



Chaucer

INSURANCE



Policy booklet
Commercial Combined

Welcome

We are pleased to welcome you as a Chaucer Commercial policyholder and thank you for choosing to insure with Chaucer Insurance. We aim to provide the best cover and claims service for all our policyholders to give you peace of mind.

We have done everything possible to make your insurance documents as straightforward as possible. This policy booklet gives useful advice on how to make a claim and what you can do if you are unhappy with our service. If you have any questions, please call your insurance adviser who arranged this cover for you.

On behalf of everyone at Chaucer Insurance we wish you an incident free year with Chaucer commercial.

Important information

You have taken out insurance with Us (Chaucer Insurance). This document gives details of a legally binding contract of insurance.

We have used the information You have given Us in the Proposal form, Statement of Fact or annual declaration form in deciding to insure You and how much premium to charge.

If You know or believe that any information is incorrect or missing, please tell Your insurance adviser immediately. If You do not give us accurate and complete information Your insurance may not be valid and We could refuse to pay Your claim. If You need a copy of the Proposal Form, Statement of Fact or annual declaration, please ask Your insurance adviser.

This document has been issued by Chaucer Insurance under the authority granted by the Lloyd's Underwriting Byelaw 2003.

Signed

A handwritten signature in black ink, appearing to read 'K Barber', is written over a horizontal dotted line. The signature is stylized and cursive.

K Barber
*Practice Head –
UK Insurance*

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General Conditions applying to all sections of the insurance

Where any term of this insurance said (in the term itself or by any heading) to be a condition, requires You to do or comply with anything and You have failed to do or comply with that thing and such failure increased the risk of Damage, Injury or liability, we shall not cover any claim under this insurance for such Damage, Injury or liability. You and anyone claiming cover must keep to all the conditions in this document and any applicable Endorsements throughout the Period of Insurance.

- 1 a) The information You gave on the Proposal or Statement of Fact and any declaration is true and complete. If You do not give Us accurate information, this could lead to Us not paying a claim or Your insurance not being valid.
b) You have paid the premium.
- 2 If a claim is made which You or anyone acting for You knows is false, or You give Us incorrect information or fraudulent documents, We will not pay the claim, cover under this insurance will not be valid and You will lose any premium You have paid.
- 3 If, under the law of any country which this insurance covers You in, We have to settle a claim which We would not otherwise have paid, You, or the person who made the claim, must pay this amount back to Us.
- 4 If there is other insurance in force (or which would be in force if Our insurance did not exist and You had complied with all the terms of the other insurance) which covers the same loss, Damage or liability as Our insurance, We will only pay any amount over that provided by the other insurance. This condition does not make Us responsible for any amount We would not otherwise have paid under this insurance.
- 5 You cannot transfer this insurance to anyone else.
- 6 Cancelling during the initial period of cover – Retail Customers only.

If You have entered into this contract of insurance as a Retail Customer, You have a right to cancel this insurance. To do this, You must tell Us or Your insurance adviser within 14 days of the start date of Your insurance or (if later) the day You receive the insurance documents and supporting information.

If You choose to cancel the insurance during this initial period of cover, You will have to pay the proportion of the premium equivalent to the period of time You have had insurance cover. Further charges may include a proportion of any commission We have paid to Your insurance adviser and a proportion of any fees they have charged which will be enough to cover their costs.

- 7 This insurance may also be cancelled in the following circumstances.

We or Your insurance adviser can send You seven days' notice to Your last known address. We will refund the proportion of Your premium equivalent to the period of the insurance You have left. If We or Your insurance adviser cancel this insurance because You have not paid the full premium, We will work out the proportion using Our short-period rates shown below. We will not give a refund if there has been a claim or an Occurrence which could lead to a claim in the current Period of Insurance.

You can cancel this insurance by making a request in writing to Us or Your insurance adviser. If there have been no claims in the current period and You can confirm in writing that You are unaware of any claim or Occurrence which could lead to a claim, We will work out a charge for the time You have been covered using Our short-period rates shown below. We will refund any amount We owe You.

Period of time You have had the cover, up to:	Refund of premium
One month	70%
Two months	60%
Three months	50%
Four months	40%
Five months	30%
Six months	20%
Seven months	10%
More than seven months	Nil

- 8 This insurance does not give rights to any person other than You (the insured person) unless We say differently elsewhere in this document.

No rights to enforce any term of this insurance under the Contracts (Rights of Third Parties) Act 1999 are given to any person who is not a party to this Insurance but this does not affect any right or remedy of any such person that arises apart from that Act.

General Conditions continued on the next page.

General Conditions applying to all sections of the insurance (continued)

- 9 You must tell Us as soon as possible about any changes which could affect Your insurance and which have happened since the cover first started or since You last renewed it. If You do not tell Us about these changes, Your insurance may not cover You fully or at all. If You are not sure whether any facts are important, please ask Your insurance adviser.

Here are some examples of changes You should tell Us about:

- Any alteration of the Premises or property or any other circumstances whereby the risk is increased.
- An increase in the estimated wages, salaries, Turnover, payments to sub-contractors who are not Employees, maximum number of Employees or maximum number of sub-contractors who are not Employees but only if any increase is more than 50% of Your previously advised estimate for the Period of Insurance. Any increase of less than 50% may be declared at the end of the Period of Insurance in accordance with General Condition 16 below.
- A change in the activities of the Business, including any part-time work.
- Convictions and prosecutions

Without affecting the condition relating to cancellation We shall be entitled to increase or reduce the premium and/or vary the terms, conditions and exceptions of this insurance in respect of the unexpired term of this insurance to adequately reflect any alteration in the risk.

- 10 We may at any time pay the Limit of Liability (after the deduction of any sum already paid) or any lesser amount for which a claim can be settled and shall be under no further liability except for the payment of costs and expenses incurred prior to the date of payment (provided that the Limit of Liability stated in the Schedule is sufficient to allow it).

11 You must:

- a) maintain all buildings furnishings ways works machinery plant caravans and vehicles in sound condition,
- b) take all reasonable precautions to prevent Injury or Damage which may give rise to a claim under this insurance,
- c) exercise care in the selection and supervision of Employees,
- d) as soon as possible after discovery ensure any defect or danger is made good or remedied and in the meantime ensure additional precautions are taken as the circumstances require,
- e) comply with all statutory requirements and other safety regulations imposed by any authority.

12 We shall not be liable for the amount of the Excess stated in the Schedule.

13 Interpretation

- a) This insurance, the Schedule, Statement of Fact and any Endorsements shall be read together as one contract.
- b) Any word or expression to which a specific meaning has been attached in this insurance shall bear the same meaning wherever it may appear.
- c) Any reference to the singular shall include the plural and vice versa.
- d) The masculine shall include the feminine and vice versa.
- e) A statute statutory instrument regulation or order shall include any amendment and/or re-enactment thereof.

14 This insurance shall be governed in all respects by the law applying in the particular country in the UK in which You live. If there is any dispute over which law is to apply to this insurance it will be English law.

15 Where there is more than one of You this insurance will apply separately to each of You in the same manner and to the same extent as if a separate insurance had been issued to each of You and We agree to waive all rights of subrogation against any of You.

All the Sums Insured, Limits of Indemnity, Limits of Liability and any other restrictions on the amount of Our liability stated in this Policy will apply as maximum limits to Our liability irrespective of the number of persons entitled to indemnity under this Policy.

For the purposes of the Sums Insured, Limits of Indemnity, Limits of Liability and any other restrictions on the amount of Our liability You and all other persons entitled to indemnity under this Policy shall be treated as one party or legal entity so that there will be only a single contract of insurance between Us as one party and You and all other persons entitled to indemnity as the other party.

16 If the premium has been calculated on estimates given by You, You must keep an accurate record of the relevant figures which We can inspect.

Within one month of the expiry of each Period of Insurance You shall supply Us with a statement (in the form We require) so that the premium for that period can be calculated.

If applicable You must pay Us the difference. If You do not supply a statement within one month of the expiry of the Period of Insurance We may calculate and charge an additional premium which You must pay.

17 This Policy shall be avoided should:

- a) the Business be wound up or carried on by a liquidator or receiver or permanently discontinued or
- b) Your interest cease otherwise than by death.

18 Our liability in any one Period of Insurance (unless stated to the contrary) shall not exceed the total sum insured or in respect of any one individual item, its sum insured in the Schedule or any other stated liability.

General Definitions

Any word or expression to which a specific meaning has been attached shall bear such meaning wherever it appears.

These general definitions apply to all sections of the policy unless otherwise stated in the relevant section. In addition there are some definitions particular to individual sections of the policy. You will find these at the beginning of each relevant section.

Business

Your business described in the Schedule, conducted at or from premises in the UK.

Business Premises

That part of the Premises occupied by You for the purposes of the Business described in the Schedule.

Chaucer Insurance

Chaucer Insurance, Prospect House, Chaucer Business Park, Thanet Way, Whitstable, Kent, CT5 3FD.

Chaucer Insurance is a trading name of an authorised Lloyd's syndicate managed by Chaucer Syndicates Limited (Chaucer Syndicates Limited is authorised and regulated by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA)). Financial Services Number 204915.

Registered Office: Plantation Place, 30 Fenchurch Street, London EC3M 3AD (No. 184915).

Computer Misuse

The unauthorised modification of the contents of any Computer Equipment which impairs the operation or reliability of the Computer Equipment or prevents or hinders access to any program or data, including infection by a computer virus, whether intended or accidental.

Damage

Loss, destruction or damage of tangible property.

Employee

Any of the following whilst they are working on Your behalf in connection with the Business:

- a) an employee under a contract of service or apprenticeship with You,
- b) a labour master or any person supplied by him,
- c) a labour only sub-contractor,
- d) a self employed person working for You and under Your control,
- e) a person hired by You, borrowed by You or embedded in Your Business,
- f) a person undertaking study or work experience or on a youth training scheme with You,
- g) a voluntary worker,
- h) a working director where You are a limited company.

This definition of Employee does not apply to Section 10 Legal Expenses.

Endorsement

A change in the terms of Your insurance. An endorsement does not apply unless the endorsement wording or the endorsement number appears in Your Schedule.

Excess

The amount You have to pay towards any valid claim under this insurance.

Insured Person

Any partner, director or employee of the Insured whose usual place of employment is at the Premises or as otherwise stated in the Schedule.

Limit of Liability

Our maximum liability which in any one Period of Insurance shall not exceed the total sum insured or in respect of any one individual item, its sum insured in the Schedule or any other stated limit of liability.

Money

Cash, bank notes, currency notes, cheques, bankers' drafts, postal orders, money orders, current postage stamps and revenue stamps, National Insurance stamps, National Savings stamps and certificates, holiday savings stamps, luncheon vouchers, credit company sales vouchers, VAT purchase invoices, Premium Bonds, bills of exchange, giro cheques and drafts, gift tokens, trading stamps, unused units in franking machines, consumer redemption vouchers and credit, debit and charge cards.

