to extinguish any smouldering or flames discovered
 - iv) blow lamps and blow torches must be filled in the open and must not be lit until immediately before use and must be extinguished immediately after use
 - v) a person must be appointed by the **Insured** to act as an observer to watch for signs of smoke or smouldering or flames
- b) use of asphalt, bitumen, tar, pitch or lead heaters;
 - i) the heating must be carried out in the open in a vessel designed for the purpose and, if carried out on a roof, the vessel must be placed on a non-combustible heat insulating base.

PO23 - Valley Gutter Condition

It is a condition precedent to liability that all valley gutters be inspected and cleared every six months.

Policy Endorsements continued

PO24 - Weekly Waste Condition

It is a condition precedent to liability that all combustible trade waste and refuse will be swept up daily and kept in bags or bins and removed from the **Buildings** at least once a week.

Alteration in Risk

This **Policy** shall be avoided if after the commencement of this insurance there is any alteration in risk;

- a) by removal
- b) by change of occupation or use of the **Property Insured**
- c) whereby the risk of **Damage** accident or liability is increased
- d) the **Business** is wound up or carried on by a liquidator or receiver or permanently discontinued
- e) whereby the **Insureds** interest ceases except by will or operation of law

unless such alteration is admitted by the **Underwriters** in writing.

Arbitration

If any difference shall arise as to the amounts to be paid under this **Policy** (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions. Where any difference is by this Condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the **Underwriters**.

Asbestos Condition

- 1) This **Policy** only insures asbestos physically incorporated in an insured building or structure, and then only provides indemnity in respect of that part of the asbestos which has been physically **Damaged** during the **Period of Insurance** by one of these Listed Perils;
Fire, lightning, explosion, aircraft, riot or civil commotion, earthquake, subterranean fire, storm or flood, escape of water, impact ,sprinkler leakage, subsidence.

This coverage is subject to all limitations in the **Policy** to which this endorsement is attached and in addition to each of the following specific limitations;

- a) the said building or structure must be insured under this **Policy** for **Damage** by a Listed Peril.
- b) the Listed Peril must be the immediate sole cause of the **Damage** to the asbestos.
- c) the **Insured** must report to the **Underwriters** the existence and cost of the **Damage** as soon as practicable after the Listed Peril first **Damaged** the asbestos.

However this **Policy** does not insure any such **Damage** first reported to the **Underwriters** more than 12 (twelve) months after the expiration or termination of the **Period of Insurance**.

This **Policy** shall provide no cover (whether for physical **Damage** business interruption delay of repair or other consequential loss) in respect of;

- i) wear and tear or inherent defect, quality or vice in or of any asbestos
 - ii) any compliance with or breach of any legal or other duty or obligation (including without limitation any duty arising from any contract or statute, or any instruction, request or order of any court or governmental or regulatory authority) of any person in connection with the design manufacture installation use retention treatment management repair replacement or removal of any asbestos (**Damaged** or otherwise) or
 - iii) any asbestos which the Listed Peril has not physically **Damaged**.
- 2) Except as set forth in the foregoing Part A. of this endorsement, this **Policy** does not insure asbestos or any interest relating thereto.

Average

If, at the time of any **Damage** to **Property Insured**, the **Sum Insured** specified on the **Schedule** by the relevant item is less than the full value of the **Property Insured** by that item, the amount payable by the **Underwriters** will be proportionately reduced.

Cancellation

This **Policy** may be cancelled at any time at the request of the **Insured** in writing to the Intermediary who effected the **Policy**, and the premium hereon shall be adjusted on the basis of the **Underwriters** receiving or retaining a minimum of 33.33% of the annual premium. The minimum premium received or retained by **Underwriters** is increased to 50% where the **Premises** are **Unoccupied** at inception of the **Policy**. Notwithstanding anything contained within the Survey Clause, this certificate may also be cancelled by or on behalf of the **Underwriters** by 14 days notice given in writing to the **Insured** at his last known address, and the premium hereon shall be adjusted on the basis of the **Underwriters** receiving or retaining pro rata premium. Notice shall be deemed to be duly received in the course of the post if sent by pre paid letter-post properly addressed.