Occurrence

An accident, including continuous or repeated exposure to substantially the same general conditions, which results in Injury or Damage where such Injury or Damage is neither expected nor intended by You.

Period of Insurance

The period of time shown in the Schedule during which this insurance covers You.

Premises

The location(s) as stated in the Schedule or in any Endorsement, that are used by You for the purposes of the Business.

General Definitions continued on the next page.

General Definitions (continued)

Proposal

Any information supplied by You in connection with this Insurance including any Statement of Fact and any declaration made by You or on Your behalf.

Radiation

Ionising radiation or contamination by radioactivity from any nuclear assembly or nuclear component of it or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component of it.

Retail customer

An individual who is acting for purposes which are outside his trade, business or profession.

Stock

Stock in trade and work materials, work in progress and finished goods (including telephone cards, lottery tickets, scratch cards and postage stamps intended for sale).

The Schedule

The insurance document listing Your details and details of the sections of this insurance document which apply to You.

Statement of Fact

A record of statements made and information given by You or on Your behalf which constitutes the basis of the insurance contract.

Sum Insured

Means the total value at risk as stated in the Schedule applicable to the particular Item or Section.

UK

The United Kingdom being England, Scotland, Wales, Northern Ireland, the Isle of Man and the Channel Islands.

War

War, invasion, act of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection or military or usurped power.

We, Us, Our

Chaucer Insurance.

You, Your

The insured person, company, business partnership or firm named in the Schedule.

Definitions applicable to Property Damage**Ancillary Equipment**

Ancillary Equipment solely for use with the Computer Equipment comprising air conditioning equipment, generating equipment, UPS voltage regulating equipment, temperature and humidity recording equipment, electronic access equipment, heat smoke and water detection equipment, lightning and transient overvoltage protection devices, lockdown security devices, racks cabinets, stacking equipment, gas flooding cylinders and pipework and computer room partitioning.

Buildings

- 1 Buildings.
- 2 Landlord's fixtures and fittings in and on the buildings.
- 3 Outbuildings, extensions, annexes, gangways, external hoists, staircases, yards, car parks, pavements and forecourts.
- 4 Walls, gates and fences.
- 5 Services which shall mean telephone, gas and water mains, electrical instruments, meters, piping, cabling and the like and the accessories thereon, extending from the buildings to the perimeter of the premises or to the public mains (including those underground).

Computer Equipment

All Computer Equipment (including interconnecting wiring, fixed disks and telecommunications equipment) used for the storage and communication of electronically processed data but excluding Computer Equipment used solely or in part for the control or monitoring of any manufacturing, repair, handling, alteration and/or treatment process or plant, machinery, vehicles, airborne or waterborne craft of any kind.

Computer Systems Records

All current and back-up Computer Records (excluding Fixed Disks and paper records of any description) incorporating stored programs and/or data or information thereon for an amount not exceeding £25,000 in respect of any one loss.

Designation of property

Where necessary the item heading under which any property is insured shall be determined by the designation under which such property appears in Your books.

General Contents

- 1 Machinery, plant, fixtures, fittings and other trade equipment.
- 2 All Office Machines and other contents.
- 3 Patterns, models, moulds, plans and designs.
- 4 Documents, manuscripts and business books for an amount not exceeding £25,000 in respect of any one loss.
- 5 In so far they are not otherwise insured:
 - Directors', partners' and Employees' personal effects including clothing, pedal cycles, tools, instruments and the like for an amount not exceeding £500 per person.
 - (but any cover granted under this insurance for Damage by Theft shall not apply to personal effects partly or wholly of precious metal, jewellery, watches, furs, contact lenses, portable electronic devices, mobile phones, cameras, Money and securities of any description).
- 6 Money and securities of any description subject to any specific exceptions in this insurance.
- 7 Wines, spirits, cigarettes and tobacco held for entertainment purposes but for not more than £500 in total in respect of Damage by Theft (if insured).
- 8 To the extent that they are not otherwise insured motor vehicles, motor chassis and their contents.
- 9 Closed circuit television and alarm system equipment.
- 10 Glass, sanitary ware, neon and illuminated signs and electric light fittings.

Glass

Normal flat, annealed glass including toughened and laminated glass unless otherwise shown in the Schedule.

Maintenance Agreement

A maintenance rental hire or lease agreement which provides a minimum service of on-call remedial and/or corrective maintenance at inclusive cost.

Office Machines

Typewriters, duplicators, photocopying machines, calculators, accounting machines, telephone installations, public address systems, dictating equipment, postal and franking machines and similar office machinery belonging to You or for which You are responsible.

Own Computer Equipment

- 1 Computer Equipment.
 - 2 Ancillary Equipment.
 - 3 Computer Systems Records.
 - 4 Programs and/or information stored upon fixed disks or other data media
- as defined below and all being the property of You or for which You are responsible but excluding property which is more specifically insured.

Section 1 continued on the next page.

Property Insured

- 1 Buildings
- 2 General Contents
- 3 Stock
- 4 Other property or interests

at the Premises including, within the open yards forming part of the Premises (subject to any specific exceptions)

all as defined above or more fully described in the Schedule and all being the property of You or or which You are legally responsible.

Tenant's Improvements

All tenant's improvements, alterations, additions and decorations belonging to You or for which You are responsible.

What We cover

If any of the Property Insured, other than Own Computer Equipment, described in the Schedule suffers Damage at the Premises by any of the Covers insured, We will in accordance with the provisions of the insurance, pay to You the amount of loss or at Our option, reinstate or replace such Property.

In respect of Own Computer Equipment as described in the Schedule, if such property suffers Damage at the Premises by any of the Covers insured, We will in accordance with the provisions of the insurance, pay to You the amount of loss or at Our option reinstate or replace such property up to the limit shown in the Schedule including the cost of the reinstatement of data.

Covers

The following are the Covers insured except as otherwise stated in the Schedule

- 1 A) **Fire** excluding Damage:
 - 1) by explosion resulting from fire;
 - 2) to property caused by its undergoing any process involving the application of heat.
- B) **Explosion** excluding Damage:
 - 1) caused by the bursting of any boiler economiser or other vessel machine or apparatus belonging to or under Your control in which internal pressure is due to steam only;
 - 2) to any vessel, machine or apparatus or its contents resulting from the explosion thereof;

but this shall not exclude Damage caused by explosion of any boiler or gas used for domestic purposes only, nor shall it exclude subsequent Damage which itself results from a cause not otherwise excluded.
- C) **Lightning**.
- D) **Aircraft** or other aerial devices or articles dropped therefrom.
- 2 **Earthquake** excluding Damage caused by fire.
- 3 **Riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons** excluding Damage
 - a) arising from confiscation, requisition or destruction by order of the government or any public authority.
 - b) arising from cessation of work
 - c) i) in the course of theft or attempted theft
 - ii) in respect of any building which is empty or not in use

directly caused by malicious persons not acting on behalf of or in connection with any political organisation.
- 4 **Storm or Flood** excluding Damage:
 - a) attributable solely to change in the water table level;
 - b) caused by frost, subsidence, ground heave or landslip;
 - c) to fences, gates and moveable property in the open.
- 5 **Escape of water** from any tank, apparatus or pipe excluding Damage:
 - a) by water discharged or leaking from an automatic sprinkler installation;
 - b) in respect of any building which is empty or not in use.
- 6 **Impact** by any road vehicle (including any fork lift truck or other industrial vehicle) or animal.
- 7 **Accidental escape of water from any automatic sprinkler installation** excluding Damage:
 - a) by freezing in any building which is empty or not in use;
 - b) by heat caused by fire.

- 8 **Theft** (which shall be deemed to include attempted theft) excluding theft:
- a) which does not involve entry to or exit from that part of the building occupied by You for the purpose of the Business by forcible and violent means or actual or threatened assault or violence or use of force at the Premises against You or any Employee of Yours or any other person lawfully on the Premises;
 - b) from any part of the building not occupied by You for the purpose of the Business;
 - c) from the open or from any outbuilding;
 - d) of property in transit;
 - e) of Money and securities of any description.
- 9 **Subsidence, ground heave or landslip** excluding Damage:
- a) arising from the settlement or movement of made-up ground or by coastal or river erosion;
 - b) occurring as a result of the construction, demolition, structural alteration or structural repair of any property at the Premises;
 - c) arising from normal settlement or bedding down of new structures;
 - d) commencing prior to the granting of cover under this insurance.
- 10 **Any other accident** excluding Damage:
- a) by any of:
 - i) the Covers;
 - ii) the causes expressly excluded from the Covers;
 specified in the paragraphs 1-9 (whether or not You are insured for the relevant Cover)
 - b) to any property caused by:
 - i) its own faulty or defective design or materials;
 - ii) inherent vice, latent defect, gradual deterioration, wear and tear;
 - iii) faulty or defective workmanship, operational error or omission on the part of You or any of Your Employees;
 but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded.
 - c) caused by:
 - i) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects;
 - ii) change in temperature, colour, flavour, texture or finish;
 - iii) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith;
 - iv) mechanical or electrical breakdown or derangement in respect of the particular machine, apparatus or equipment in which the breakdown or derangement originates.
 but this shall not exclude:
 - a) such Damage which itself results from other Damage and is not otherwise excluded
 - b) subsequent Damage which itself results from a cause not otherwise excluded
 - v) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunication services.
 - d) caused by:
 - i) pollution or contamination;
 - ii) acts of fraud or dishonesty;
 - iii) disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
 - iv) erasure or distortion of information on computer systems or other records
 - a) whilst mounted in or on any machine or data processing apparatus
 - or
 - b) due to the presence of a magnetic flux
 unless caused by Damage to the machine or apparatus in which the records are mounted;
 - e) to:
 - i) a Building or structure caused by its own collapse or cracking;
 - ii) moveable property in the open or fences and gates by wind, rain, hail, sleet, snow, flood or dust;
 - iii) property resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair;
 - f) to:
 - i) property in transit;
 - ii) Money and securities of any description;
 - iii) vehicles licensed for road use (including accessories thereon), caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
 - iv) 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;
 - v) property recoverable under any guarantee or Maintenance Agreement in force at the time of the happening of the Damage.

Section 1 continued on the next page.

- 11 A) Accidental breakage of fixed Glass by fracture extending through its entire thickness.
 B) Damage to neon and illuminated signs and electric light fittings.
 C) Accidental breakage of sanitary ware.
 D) Damage by impact or falling glass to:
- 1) the framework and fittings of the ground floor frontage
 - 2) goods on display in windows
- excluding:
- a) breakage or Damage:
 - i) consequent upon alterations to the framework or position of any of the Glass or to neon and illuminated signs and electric light fittings or to sanitary ware;
 - ii) consequent upon settlement or expansion or contraction of frames or fittings in buildings under construction and during a period of six months after the date of completion of the buildings;
 - iii) whilst the Premises are empty or disused unless specifically agreed;
 - iv) to Property Insured existing prior to the commencement of this insurance and not subsequently replaced;
 - v) in respect of neon and illuminated signs and electric light fittings:
 - 1) occasioned by or traceable to wear and tear or gradual deterioration mechanical or electrical breakdown or removal from their fixed position other than by theft or attempt thereat;
 - 2) of bulbs or tubes unless consequent upon Damage to signs or fittings
 - vi) of:
 - 1) Glass which is bent tinted stained or fired or incorporated in multiple glazed units;
 - 2) lettering or decoration or protective film or alarm foil on Glass unless to comply with the quality recommended in the British Standard Code of Practice BS 6262:1982 or any subsequent related British Standard Code of Practice.
 - b) consequence of fire or explosion unless more specifically insured under Cover 1.

What We do not cover

Exceptions to Section 1

- a) Satellite Telecommunications
 Additional Cost of Working arising from:
 - i) failure of any satellite prior to its obtaining its full operating function or while in or beyond the final year of its design life;
 - ii) atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite.
- b) Computer Systems Records unless at the time of the Damage a back-up copy is maintained either at a location other than the Premises or alternatively a back-up copy is kept in a fireproof safe or cabinet on the Premises.
- c) Damage by Theft of Directors', Partners' and Employees' personal effects partly or wholly of precious metal, jewellery, watches, furs, contact lenses, portable electronic devices, mobile phones, cameras, Money and securities of any description.
- d) Damage to Buildings not built mainly of brick, stone, concrete or other non-combustible materials unless otherwise stated in the Schedule or Statement of Fact.
- e) Claims exceeding £500 in respect of Damage by theft (if insured) of wines, spirits, cigarettes and tobacco held for entertainment purposes.
- f) Damage to:
 - i) land, roads, piers, jetties, bridges, culverts or excavations;
 - ii) livestock, growing crops or trees

unless specifically notified to and accepted by Us as insured

 - iii) property which is more specifically insured.
- g) The Excess (as specified in the Schedule against each of the Covers 1 to 11 above) being the first part of each and every loss to be borne by You at each separate premises as ascertained after the application of all other terms and Conditions of the insurance including the Underinsurance Provision.

How much We cover

Our liability in any one Period of Insurance shall not exceed the total sum insured or in respect of any one item, its sum insured or any other stated Limit of Liability.

Basis of Settlement

In respect of Buildings and General Contents (other than motor vehicles, directors', partners' and Employees' personal effects)

- A) i) the cost of reinstatement being:
- a) where the property is destroyed – the cost of rebuilding or in the case of General Contents, the cost of its replacement by similar property;
 - b) where the property is damaged – the cost of repairing or restoring the damaged portions to a condition substantially the same as but not better or more extensive than its condition when new.

In respect of Own Computer Equipment

- ii) the cost of reinstatement being:
 - a) where the property is destroyed or damaged beyond economic repair – replacement by new property of equal performance and/or capacity or if such be impossible replacement by property having the nearest higher performance and/or capacity to the property lost destroyed or damaged;
 - b) where the property is damaged – the cost of repairing or restoring the damaged portions to a working condition substantially the same as but not better or more extensive than its condition when new.
 - iii) the cost incurred by You in taking reasonable but exceptional measures to avoid or mitigate Damage provided that:
 - a) the impending Damage does not stem from any cause that should reasonably have been foreseeable by You before the Damage giving rise to the settlement;
 - b) We are satisfied that Damage has been avoided or reduced in consequence of the measures taken.
 - iv) the cost necessarily and reasonably incurred in the making of temporary repairs upon and/or the expediting of the repair reinstatement or replacement of property consequent upon the Damage provided that Our liability shall not exceed £5,000.
- B) the cost of complying with Public Authorities' requirements, being such additional cost of reinstatement of the property as may be incurred, with Our consent, in complying with building regulations or local authority or other statutory requirements or EU requirements, first imposed upon You following the Damage, provided that the reinstatement is completed within twelve months of the occurrence of the Damage or within such further time as We may in writing allow.
- C) the cost of removing debris being the cost incurred, with Our consent, in removing debris, dismantling, demolishing, shoring up and propping portions of the property but excluding any costs or expenses:
 - 1) incurred in removing debris, except from the site of such property damaged and the area immediately adjacent to such site;
 - 2) arising from pollution or contamination of property, not insured by this Policy.
- D) the cost of professional fees, being those necessarily incurred in the reinstatement of the property but not for preparing any claims.
- E) Reinstatement of Data, being the costs necessarily and reasonably incurred by You in the reinstatement of programs and/or information onto fixed disks or data media provided that Our liability shall not exceed £5,000.

The following provisions apply to the Basis of Settlement

1) Public Authorities' requirements

We shall not be liable in respect of cost B) above for:

- a) requirements relating to undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from the insurance);
- b) any rate tax duty development or other charge or assessment which may arise out of capital appreciation as a result of complying with any of the regulations or requirements referred to.

2) Partial Damage

Where Damage occurs to only part of the property, Our liability shall not exceed the amount which We would have been liable to pay had the property been wholly destroyed.

3) Reinstatement on Another Site

The work of reinstatement may be carried out wholly or partially upon another site and in any manner suitable to Your requirements provided that it does not increase Our liability.

4) Insurable Amount

For the purpose of the Underinsurance Provision, the Insurable Amount shall be the Day One Reinstatement Value.

Day One Reinstatement Value (shown in the Schedule) shall mean the total of the insured costs A), B), C) and D) in reinstating the Property Insured to a condition substantially the same as when new at the level of costs applying at the commencement of the period of insurance.

5) Alternative Basis of Settlement (except Own Computer Equipment)

Under the Alternative Basis of Settlement We will pay the value of the property at the time of its destruction or the amount of the Damage including the cost of:

- i) complying with Public Authorities' requirements
- ii) removing debris
- iii) professional fees

as defined in costs B) C) and D) above and subject to the provisions and exceptions applying to those costs.

For the purpose of the Underinsurance Provision the Insurable Amount shall be the total of the value at the time of the Damage of the Property Insured by the item and the additional costs B) C) and D).

Our liability shall be limited to the Alternative Basis of Settlement:

- a) until the cost of reinstatement has actually been incurred and/or;
- b) if the work of reinstatement is not carried out as quickly as is reasonably practicable and/or;
- c) if at the time of its Damage the property is covered by any other insurance effected by or on behalf of You and such other insurance is not on the identical basis of reinstatement defined in cost A i) and/or;
- d) if in the Schedule or by Endorsement it is stated that the Alternative Basis of Settlement applies

6) Alternative Basis of Settlement for Own Computer Equipment

Under the Alternative Basis of Settlement We will pay the value of the property at the time of its destruction or the amount of the Damage including the cost of:

- i) minimising Damage and temporary repairs;
- ii) removing debris;
- iii) professional fees;

as defined in costs A ii) A iii) A iv) C) D) & E) above and subject to the provisions and exceptions applying to those costs

For the purpose of the Underinsurance Provision the Insurable Amount shall be the total of the value at the time of the Damage of the Property Insured by the item and the additional costs C) D) & E).

In respect of Computer Systems Records documents manuscripts and business books

We will pay:

- a) the value of the materials as stationery;
- b) the clerical labour and computer time expended in reproducing such Computer Systems Records documents manuscripts and business books;
- c) the costs necessarily and reasonably incurred in connection with the reproduction of any information to be recorded; but excluding the value to You of the information.

For the purpose of the Underinsurance Provision the Insurable Amount shall be the value at the time of Damage.

7) In respect of Stock and other insured property not specifically provided for

We will pay

- A) the value of the property at the time of its destruction or the amount of the Damage.
- B) the cost incurred with Our consent in removing debris dismantling demolishing shoring up and propping portions of the property but excluding any costs or expenses
 - 1) incurred in removing debris except from the site of such property damaged and the area immediately adjacent to such site
 - 2) arising from pollution or contamination of property not insured by this Policy.

The following provisions apply to Stock

I) Contract Price

In respect only of goods sold but not delivered, for which You are responsible and with regard to which, under the conditions of the sale, the sale contract is cancelled by reason of any Damage insured under this Policy, either wholly or to the extent of the Damage, Our liability shall be based on the contract price.

II) Insurable Amount

For the purpose of the Underinsurance Provision the Insurable Amount shall be the contract price of those goods to which provision 2) applies and the value at the time of Damage of all other property.

III) Seasonal Increase

The sum insured in respect of Stock shall be increased by 25% for the months of November, December, January and for 31 days immediately preceding Easter Day. This provision shall not apply to the Stock in Transit Extension.

Special Provisions**Automatic Reinstatement after a Loss**

In the absence of written notice by You or Us to the contrary within 30 days of the occurrence of any Damage, Our liability shall not be reduced by the amount of any loss and You shall pay the appropriate additional premium for such automatic reinstatement of cover provided that in respect of Damage by Theft (if insured) the automatic reinstatement shall apply on the first occasion only in each Period of Insurance.

Declared Value

Shall mean the base value shown in the Schedule, in brackets, beside the sum insured. Such value excludes any provision for inflation but if the loss is settled under the Alternative Basis of Settlement the Declared Value shall be increased by the selected Day One percentage (as shown in the Schedule or Statement of Fact) to the base value shown or if no base value is shown it shall be deemed to be the sum insured. In respect of Stock the declared value shall remain unchanged other than as detailed in provisions I), II) or III) above.

Index Linking

If Index Linking is selected in the Schedule We will adjust the sum insured (and the Declared Value where appropriate) by each item on Buildings in line with suitable indices of costs and the premium for renewal will be based on the adjusted amounts.

Reinstatement by Us

We may at Our option reinstate or replace any property destroyed or damaged without being bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner. You shall at Your own expense produce and provide Us with all such plans, documents, books and information as We may reasonably require.

Transfer of Interest

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

Underinsurance Provision

If at the time of the Damage

- a) the Declared Value by the relative item on Buildings or General Contents or Own Computer Equipment or
- b) the sum insured by the relative item on other property or interests

is less than the Insurable Amount the amount otherwise payable shall be proportionately reduced.

Extensions**Accidental Discharge of Gas Systems**

We will pay the cost of refilling the cylinder(s) of any gas flooding systems, installed solely for the protection of the Property Insured, arising out of the accidental discharge of such system provided that Our liability shall not exceed £5,000. However We shall not be responsible for any costs incurred as a direct result of the gas system being installed commissioned or undergoing any form of testing.