Policy Conditions continued

Claims – Insureds Duties

On the happening of any event which may give rise to a claim the **Insured** shall;

- a) General - applicable to all Sections;
 - i) notify the **Underwriters** immediately
 - ii) take all practicable steps to recover property lost and otherwise minimise the claim
 - iii) inform the Police immediately if the loss or **Damage** is caused by thieves, malicious persons or vandals or by riot, civil commotion, strikes or labour disturbances
 - iv) give all information and assistance the **Underwriters** may require in a timely manner
- b) Applicable to Section 1 – Buildings;
Within 30 days or such further time as the **Underwriters** may in writing allow deliver to the **Underwriters** a written claim providing at their own expense all details proofs and information regarding the cause and amount of **Damage** as the **Underwriters** may reasonably require together with details of any other insurances on any **Property Insured** by this **Policy** and (if demanded) a statutory declaration of the truth of the claim and of any related matters

No claim under this Section shall be payable unless the terms of this condition have been complied with.

- c) Applicable to Section 2 - Rental Income;
 - i) within 14 days after the expiry of the **Indemnity Period** or within such further time as the **Underwriters** may in writing allow at their own expense deliver to the **Underwriters** a statement setting out particulars of the claim together with details of all other insurances covering any part of the **Damage** or resulting loss of rental income
 - ii) the **Insured** shall at their own expense also provide the **Underwriters** with such books of account and other business books, vouchers, invoices, balance sheets, and other documents, proofs, information, explanations and other evidence as may reasonably be required by the **Underwriters** for the purpose of investigating or verifying such claim together with (if demanded) a statutory declaration of the truth of the claim and of any related matter

No claim under this Section 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 the **Underwriters** immediately.

- d) Applicable to Section 3 – Property Owners Liability;
 - i) not make or allow to be made on their behalf any admission offer promise payment or indemnity without the written consent of the **Underwriters**
 - ii) immediately forward to the **Underwriters** every letter claim writ summons and process immediately upon receipt without acknowledgement
 - iii) advise the **Underwriters** in writing immediately they have any knowledge of any impending prosecution inquest Fatal Accident or Ministry Enquiry.

Claims - Underwriters Rights

The **Underwriters**;

- a) On the happening of **Damage** in respect of which a claim is made may without thereby incurring any liability or diminishing any of the **Underwriters** rights under this **Policy** enter take or keep possession of the **Premises** where such **Damage** has occurred and take possession of or require to be delivered to the **Underwriters** any **Property Insured** and deal with such property for all reasonable purposes and in any reasonable manner

No property may be abandoned to the **Underwriters** whether taken possession of by the **Underwriters** or not.

- b) shall have full discretion in the conduct of any proceeding and in the settlement of any claim.

Change in Tenancy Clause

The **Insured** must advise the **Underwriters** of all changes in tenancy or occupation within the **Property Insured**.

Policy Conditions continued

Conditions & Observance of Policy Terms

Every Condition shall from the time the Condition attached apply and continue to be in force during the whole currency of this **Policy** and non-compliance with any such Condition whether it increases the risk of **Damage** or not shall be a bar to any claim provided that whenever this **Policy** is renewed a claim occurring during the renewal period shall not be barred by reason of a Condition not having been complied with at any time before the commencement of such period.

The due observance and fulfilment of the terms Provisions Conditions Special Clauses and Endorsements of this **Policy** by the **Insured** in so far as they relate to anything to be done or complied with by the **Insured** will be a condition precedent to any liability of the **Underwriters** except insofar as is necessary to comply with the requirements of any legislation enacted in Great Britain Northern Ireland the Channel Islands or the Isle of Man relating to compulsory insurance of legal liability to **Employees**.

Data Protection Act 1998

We may store your information on a computer and use it for administration, risk assessment, research and statistical purposes, marketing purposes and for crime prevention (see further details below). We will only disclose your personal details to third parties, if it is necessary for the performance of your contract with us.