Additional Computer Rental

We will pay the additional rental arising out of the replacement of a lease/hire agreement in respect of the Property Insured by a new contract for similar property consequent upon Damage up to an amount not exceeding £7,500

Buildings General Contents and Own Computer Equipment – Alterations and Additions

If during the Period of Insurance

- A) alterations or additions are made to any Buildings insured or
- B) Buildings or General Contents or Own Computer Equipment are acquired or constructed

at any Premises covered by this insurance or elsewhere in the UK and such additional property is not otherwise insured, it will be held covered under the relative items of this insurance from the time from which You became responsible for it until the next renewal of the insurance at which date specific insurance shall be effected.

The sum insured (and Declared Value) by each item shall be deemed to be increased for that period only by the value of the additional Property Insured under the item but by not more than 10% and subject to Our liability not exceeding £500,000 in respect of additional property at any one Premises. All the provisions and conditions of this insurance (including the Alteration Condition) apply to this extension except as expressly varied.

Drain Clearance Extension

In the event of Damage insured by this insurance at the Premises We will pay the reasonable costs incurred by You in cleaning clearing or repairing drains gutters and sewers at the Premises necessitated by such Damage for an amount not exceeding £5,000 in respect of any one loss.

Extinguishment Expenses

We will pay the reasonable costs incurred by You in refilling fire extinguishing appliances and replacing used sprinkler heads solely in consequence of insured Damage to the Property Insured.

Glass Cover Extension

Any cover granted under this insurance in respect of Damage to fixed glass includes the reasonable cost of:

- A) any necessary boarding up or temporary glazing pending replacement of broken glass;
- B) removing and refixing window fittings and other obstacles to replacement.

Section 1 continued on the next page.

Incompatibility of Computer Records

We will pay

- A) the costs of modifying Own Computer Equipment or
- B) the costs of replacement of Computer Systems Records together with reinstatement of programs and/or information thereon (whichever is less) to achieve compatibility in the event Damage to Own Computer Equipment has resulted in undamaged Computer Systems Records being incompatible with the replacement Computer Equipment subject to Our liability not exceeding £10,000.

Landscaped Gardens Extension

In the event of Damage to landscaped gardens & grounds caused by Fire Brigade equipment and Personnel in the course of reducing Damage insured by this insurance at the Premises We will pay the reasonable costs incurred by You for an amount not exceeding £5,000 in respect of any one loss.

Loss of Metered Water

We will pay the additional metered water charges incurred by You as a result of Damage caused by any of the Covers insured under Property Damage Insurance except those in respect of any loss which has not been discovered and remedial action taken within 30 days of the occurrence of the Damage.

The amount payable as indemnity shall be ascertained by comparing the charge made by the water suppliers on Your account for the period during which the loss occurred with the normal charge adjusted for any relevant factors affecting Your liability for metered water charges during such period subject to Our liability under this extension not exceeding £2,500 any one loss.

Misuse or Contamination of Computer Systems

Insofar as this insurance covers loss resulting from Computer Misuse Our Limit of Liability in respect of any such loss shall not exceed £100,000 (or the total sum insured or any other stated Limit of Liability if less) after the application of all the provisions of the insurance including any deductible.

Property and Location

In respect of:

- A) Computer Systems Records, documents, manuscripts and business books at any location and whilst in transit the Limit of Liability for any one loss is the limit stated in the General Contents definition;
- B) specified equipment at any location and whilst in transit the Limit of Liability for any one loss is the sum insured subject to the Excess as shown in the Schedule;
- C) Other property (excluding vehicles licensed for road use) at any location to which the property has been temporarily removed for cleaning renovation repair or other similar reasons and whilst in transit for such purposes the Limit of Liability for any one loss is 15% of the relative sum insured.

Specified Equipment at Other Locations –

Where specified equipment at other locations is indicated as included in the Schedule, subject to all the provisions and exceptions, the cover granted by this insurance is extended to apply to such equipment whilst removed from the Premises.

Provided that:

- a) the insurance applies only so far as the property is not otherwise insured;
- b) this extension applies to Damage to property by theft from a Building occupied by You for the purpose of the Business whether or not there has been forcible or violent entry or actual or threatened assault or violence;
- c) this extension applies to Damage to property by theft from any Building not permanently occupied by You for the purpose of the Business provided the Building is securely locked;
- d) this extension applies to Damage to property in transit;
- e) this extension shall not apply to Damage to property by theft from any vehicle which is away from the site where You are undertaking work between the hours of 1800 and 0800 unless such vehicle is contained in a securely locked building or guarded security park;
- f) any cover granted in respect of Damage by theft shall not apply in respect of theft from any unattended vehicle unless all doors, windows or other points of access have been closed and locked security devices have been set and all keys removed or the vehicle is stolen at the same time;
- g) this extension applies worldwide;
- h) Our liability for any one loss shall not exceed the limit stated in the Schedule against the type of property under specified equipment.

Theft Cover Extension (Buildings and Locks)

Any cover granted under this insurance in respect of Theft includes:

- A) the cost of repairing Damage to the Buildings (whether or not the Buildings are insured hereunder) if You are responsible for the repairs and the Damage is not otherwise insured;
- B) the reasonable expenses (not exceeding £1,000) incurred in necessarily replacing locks to the Buildings or safes or strongrooms therein consequent upon the Theft (as insured) of keys from such building or from the residence of any of the authorised keyholding directors partners or Employees of Yours.

Theft Cover Extension (CCTV and Alarm System Equipment)

Any cover granted under this insurance in respect of Theft includes Damage (not exceeding £2500) to any closed circuit television and alarm system equipment externally fixed to the Premises the property of You or for which You are responsible. Exceptions a) and c) to Cover 8 – Theft do not apply.

Trace and Access and Repair or Replacement Extension

In the event of Damage resulting from escape of water or oil as covered by this Policy We will pay:

- A) the costs necessarily and reasonably incurred in locating the source of such Damage and subsequently making good;
- B) the cost of repairing or replacing tanks apparatus pipes or appliances which have been damaged by freezing.

Unauthorised Use of Electricity Gas or Water Extension

We will pay the cost of metered electricity gas or water for which You are legally responsible arising from its unauthorised use by persons taking possession keeping possession or occupying the Premises without Your authority subject to Our liability not exceeding £25,000 any one claim.

It is a condition precedent to recovery under this Special Provision that such Premises are and have been inspected weekly by a responsible person on behalf of You and that all practicable steps are and have been taken to terminate such unauthorised use as soon as it is discovered.

Special Conditions**Risk Protections****A Automatic Sprinkler and Fire Alarm Installations**

(Applicable if a reduced premium rate is allowed on account of such an installation or if the insurance covers Damage by the accidental escape of water from a sprinkler installation).

You shall:

- 1) take all reasonable steps to:
 - A) prevent frost and other damage to the installations and in so far as it is Your responsibility;
 - B) maintain the installations (including the automatic external alarm signal) in efficient condition;
 - C) maintain ready access to the water supply control facilities.
- 2) maintain throughout the Period of Insurance a contract to provide for the maintenance and half-yearly inspection of the system. Such contract must be with a recognised sprinkler installation engineer.
- 3) in the event that changes repairs or alterations to the installations are proposed notify Us in writing and obtain Our prior agreement in writing.
- 4) allow Us access to the Premises at all reasonable times for the purpose of inspecting the installations.
- 5) carry out the routine tests set out below and remedy promptly any defect revealed by a test. In the event that alterations or repairs become necessary to the automatic sprinkler installation We may at Our option suspend any cover which is granted against Damage by the accidental escape of water from the installation until the alterations or repairs have been carried out and approved by Us. Notice of any such action will be given by Us in writing.

Routine Tests

- 1) You shall conduct a test every working day (holidays excepted) to ensure that the circuit between the alarm switch and the control unit is in full working order (except where it is continuously monitored or is such that one break of wires will not prevent an alarm signal being transmitted).
- 2) You shall conduct a test once a week to ensure that:
 - a) any connection with the public fire station, central fire alarm depot or public fire brigade control is in full working order (unless Fire Brigade have given a written undertaking to carry out this test);
 - b) any batteries used in the installation are sufficiently charged and in full working order;
 - c) the alarm gong is in working order and that the stop valves controlling the individual water supplies and the installation are fully open;
 - d) the pump(s) can be started both automatically and manually and that any diesel engine driven pump and battery electrolyte level and density are correct.

A record of such weekly tests shall be made in writing and retained by You and must be forwarded to Us upon request.

B Fire Extinguishing Appliances

You shall maintain all fire extinguishing appliances in efficient working order.

C Electrical Inspection

You shall ensure that the electrical wiring of the Premises is inspected every 5 years by a certified IEE/NIC/EIC electrical contractor and any defect identified by that inspection is rectified immediately.

A copy of the report must be retained and forwarded to Us upon request.

Section 1 continued on the next page.

D Flat roofs

You shall ensure that:

- 1) any flat felted roof, or part thereof of the Premises shall be inspected at least once every two years by a qualified builder or property surveyor and any defect identified by that inspection be rectified immediately;
- 2) any guttering is checked for blockages or defects by a competent person at within one month of the inception or renewal of this insurance and at six monthly intervals thereafter and any remedial action required to be implemented immediately;
- 3) a record of all such inspections shall be made in writing and be retained by You and must be forwarded to Us upon request.

E Security Precautions

(Applicable to any cover granted in respect of Damage by Theft)

You shall ensure that:

A) in respect of any Intruder Alarm System installed at the Premises:

- 1) the Intruder Alarm System is maintained in full and effective working order under a contract to provide both corrective and preventative maintenance with the installer or such other contractor agreed by Us in writing;
- 2) the Business Premises are not left unattended:
 - a) unless the Intruder Alarm System is tested and set in its entirety and is together with the means of communication used to transmit signals in full and effective operation and where the equipment permits any Alarm Receiving Centre to which the Intruder Alarm System is connected has acknowledged the setting signal;
 - b) if police response to alarm calls has been withdrawn without Our written agreement.
- 3) where the Intruder Alarm System is required or approved by Us as a condition of cover it is installed in accordance with a specification agreed in writing by Us.
- 4) no alteration to or substitution of:
 - a) any part of the Intruder Alarm System;
 - b) the procedures agreed by You for policy or any other response to any activation of or other warning signal pertaining to the Intruder Alarm System;
 - c) the maintenance contract
 shall be made without Our written agreement.
- 5) no structural alteration of or changes in layout to the Premises that could affect operation of the Intruder Alarm System shall be made without Our written agreement.
- 6) You shall maintain secrecy of codes for operation of the Intruder Alarm System and shall not leave details of such codes at the Business Premises when the Business Premises are unattended.
- 7) You shall appoint at least two Keyholders and shall record details of the Keyholders with the police and any Alarm Receiving Centre to which the Intruder Alarm System signals.
- 8) any change of Keyholder details shall be notified immediately to the police and any Alarm Receiving Centre to which the Intruder Alarm System signals.
- 9) in the event of notification of any activation of the Intruder Alarm System or interruption of the means of communication during any period that the system is set a Keyholder shall attend and allow access to the Business Premises without delay.
- 10) in the event that You receive any notification:
 - a) from the police, alarm installer/maintenance contractor or Alarm Receiving Centre that response to alarm signals or line interruptions from the Intruder Alarm System may be withdrawn or the level of response reduced or delayed; or
 - b) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance; or
 - c) that the Intruder Alarm System cannot be returned to or maintained in full working order.
 You shall advise Us as soon as possible and in any event not later than 10am on Our next working day and comply with any subsequent requirements stipulated by Us.

B) whenever the Business Premises are left unattended:

- 1) all locks, bolts and other protective devices are in full and effective operation; and
- 2) all keys (including those relating to any part of the Intruder Alarm System) are removed from the Business Premises.

Interpretations

Intruder Alarm System includes all lines and equipment used to transmit the signals to and from the Premises.

Keyholder shall mean any person or keyholding company authorised by You who is available at all times when the Intruder Alarm System is set to accept notification of faults or alarm signals or messages relating to the Intruder Alarm System.

F Physical Security Standard

(Applicable to any cover granted in respect of Damage by Theft and shown as operative in the Schedule).

You shall have implemented the following security measures within 8 weeks of commencement of Theft cover.

Doors

In respect of all external doors (including wicket gates) and internal doors leading to other premises or part of premises not occupied by You.

Timber and Steel Doors

To be secured by either:

- 1) a mortice deadlock conforming to BS 3621 together with a compatible boxed striking plate or;
- 2) a close shackle padlock with minimum shackle thickness of 10mm together with an appropriate corresponding locking bar or (for doors other than final exit);
- 3) two key operated security bolts for doors one fitted approximately 300mm from the top of the door and the other approximately 300mm from the bottom.

Aluminium and UPVC Doors

To be secured by a cylinder operated mortice deadlock or deadlocking multi-point locking system.

Roller Shutter Doors

To be secured by either:

- 1) two cylinder operated shutter locks with one lock fitted at each end of the shutter
or
- 2) close shackle padlock with minimum shackle thickness of 10mm together with an appropriate corresponding locking bar.

Horizontal Sliding, Folding or 'Up and Over' Doors

To be secured by either:

- 1) a hook bolt mortice deadlock
or
- 2) a close shackle padlock with minimum shackle thickness of 10mm together with an appropriate corresponding locking bar.

Double Leaf Doors

The final closing leaf to be secured by the appropriate locks as detailed above the first closing leaf to be secured by flush bolts or key operated security bolts top and bottom throwing into the framework and sill.

Outward Opening Doors (applicable to timber and steel doors only)

In addition to the appropriate locks and bolts detailed above each outward opening door to be fitted with hinge bolts top and bottom.

The above requirements do not apply to any door officially designated as a fire exit by the fire authority.

Windows

Each ground floor and basement opening window or skylight and other window or skylight accessible from decks, roofs, balconies, canopies, fire escapes or downpipes to be secured by a key operated lock fitted independently of the existing fastener unless the lock forms part of the original fastener design.

This requirement does not apply to any window or skylight which is either:

- 1) protected by securely fitted solid steel bars grilles lockable gates expanded metal or weld-mesh
or
- 2) officially designated as a fire exit by the fire authority.

Electronic Office Equipment

In respect of each individual item of portable electronic office equipment

Replacement Value over £1,000

To be either:

- 1) permanently and prominently marked with the owner's name (or company logo) and postcode
or
- 2) securely anchored to the desk workstation or to the structure of the building by a lock down device.

Replacement Value over £2,500

To be securely anchored to the desk workstation or to the structure of the building by a lock down Device.

Keys to lock down devices must be removed from the Premises or alternatively held in a locked security safe the combination/keys to which must be removed from the Premises whenever the Premises are left unattended.

Containers or Receptacles

To be secured by either:

- 1) in respect of purpose-built security containers the manufacturer's proprietary security locks
or
- 2) a hook bolt mortice deadlock
or
- 3) a close shackle padlock with minimum shackle thickness of 10mm together with an appropriate corresponding locking bar.

Section 1 continued on the next page.

Portable Power Tools

In respect of portable power tools with a combined replacement value over £2,500.

All portable power tools to be kept within either:

- 1) a locked metal security container constructed of welded steel plate of a minimum thickness of 2.5mm or steel frame mounted sheet steel of a minimum thickness of 1.5mm and securely anchored to the floor or structure of the building. The container to be secured by a mortice deadlock conforming to BS 3621 together with a compatible boxed striking plate or a close shackle padlock with minimum shackle thickness of 10mm together with the manufacturer's corresponding locking bar or integral staple;
or
- 2) kept within a storeroom having brick or block walls and a steel or steel lined or solid timber door secured by a mortice deadlock conforming to BS 3621 together with a compatible boxed striking plate or a close shackle padlock with a minimum shackle thickness of 10mm together with the manufacturer's corresponding locking bar.

Windows of such storeroom must be protected by solid steel bars grilles, lockable gates, expanded metal or weld-mesh.

Keys to containers and storerooms must be removed from the Premises or alternatively held in a locked security safe the combination/keys to which must be removed from the Premises whenever the Premises are left unattended.

G Storage in Basements /Cellars (Stillage)

You shall ensure that any General Contents or Stock or Own Computer Equipment kept in a basement/cellar is racked and kept at least 15cm above the floor of the basement/cellar.

H Storage of Flammable Solvents

You shall ensure that all flammable solvents are kept in closed tins and are stored in a fire resistant compartment.

Definitions applicable to Business Interruption

The following notes refer to the Definitions stated below:

- 1) To the extent that You are accountable to the tax authorities for Value Added Tax all terms in this insurance shall be exclusive of such tax;
- 2) For the purpose of these definitions any adjustment implemented in current cost accounting shall be disregarded;
- 3) The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with Your normal accountancy methods due provision being made for depreciation;
- 4) The Uninsured Variable Costs have the meaning usually attached to them in Your accounts;
- 5) In the definitions of Estimated Gross Profit, Estimated Gross Revenue and Insurable Amount the amount of Gross Profit or Gross Revenue (whichever is shown in the Schedule) shall be proportionately increased to correspond with the Maximum Indemnity Period where it exceeds twelve months.

Actual Gross Profit

the Gross Profit earned during the financial year most nearly concurrent with the period of insurance (subject to the provision of Note 5 above).

Actual Gross Revenue

the Gross Revenue earned during the financial year most nearly concurrent with the period of insurance (subject to the provision of Note 5 above).

Estimated Gross Profit

the amount declared by You to Us as representing not less than the Gross Profit which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the period of insurance (subject to the provision of Note 5 above).

Estimated Gross Revenue

means the amount declared by You to Us as representing not less than the Gross Revenue which it is anticipated will be earned by the Business during the financial year most nearly concurrent with the Period of Insurance (subject to the provision of Note 5 above).

Gross Profit

the amount by which the sum of the amount of the Turnover less discounts allowed and the amounts of the closing stock, finished goods, raw materials and work in progress shall exceed the sum of the amount of the opening stock, finished goods, raw materials and work in progress and the amount of the Uninsured Variable Costs.

Gross Revenue

means the amount of gross income or money paid or payable to You for Your Business activities as declared by Proposal and shown in the Schedule or as amended by Endorsement.

Increased Cost of Working

the increase in expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage (subject to limits shown under Basis of Settlement).

Indemnity Period

the period beginning when the Damage occurs and ending when the results of the Business cease to be affected by the Damage but not exceeding the indemnity period as shown in the Schedule.

Insurable Amount

the Gross Profit or Gross Revenue which would have been earned in the twelve months immediately following the date of the Damage had the Damage not occurred after account has been taken of the Business and of the variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred (subject to the provision of Note 5 above).

Outstanding Debit Balances (Book Debts)

the total recorded under the provisions of Debit Recording adjusted for:

- A) bad debts;
- B) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the Damage) to the credit accounts of the Business in the period between the date to which the last monthly record relates and the date of the Damage and;
- C) any abnormal condition of trade which had or could have had a material effect on the Business

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

Rate of Gross Profit

rate which Gross Profit would have borne to Turnover during the Indemnity Period had the Damage not occurred after account has been taken of the Business and of the variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred (subject to the provision of Note 5 above).

Section 2 continued on the next page.

Rate of Gross Revenue

rate which Gross Revenue would have borne to Turnover during the Indemnity Period had the Damage not occurred after account has been taken of the Business and of the variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred (subject to the provision of Note 5 above).

Rent

rent which continues to be legally payable or receivable by You whilst the Premises are rendered unusable as a result of Damage but only in respect of the period reasonably necessary for their reinstatement and not exceeding the Indemnity Period stated for Rent in the Schedule.

Standard Turnover

the Turnover which would have been obtained during the Indemnity Period had the Damage not occurred after account has been taken of the Business and of the variations in or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred (subject to the provision of Note 5 above).

Turnover

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

Uninsured Variable Costs

- 1) Purchases and related discounts
- 2) Bad debts.

What We cover

If Damage by any of the Covers insured occurs at the Premises

- A) to property used by You for the purpose of the Business which causes interruption of or interference with Your Business at the Premises
- B) which prevents You from tracing or establishing customers' Outstanding Debit Balances in whole or in part due to You

We will pay to You

- 1) in respect of A) the amount of loss resulting from the interruption or interference caused by the Damage in accordance with the provisions of the insurance
provided that payment has been made or liability admitted for the Damage under an insurance covering Your interest in the property or payment would have been made or liability admitted for the Damage but for the operation of a proviso in such insurance excluding liability for losses below a specified amount
- 2) in respect of B) the amount of loss resulting from the Damage in accordance with the provisions of the insurance

Our liability in any one Period of Insurance shall not exceed in the whole

- 1) in respect of A) the total Sum Insured or in respect of any item its Sum Insured or any other stated Limit of Liability in the Schedule or any Endorsement
- 2) in respect of B) the Sum Insured or other stated Limit of Liability stated in the Schedule or any Endorsement.

Covers

The following are the Covers insured except as otherwise stated in the Schedule

- 1 A) **Fire** excluding Damage:
 - 1) by explosion resulting from fire;
 - 2) to property caused by its undergoing any process involving the application of heat.
- B) **Explosion** excluding Damage:
 - 1) caused by the bursting of any boiler, economiser or other vessel machine or apparatus belonging to or under Your control in which internal pressure is due to steam only;
 - 2) to any vessel, machine or apparatus or its contents resulting from the explosion thereof
but this shall not exclude Damage caused by explosion of any boiler or gas used for domestic purposes only, nor shall it exclude subsequent Damage which itself results from a cause not otherwise excluded.
- C) **Lightning**.
- D) **Aircraft** or other aerial devices or articles dropped therefrom.
- 2 **Earthquake** excluding Damage caused by fire.
- 3 **Riot, civil commotion, strikers locked-out workers or persons taking part in labour disturbances or malicious persons** excluding Damage:
 - a) arising from confiscation requisition or destruction by order of the government or any public authority;
 - b) arising from cessation of work;
 - c) i) in the course of theft or attempted theft
ii) in respect of any building which is empty or not in use
directly caused by malicious persons not acting on behalf of or in connection with any political organisation.