In order to assess the terms of the insurance contract or administer claims that arise, we will need to collect data that the Data Protection Act defines as sensitive such as medical history or criminal convictions. By proceeding with this contract you will signify your consent to such information being processed by the insurers or their agents.

We will keep your information secure at all times. In certain circumstances, for example for systems administration purposes, we may have to transfer your information to another country, which may be a country outside the European Economic Area ("EEA"). By proceeding with your insurance application, we will assume you are agreeable for us to transfer your information to a country outside the EEA.

Electrical Circuit Maintenance Condition

It is a condition precedent to liability that a current and valid electrical certificate is issued for the **Premises** and that electrical installation will be inspected and tested once every three years by a contractor approved by the National Inspection Council for Electrical Installation Contractors (NICEIC) and that defects found will be remedied forthwith in accordance with regulations of the institute of electrical engineers.

E.U. Disclosure Clause

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.

Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends upon the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS.

Fraud

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

Identification

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

Policy Conditions continued

Minimum Security Requirements (A)

- a) It is a condition precedent to liability under this **Policy** that all protections provided for the safety of the **Premises** shall be maintained in good order and shall not be withdrawn altered or varied without the prior consent of the **Underwriters** and shall be in full and effective operation when the **Premises** are closed for **Business** or left unattended, and at all other appropriate times
- b) It is a condition precedent to liability under this **Policy** that any alarm and/or system forming part of the protections shall be maintained in full and efficient working order under a contract to provide both corrective and preventive maintenance with the installing company or in accordance with the manufacturer's recommendations
- c) In the event of the **Insured** receiving any notification;
- i) that the police authority attendance or any contractually provided attendance in response to alarm signals and/or calls from any alarm system may be withdrawn or the level of response reduced or delayed or
 - ii) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance in respect of any alarm system or
 - iii) that any alarm system cannot be returned to or maintained in full working order
- then with immediate effect:
- 1) it shall be a condition precedent to liability under this **Policy** that the **Insured** shall notify **Underwriters** as soon as possible, at which time **Underwriters** shall reserve the right to vary terms or cancel cover provided under this **Policy**
 - 2) the **Insured** shall be responsible for the first 20% of any loss destruction or **Damage** by theft or attempted theft subject to a minimum contribution of GBP2,500
 - 3) it shall be a condition precedent to liability under this **Policy** that the **Insured** shall comply with any requirements that **Underwriters** impose in response to such notice.

Misrepresentation and misdescription

This **Policy** shall be voidable in any event of misrepresentation misdescription or non-disclosure in any material particular.

Non Invalidation Clause

The Insurance of this Section shall not be invalidated by any act, omission or alteration whereby the risk of **Damage** is increased unknown to or beyond the control of the **Insured** provided that, immediately the **Insured** becomes aware thereof they shall give notice to **Underwriters** and pay an additional premium if required.

Other Insurances and Average

- a) Applicable to Section 1 – Buildings;
- i) if at the time of any **Damage** there is any other insurance effected by or on behalf of the **Insured** covering any of the property **Damaged** the liability of the **Underwriters** hereunder shall be limited to its rateable proportion of such **Damage**
 - ii) if any other insurance shall be subject to any average (under insurance) condition this Section if not already subject to any Condition of Average shall be subject to Average in like manner
 - iii) if any other insurance is subject to any provision whereby it is excluded from ranking concurrently with this Section either in whole or in part or from contributing rateably the liability of the **Underwriters** hereunder shall be limited to that proportion of the **Damage** as the **Sum Insured** hereby bears to the value of the property.
- b) Applicable to Section 2 - Rental Income;
If at the time of any **Damage** resulting in a loss under this Section there be any other insurance effected by or on behalf of the **Insured** covering such loss or any part of it the liability of the **Underwriters** hereunder shall be limited to its rateable proportion of such loss
- c) Applicable to Section 3 - Property Owners Liability;
The **Underwriters** will not indemnify the **Insured** in respect of liability which is insured by or would but for the existence of the Section be insured by any other policy except in respect of any excess beyond the amount payable under such other policy had this insurance not been effected.