- 4 **Storm or Flood** excluding Damage:
 - a) attributable solely to change in the water table level;
 - b) caused by frost, subsidence, ground heave or landslip;
 - c) to fences, gates and moveable property in the open.
- 5 **Escape of water** from any tank apparatus or pipe excluding Damage:
 - a) by water discharged or leaking from an automatic sprinkler installation;
 - b) in respect of any building which is empty or not in use.
- 6 **Impact** by any road vehicle (including any fork lift truck or other industrial vehicle) or animal.
- 7 **Accidental escape of water from any automatic sprinkler installation** excluding Damage:
 - a) by freezing in any building which is empty or not in use;
 - b) by heat caused by fire.
- 8 **Theft** (which shall be deemed to include attempted theft) excluding theft:
 - a) which does not involve entry to or exit from that part of the building occupied by You for the purpose of the Business by forcible and violent means or actual or threatened assault or violence or use of force at the Premises against You or any Employee of Yours or any other person lawfully on the Premises;
 - b) from any part of the building not occupied by You for the purpose of the Business;
 - c) from the open or from any outbuilding;
 - d) of property in transit;
 - e) of Money and securities of any description.
- 9 **Subsidence, ground heave or landslip** excluding Damage:
 - a) arising from the settlement or movement of made-up ground or by coastal or river erosion;
 - b) occurring as a result of the construction, demolition, structural alteration or structural repair of any property at the Premises;
 - c) arising from normal settlement or bedding down of new structures;
 - d) commencing prior to the granting of cover under this insurance.
- 10 **Any other accident** excluding Damage:
 - a) by any of:
 - i) the Covers;
 - ii) the causes expressly excluded from the Covers specified in paragraphs 1-9 (whether or not You are insured for the relevant cover).
 - b) to any property caused by:
 - i) its own faulty or defective design or materials;
 - ii) inherent vice, latent defect, gradual deterioration, wear and tear;
 - iii) faulty or defective workmanship, operational error or omission on the part of You or any of Your Employees;but this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded.
 - c) caused by:
 - i) corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, marring, scratching, vermin or insects;
 - ii) change in temperature, colour, flavour, texture or finish;
 - iii) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith;
 - iv) mechanical or electrical breakdown or derangement in respect of the particular machine apparatus or equipment in which the breakdown or derangement originates.but this shall not exclude:
 - a) such Damage which itself results from other Damage and is not otherwise excluded;
 - b) subsequent Damage which itself results from a cause not otherwise excluded.
 - v) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunication services.
 - d) caused by:
 - i) pollution or contamination;
 - ii) acts of fraud or dishonesty;
 - iii) disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
 - iv) erasure or distortion of information on computer systems or other records
 - a) whilst mounted in or on any machine or data processing apparatus
 - or
 - b) due to the presence of a magnetic fluxunless caused by Damage to the machine or apparatus in which the records are mounted.

Section 2 continued on the next page.

- e) to:
 - i) a building or structure caused by its own collapse or cracking;
 - ii) moveable property in the open fences and gates by wind, rain, hail, sleet, snow, flood or dust;
 - iii) property resulting from its undergoing any process of production, packing, treatment, testing, commissioning, servicing or repair.
- f) to:
 - i) property in transit;
 - ii) Money and securities of any description;
 - iii) vehicles licensed for road use (including accessories thereon) caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
 - iv) 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;
 - v) property recoverable under any guarantee or Maintenance Agreement in force at the time of the happening of the Damage.

What We do not cover

Exceptions to Section 2

We do not cover

- 1) claims in respect of business interruption or Outstanding Debit Balances which arise from any of the following:
 - a) Satellite Telecommunications
Increased Cost of Working arising from:
 - i) failure of any satellite prior to its obtaining its full operating function or while in or beyond the final year of its design life;
 - ii) atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite.
 - b) Computer Systems Records
Computer Systems Records unless at the time of the Damage a back-up copy is maintained either at a location other than the Premises or alternatively a back-up copy is kept in a fireproof safe or cabinet on the Premises.
 - c) Damage to Buildings not built mainly of brick stone concrete or other non-combustible materials unless otherwise stated in the Schedule or Statement of Fact.
 - d) Damage to:
 - i) land, roads, piers, jetties, bridges, culverts or excavations;
 - ii) livestock, growing crops or trees.
 unless specifically notified to and accepted by Us as insured
 - iii) property which is more specifically insured.
- 2) The Excess
the Excess (as specified in the Schedule against each of the Covers 1 to 10 above) being the first part of each and every loss to be borne by You at each separate premises as ascertained after the application of all other terms and Conditions of the insurance including the Underinsurance Provision.

How much We cover

Basis of Settlement

Subject to the provisions below We will pay as indemnity:

- A) In respect of a reduction in Turnover the sum produced by applying the Rate of Gross Profit or Gross Revenue (whichever is indicated in the Schedule) to the amount by which the Turnover during the Indemnity Period falls short of the Standard Turnover in consequence of the Damage;
- B) In respect of Increased Cost of Working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage but not exceeding the sum insured shown in the Schedule.

Special Provisions

1 Alternative Trading

If during the Indemnity Period goods are sold or services rendered elsewhere than at the Premises for the benefit of the Business either by You or by others on Your behalf the money paid or payable in respect of such sales or services shall be taken into account in arriving at the Turnover during the Indemnity Period.

2 Savings

If any of the charges or expenses of the Business payable out of Gross Profit or Gross Revenue (whichever is indicated in the Schedule) cease or reduce in consequence of the Damage the amount of such savings during the Indemnity Period shall be deducted from the amount payable.

3 Professional Accountants' Charges

We will pay the reasonable charges payable by You to Your professional accountants for producing information required by Us under the terms of the Claims Conditions and for reporting that such information is in accordance with Your accounts.

4 Underinsurance

If the sum insured is less than the Insurable Amount (after taking into consideration special provision 5 below) the amount payable shall be proportionately reduced.

5 Enhanced Limit of Liability applicable to Gross Profit or Gross Revenue only

Our maximum liability shall not exceed 133.33% of the Gross Profit or Gross Revenue Sum Insured as stated in the Schedule.

Our liability shall not be reduced by the amount of any loss and You shall pay the appropriate additional premium for such automatic reinstatement of cover.

Basis of Settlement – Outstanding Debit Balances

Subject to Special Provision 3 above (Professional Accountants' Charges) and the Limit of Liability below We will pay as indemnity

- A) the difference between
- 1) the Outstanding Debit Balances and
 - 2) the total of the amounts received or traced in connection with such balances.
- B) the additional expenditure incurred with the Our consent tracing and establishing customers' debit balances after the Damage Limit of Liability
- Our liability in any Period of Insurance shall not exceed in the whole the Sum Insured stated in the Schedule.

Basis of Settlement – Rent of Buildings

We will pay:

- A) if the loss relates to Rent receivable by You – the actual reduction in Rent received solely in consequence of the Damage;
- B) if the loss relates to Rent payable by You – the amount of Rent which continues to be payable by You in respect of the Buildings or portions of the Buildings whilst unfit for occupation in consequence of the Damage.

Our liability shall be limited to the loss suffered within the Indemnity Period for Rent insured as specified in the Schedule which commences from the date of the Damage not exceeding the Sum Insured in the Schedule.

For the purpose of the Underinsurance Special Provision, the insurable amount shall be, in respect of A) above, the annual rent receivable, or in the case of B) above, the annual rent payable, at the commencement of the period of insurance. Such amount to be proportionately increased to correspond with the Indemnity Period for rent insured, where that period exceeds twelve months.

Extensions

The insurance is extended to include business interruption loss as insured in this Section in consequence of

- 1 Damage as insured by this insurance at any premises not occupied by You but used by You solely for storage purposes within the Territorial Limits.
- 2 A) Damage as insured by this insurance to computer systems or other records
or
B) Damage as insured by this insurance to machinery and plant (but not motor vehicles) removed for cleaning, renovation, repair or other similar purposes
whilst temporarily removed from the Premises and in transit by road, rail, or inland waterway to and from the Premises within the Territorial Limits.
- 3 Damage as insured by this insurance at any situations (or to property) as specifically mentioned in the Schedule.
- 4 Damage as insured by this insurance at any situation not occupied by You, where You are carrying out a contract in the UK and the Republic of Ireland provided that Our liability after the application of all other terms and conditions of the Policy shall not exceed 10% of the sum insured by this insurance as stated in the Schedule or £1,000,000 whichever is the less.
- 5 Damage as insured by this insurance to any of Your direct suppliers' or direct customers' premises within the UK up to a limit of 10% of the sum insured by this insurance as stated in the Schedule or £1,000,000 whichever is the less.
- 6 A) closure or restrictions placed on the Premises on the advice or with the approval of the Medical Officer of Health of the Public Authority as a result of a notifiable human disease manifesting itself at the Premises.
B) closure or restrictions placed on the Premises due to Injury or illness sustained by any customer or Employee arising from or traceable to foreign or injurious matter in food or drink sold from the Premises.
C) closing of the whole or part of the Premises by order of the Public Authority for the area in which the Premises are situate consequent upon defects in the drains and other sanitary arrangements at the Premises.
D) closure or restrictions placed on the Premises due to murder or suicide occurring at the Premises.
E) loss destruction or damage caused by any of the Covers to property in the vicinity of the Premises which prevents or hinders the use of the Premises or access thereto whether the Premises or Your property therein shall be damaged or not but excluding Damage which prevents or hinders the supply of electricity gas water or telecommunications services

provided that Our liability, after the application of all other terms and conditions of the Policy, shall not exceed the sum insured by this insurance or £1,000,000 whichever is the less.

Section 2 continued on the next page.

- 7 Damage by any of the Covers insured (and not otherwise excluded) to property at any:
- a) generating station or substation of any public electricity supply undertaking,
 - b) land based premises of any public gas supply undertaking or of any natural gas producer linked directly therewith,
 - c) water works or pumping station of any public water supply undertaking,
 - d) land based premises of any public telecommunications undertaking,
- from which You obtain electricity, gas, water or telecommunications services all in Great Britain or Northern Ireland, provided that Our liability after the application of all other terms and conditions of the Policy shall not exceed the sum insured by this insurance.
- 8 Accidental, total or partial failure of the public supply of:
- a) electricity at the terminal point of the supply undertaking's service feed to the Premises,
 - b) gas at the supply undertaking's meters at Your Premises,
 - c) water at the supply undertaking's main stop cock serving Your Premises,
 - d) fixed effluent system from Your Premises (outside of Your control and responsibility),
- provided that We shall not be liable for:
- 1) any failure resulting from Your wilful act or neglect,
 - 2) a deliberate act of the supply undertaking unless for the sole purpose of safeguarding life or protecting any part of the supply undertaking's system,
 - 3) a scheme of rationing unless solely necessitated by Damage to the supply undertaking's generating or supply equipment,
 - 4) any industrial action or drought,
 - 5) any failure which does not involve a cessation of supply for at least 30 consecutive minutes,
- provided that Our liability after the application of all other terms and conditions of the policy shall not exceed the sum insured by this insurance.

Memoranda

Automatic Reinstatement after a Loss (not applicable in respect of Outstanding Debit Balances)

In the absence of written notice by You or Us to the contrary Our liability shall not be reduced by the amount of any loss. You undertake to pay the appropriate additional premium for such automatic reinstatement of cover.

Debit Recording Warranty

It is a condition that You maintain a record elsewhere than in the Buildings in which the original records are kept showing the total amount outstanding in the credit accounts of the Business at the end of each month and in the event of Damage giving rise to a claim shall supply that record to Us.

Payments on Account

Payments on account may be made during the Indemnity Period if You so desire.

Misuse or Contamination of Computer Systems

Insofar as this insurance covers loss of Outstanding Debit Balances resulting from Computer Misuse, Our liability in respect of any such loss shall not exceed £50,000 (or any other stated Limit of Liability if less) after the application of all the provisions of the insurance including any deductible.

Definitions applicable to Money & Bodily Injury (Robbery)**Bodily Injury**

Physical or mental injury that is accidental from the perspective of the Insured Person but not including sickness or disease or any naturally occurring condition or degenerative process or the result of a gradually operating cause.

Intruder Alarm System

Any intruder alarm system at the Premises including all lines and equipment used to transmit the signals to and from the Premises.

Working Hours shall mean

the period during which the Business Premises are actually occupied for Business purposes and during which You or those of Your Employees who are entrusted with Money are in the Business Premises or on Your contract sites.

Special condition applicable to Money & Bodily Injury (Robbery)

Coverage under this section is divided into two types.

Type A is in respect of all Money other than that described in B below.

Type B is in respect of crossed cheques (including crossed giro cheques and drafts but excluding pre-signed blank cheques) crossed bankers' drafts, crossed postal orders, crossed money orders, unused units in franking machines, National Savings Certificates, Premium Bonds, credit company sales vouchers, VAT purchase invoices.

What We Cover

We will indemnify You up to the Limit of Liability for any Damage to the Money and property described in Items 1 to 5 below belonging to You or for which You are responsible and pertaining to the Business occurring during the Period of Insurance provided that:

- I) as regards Item 3 the Damage is due to robbery or attempt thereat;
 - II) as regards Item 5 the Damage is due to theft or attempt thereat;
 - III) Our liability in respect of any one Occurrence or number of Occurrences arising directly or indirectly from any one source or original cause shall not exceed the relevant following Limit of Liability.
- 1 Money of type A
 - a) in the Business Premises during Working Hours or in transit or in a Bank night safe and thereafter within bank premises until at the bank's risk or any of Your contract sites during Working Hours – Our Limit of Liability any one loss Occurrence is the Sum Insured as shown in the Schedule shown against Money on premises during opening hours or in transit.
 - b) in the Business Premises out of Working Hours
 - i) in specified locked safes or strongrooms as per details lodged with Us – Our Limit of Liability any one loss Occurrence as shown in the Schedule shown against Money in Specified Safes/Strongrooms.
 - ii) in all other locked safes or strongrooms – Our Limit of Liability any one loss Occurrence is the Sum Insured as shown in the Schedule against Money in Unspecified Safes/Strongrooms.
 - iii) not in a locked safe or strongroom – Limit of Liability any one loss Occurrence – £250.
 - c) in Your residence or that of any of Your directors partners or Employees
 - i) while in a locked safe or while an adult is in the residence - Limit of Liability any one loss Occurrence – £500.
 - ii) otherwise – Limit of Liability any one loss Occurrence – £250.
 - 2 Money of type B – Limit of Liability any one loss Occurrence – £250,000.
 - 3 Clothing and personal effects, not exceeding £25 per person in personal money, belonging to You or any of Your directors, partners or Employees while engaged in the Business – Limit of Liability any one loss Occurrence – £250 per person.
 - 4 Stamped or impressed National Insurance Cards – Limit of Liability any one loss Occurrence -Unlimited.
 - 5 Any postal franking machine safe strongroom or any container or waistcoat used for the carriage of Money belonging to You or for which You are responsible – Limit of Liability any one loss Occurrence – Unlimited.

What We do not cover

Exceptions to Section 3 Subsection A – Money

We shall not be liable for:

- a) Damage by theft by any director partner or Employee of You not discovered within seven working days of the theft;
- b) Shortage due to error or omission;
- c) Damage from an unattended vehicle;

Section 3 continued on the next page.

- d) Damage due to the use of counterfeit money;
- e) Damage arising from riot or civil commotion in Northern Ireland;
- f) Damage not within the UK;
- g) The Excess as shown in the Schedule.

Special Conditions

- 1 You shall ensure that:
 - A) in respect of any Intruder Alarm System installed at the Premises:
 - 1) the Intruder Alarm System is maintained in full and effective working order under a contract to provide both corrective and preventative maintenance with the installer or such other contractor agreed by Us in writing.
 - 2) the Business Premises are not left unattended:
 - a) unless the Intruder Alarm System is tested and set in its entirety and is together with the means of communication used to transmit signals in full and effective operation and where the equipment permits any Alarm Receiving Centre to which the Intruder Alarm System is connected has acknowledged the setting signal;
 - b) if police response to alarm calls has been withdrawn without Our written agreement.
 - 3) where the Intruder Alarm System is required or approved by Us as a condition of cover it is installed in accordance with a specification agreed in writing by Us.
 - 4) no alteration to or substitution of:
 - a) any part of the Intruder Alarm System;
 - b) the procedures agreed by You for policy or any other response to any activation of or other warning signal pertaining to the Intruder Alarm System;
 - c) the maintenance contract
 shall be made without Our written agreement.
 - 5) no structural alteration of or changes in layout to the Premises that could affect operation of the Intruder Alarm System shall be made without Our written agreement.
 - 6) You shall maintain secrecy of codes for operation of the Intruder Alarm System and shall not leave details of such codes at the Business Premises when the Business Premises are unattended.
 - 7) You shall appoint at least two Keyholders and shall record details of the Keyholders with the police and any Alarm Receiving Centre to which the Intruder Alarm System signals.
 - 8) any change of Keyholder details shall be notified immediately to the police and any Alarm Receiving Centre to which the Intruder Alarm System signals.
 - 9) in the event of notification of any activation of the Intruder Alarm System or interruption of the means of communication during any period that the system is set a Keyholder shall attend and allow access to the Business Premises without delay.
 - 10) in the event that You receive any notification:
 - a) from the police alarm installer/maintenance contractor or Alarm Receiving Centre that response to alarm signals or line interruptions from the Intruder Alarm System may be withdrawn or the level of response reduced or delayed; or
 - b) from a Local Authority or Magistrate imposing any requirement for abatement of nuisance; or
 - c) that the Intruder Alarm System cannot be returned to or maintained in full working order
 You shall advise Us as soon as possible and in any event not later than 10am on Our next working day and comply with any subsequent requirements stipulated by Us.
 - B) whenever the Business Premises are left unattended:
 - 1) all locks, bolts and other protective devices are in full and effective operation; and
 - 2) all keys (including those relating to any part of the Intruder Alarm System) are removed from the Business Premises.

Interpretations

Intruder Alarm System includes all lines and equipment used to transmit the signals to and from the Premises.

Keyholder shall mean any person or keyholding company authorised by You who is available at all times when the Intruder Alarm System is set to accept notification of faults or alarm signals or messages relating to the Intruder Alarm System.

- 2 You shall ensure that Money in transit is at all times is escorted by:
 - A) at least two people in respect of amounts up to £5,000;
 - B) at least three people or two people if travelling by motor vehicle in respect of amounts from £5001 to £10,000;
 such persons escorting Money transits must be at least 18 years of age
 - C) a contracted specialist security carrier in respect of amounts of £10,000 or more.

3 Physical Security Standard

You shall have implemented the following security measures at the Premises within 8 weeks of commencement of cover under this Section.

Doors

In respect of all external doors (including wicket gates) and internal doors leading to other premises or part of premises not occupied by You.

Timber and Steel Doors

To be secured by either:

- 1) a mortice deadlock conforming to BS 3621 together with a compatible boxed striking plate or
or
- 2) a close shackle padlock with minimum shackle thickness of 10mm together with the manufacturer's corresponding locking bar or
(for doors other than final exit)
or
- 3) two key operated security bolts for doors one fitted approximately 300mm from the top of the door and the other approximately
300mm from the bottom.

Aluminium and UPVC Doors

To be secured by a cylinder operated mortice deadlock or deadlocking multi-point locking system.

Roller Shutter Doors

To be secured by either:

- 1) two cylinder operated shutter locks with one lock fitted at each end of the shutter or
or
- 2) close shackle padlock with minimum shackle thickness of 10mm together with the manufacturer's corresponding locking bar.

Horizontal Sliding or Folding Doors

To be secured by either:

- 1) a hook bolt mortice deadlock
or
- 2) a close shackle padlock with minimum shackle thickness of 10mm together with the manufacturer's corresponding locking bar.

Double Leaf Doors

The final closing leaf to be secured by the appropriate locks as detailed above the first closing leaf to be secured by flush bolts or key operated security bolts top and bottom throwing into the framework and sill.

Outward Opening Doors (applicable to timber and steel doors only)

In addition to the appropriate locks and bolts detailed above each outward opening door to be fitted with hinge bolts top and bottom.

The above requirements do not apply to any door officially designated as a fire exit by the fire authority.

Windows

Each ground floor and basement opening window or skylight and other window or skylight accessible from decks, roofs, balconies, canopies, fire escapes or downpipes to be secured by a key operated lock fitted independently of the existing fastener unless the lock forms part of the original fastener design.

This requirement does not apply to any window or skylight which is either:

- 1) protected by securely fitted solid steel bars grilles lockable gates expanded metal or weld-mesh;
or
- 2) officially designated as a fire exit by the fire authority.

What We Cover

In the event of You or any director partner or Employee of Yours (hereinafter called the Insured Person) sustaining Bodily Injury during the Period of Insurance which:

- A) is sustained solely and directly as a result of robbery or attempt thereof while such Insured Person is engaged in the Business and;
- B) within two years is the sole cause of Death Disablement or incurring Medical Expenses for which the Benefit is claimed

We will pay the appropriate Benefit to You on behalf on the Insured Person.