Pipe Lagging Condition

It is a condition precedent to liability that either;

- a) there is a heating system linked to a frost-stat and a minimum temperature of 4°C is maintained between 31st October and 31st March or
- b) all pipes are adequately lagged.

Policy Conditions continued

Portable Heating Condition

It is a condition precedent to liability that there will be no use or storage on the **Premises** of paraffin or portable gas heaters or containers unless specifically agreed by the **Underwriters** prior to such use or storage.

Reasonable Precautions

The **Insured** shall;

- a) take all reasonable precautions to prevent occurrences which may give rise to **Damage** or accidents
- b) take all reasonable steps to comply with statutory requirements obligations and regulations imposed by any authority
- c) take immediate steps to make good or remedy any defect or danger which becomes apparent or take such additional precautions as circumstances may require.

Reinstatement

If any **Property Insured** by Section 1 - Buildings is to be reinstated or replaced by the **Underwriters** the **Insured** shall at their own expense provide all such plans documents books and information as may be reasonably required. The **Underwriters** shall not be bound to reinstate exactly but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than its **Sum Insured**.

Several Liability Notice

The subscribing **Underwriters** 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 **Underwriters** are not responsible for the subscription of any co subscribing Underwriter who for any reason does not satisfy all or part of its obligations.

Subrogation

Any claimant under this **Policy** shall at the request and at the expense of the **Underwriters** take and permit to be taken all necessary steps for enforcing rights against any other party in the name of the **Insured** before or after any payment is made by the **Underwriters**

The **Underwriters** shall be entitled to take over and conduct in the name of the **Insured** the defence or settlement of any claim or to prosecute in the name of the **Insured** at its own expense and for its own benefit any claim for indemnity or damages or otherwise.

Unoccupancy Conditions

It is a condition precedent to liability that when any building (or part thereof) are untenanted or **Unoccupied**;

- a) all gas, water and electricity mains supplies will be kept disconnected (except those supplies required to maintain automatic sprinkler installations, lighting or alarm systems which are to remain in operation for security or fire protection purposes)
- b) all water tanks, apparatus, pipes and heating other than those connected to automatic sprinkler systems must be drained down
- c) all reasonable precautions are taken to ensure that the buildings are secure against entry by intruders including:
 - i) securely locking and fastening all doors and windows
 - ii) any letter boxes being sealed
 - iii) setting all security and alarm protections in full operation and ensuring that the protections are in proper working order
- d) all waste refuse and other disused combustible materials will be cleared from the building and removed from the **Premises** at least once a week
- e) tanks containing fuel or other flammable liquids must be drained and purged within 7 days of the **Buildings** becoming **Unoccupied**
- f) the **Buildings** must be inspected at least once every 7 days by the **Insured** or the **Insureds** nominee in order to inspect the **Premises** both internally and externally and to carry out any work necessary to maintain the above security arrangements. A record will be kept of such inspections
- g) notice is to be given to **Underwriters** when any untenanted or **Unoccupied** building (or part thereof) is again occupied

Underwriters shall not be liable for any **Damage** or **Injury** arising out of or in connection with any works of alteration demolition refurbishment or renovation.

Defined Perils are hereby restricted to fire lightning aircraft and explosion only.

Complaints Procedure

We are dedicated to providing you with a high standard of service and we want to ensure that we maintain these standards at all times. If you feel that we have not offered you a first class service please write and tell us and we will do our best to resolve the problem.

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

If you are unable to resolve the matter with your broker or insurance advisor and wish to make a complaint you may do so at any time by referring the matter to the Complaints Department at Lloyd's to review your case. Their address is:

Complaints Department

Lloyd's

One Lime Street

London

EC3M 7HA

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Complaints that cannot be resolved by Lloyd's may be referred to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. Tel. 0845 0801800.