What We do not cover**Exceptions to Section 3 Subsection B – Bodily Injury (Robbery)**

We will not pay the Benefit if:

- a) Bodily Injury is sustained by any person before such person attains the age of sixteen years or after the expiry of the Period of Insurance during which such person attains the age of seventy years;
- b) Bodily Injury Death Disablement or Medical Expenses is the result of or is contributed to by the Insured Person having a physical or mental disorder of any sort which was known either to You or the Insured Person when the Policy was issued or at renewal However this exception shall not apply if the disorder has been notified to Us and accepted in writing.

Definitions applicable to Section 3 Subsection B – Bodily Injury (Robbery)**1 Benefits shall mean**

Benefit 1 – Death } Maximum amount payable under this
– Disablement } Benefit – £5,000.

Benefit 2 Loss of one or more Limbs or Eyes
– Maximum amount payable under this Benefit – £5,000.

Benefit 3 Permanent Total Disablement other than by Loss of Limb or Eye from gainful employment of any and every kind which the Insured Person was previously capable of
– Maximum amount payable under this Benefit – £5,000.

Benefit 4 Temporary Total Disablement from usual occupation of the Insured Person
– £50 per week for a maximum of 104 weeks in all and not necessarily consecutive.

Benefit 5 Medical Expenses necessarily incurred in the treatment of the Insured Person – Reimbursement up to 15% of the amount payable under Benefit 4.

2 Loss of Limb shall mean:

- A) in the case of a leg – loss by physical severance at or above the ankle or permanent total loss of use of a complete foot or leg;
- B) in the case of an arm – loss by physical severance of the entire four fingers through or above the meta carpo phalangeal joints or permanent total loss of use of a complete arm or hand.

3 Loss of Eye shall mean permanent and total loss of sight which will be considered as having occurred:

- A) in both eyes if the Insured Person's name is added to the Register of Blind Persons on the authority of a fully qualified ophthalmic specialist;
- B) in one eye if the degree of sight remaining after correction is 3/60 or less on the Snellen scale (meaning seeing at 3 feet what the Insured Person should see at 60 feet).

4 Medical Expenses shall mean the cost of medical surgical or other remedial attention treatment or appliances given or prescribed by a qualified member of the medical profession and all hospital, nursing home and ambulance charges.**Special Condition****Benefits**

- A) Benefit shall not be payable for any one Insured Person under more than one of the Benefits 1 to 3 in connection with the same Occurrence of Bodily Injury.
- B) On the happening of any Occurrence giving rise to a claim under any of Benefits 1 to 3 this Section shall thereafter cease to apply to that Insured Person.
- C) Total Disablement shall have lasted for 104 weeks and have been proved to Our satisfaction to be permanent and without expectation of recovery before Benefit 3 becomes payable.
- D) The amount payable per week under Benefit 4 shall not exceed the Insured Person's pre-injury weekly earnings from the Business.
- E) No sum payable shall carry interest.
- F) No Benefit shall be payable due solely to inability to take part in sports or pastimes.

What We cover

In the event of Damage by any cause to Stock while

- 1) being loaded upon, carried by or unloaded from any vehicle owned or operated by You or by a third party carrier anywhere in the UK
- 2) at exhibitions which do not exceed 7 days duration.

We will by payment or at Our option by repair, reinstatement or replacement, indemnify You in respect of such Damage provided that Our liability in respect of any claim arising out of any one event shall not exceed the limit per vehicle or consignment stated in the Schedule.

Except as provided for in a), b) and c) below and in respect of property at exhibition premises Our liability shall not exceed £5,000 in any one Period of Insurance.

In addition We will indemnify You in respect of

- a) additional costs reasonably incurred in
 - i) transshipping Stock to another vehicle delivering it to the original destination or returning it to the place of despatch following Damage to the Stock or an accident to the conveying vehicle
 - ii) removal of debris following Damage to the Stock or an accident to the conveying vehicle
 - iii) reloading on to any vehicle any Stock if it falls from such vehicle

Limit of Liability in respect of all claims arising out of any one event – £2,500.
- b) Damage to sheets, ropes, packing materials, dunnage, securing chains and toggles owned by You or in the charge or control of You while carried on any such vehicle

Limit of Liability in respect of all claims arising out of any one event – £2,500.
- c) Damage to the personal effects belonging to the driver or attendant while carried by any such vehicle in the course of the employment of the driver or attendant with You

Limit of Liability in respect of all claims arising out of any one event for any one person – £2,500.

What We do not cover

Exceptions to Stock in Transit

We shall not be liable in respect of

- 1) Loss of market, delay or any consequential loss.
- 2) Loss resulting from dishonesty or insolvency of persons to whom goods are entrusted.
- 3) Damage to glass, china, marble, earthenware, scientific instruments, furniture, antiques, curios, sculptures, works of art, pictures, prints, drawings, engravings and goods of a brittle nature unless caused by fire, theft or as a direct result of collision or overturning of the conveying vehicle.
- 4) Loss of sheets, ropes, packing materials, dunnage, securing chains and toggles as a result of disappearance or shortage if such loss is only revealed when an inventory is made unless such loss is the result of an incident recorded by You.
- 5) Stock warehoused at a rented location or under contract for storage and distribution.
- 6) Money and securities.
- 7) Personal effects partly or wholly of precious metal, jewellery, watches, furs, contact lenses, portable electronic devices, mobile phones, cameras, Money and securities of any description belonging to vehicle drivers or attendants.
- 8) Stock carried by or dispatched by You for hire or reward.
- 9) Damage to Stock arising as a result of absence of packing or packing which was inadequate to withstand normal handling during transit.
- 10) Damage to Stock
 - a) due to insufficient labelling or incorrect addressing.
 - b) in any vehicle which is being used outside the normal course of the Business for social domestic or pleasure purposes.
 - c) in open vehicles owned or operated by You caused
 - i) by atmospheric or climatic conditions unless the Stock is protected by vehicle sheets
 - ii) by theft unless the vehicle is individually attended.
 - d) left in any vehicle between the hours of 1800 and 0800 unless such vehicle is contained in a securely locked building or guarded security park.
 - e) by theft from any unattended vehicle unless all doors, windows or other points of access have been closed and locked security devices have been set and all keys removed or the vehicle is stolen at the same time.
- 11) The Excess as stated in the Schedule.

Definitions applicable to Deterioration of Stock**Stock in the Cold Chamber**

Stock in the Cold Chamber will include Stock which at the time of the loss or damage giving rise to such deterioration or putrefaction is elsewhere on the Premises but which would in normal course be placed in the said Cold Chamber.

What We cover

In the event of Damage by deterioration or putrefaction of Stock in the Cold Chamber of any refrigerating machine at the Premises

- 1) due to the rise or fall in temperature resulting from any cause not hereunder excluded or
- 2) due to the action of refrigerant fumes which have escaped from the machine.

How much We cover

We will pay to You the amount of such Damage but not exceeding the Limits shown in the Schedule per refrigeration unit or in total in respect all refrigeration units in all Premises during the Period of Insurance.

What We do not cover**Exceptions to Deterioration of Stock**

We shall not be liable in respect of

- 1) deterioration or putrefaction resulting from Damage at the Premises by fire, lightning, explosion, flood, earthquake, aircraft or other aerial devices or articles dropped therefrom or by leakage from a sprinkler installation
- 2) Damage resulting from the deliberate act of any public electricity supply authority or the exercise by any such authority of its power to withhold or restrict supply or from Your wilful neglect.
- 3) loss of goodwill or other consequential loss of any nature whatsoever
- 4) Damage to Stock in any machine which is more than fifteen years old at the commencement of the Period of Insurance
- 5) the Excess as stated in the Schedule.

Definitions applicable to Loss of Licence**Licence**

means a licence granted for the retail sale or supply of alcohol or other licensable activities under the Licensing Act 2003 at the Premises.

What We cover

We will indemnify You in respect of depreciation in value of Your interest in the Premises or the Business resulting from the forfeiture of the licence under the provisions of the regulations relating to such licences or the refusal of the licensing authority to renew the licence provided that such forfeiture or refusal to renew results from causes beyond Your control.

How much We cover

Our liability during any one period of insurance will not exceed the sum insured stated against each Premises insured in the Schedule.

We will also pay any costs and expenses incurred with Our written consent in connection with any appeal against the forfeiture of or refusal to renew the licence.

What we do not cover**Exceptions to Loss of Licence**

We will not be liable under this section if

- 1) You are entitled to obtain compensation under the provisions of any Act of Parliament in respect of any refusal to renew the licence.
- 2) The forfeiture or refusal to renew arises directly from any town or country planning improvement, redevelopment or compulsory purchase order or the surrender, reduction or redistribution of licences in connection therewith.
- 3) The forfeiture or refusal to renew results from any alteration in the law.
- 4)
 - a) any alteration to the Premises requiring the consent of the licensing or other necessary authority is made without their approval.
 - b) the Premises
 - i) are closed for any period not required by law
 - ii) are not maintained in a sanitary condition or satisfactory state of repair.
 - c) any direction or requirement of the licensing or other authority shall not be complied with.
 - d) the forfeiture of or refusal to renew the licence is occasioned wholly or partly by or through Your misconduct, connivance, neglect or omission or by Your failure to take any steps necessary for keeping the licence in force.
- 5) the Excess as stated in the Schedule.

Special conditions

- 1) You shall immediately advise Us in writing and supply such additional information and give such assistance as We may reasonably require on becoming aware of any
 - a) change in tenancy or management of the Premises.
 - b) transfer or proposed transfer of the licence.
 - c) complaint about the Premises or the conduct or control of the Business.
 - d) proceedings against or the conviction of You or the licence holder of the Premises for any breach of the licensing laws or other matters whereby the character or reputation of the person concerned is affected or called into question with respect to his honesty moral standing or sobriety.
 - e) alteration in the purpose for which the Premises are used.
 - f) objection to the application for the renewal of the licence or any circumstances which may endanger the renewal of the licence.
- 2) In the event of the licence being forfeited or the renewal being refused You shall:
 - a) give notice to Us within 24 hours of becoming aware of such event stating the grounds upon which the licence was forfeited or renewal refused.
 - b) apply if practicable and if required by Us for the grant of a new licence for the same or alternative Premises as may enable You to continue the business in a similar or alternative form.
 - c) give all such assistance as We may require for the purpose of an appeal against such forfeiture or refusal to renew.

Definition applicable to Employee Theft**Any One Claim**

All acts of fraud or dishonesty during the Period of Insurance committed by any one Employee or more than one Employee acting in collusion.

Employee Theft Sum Insured

Our total liability for Any One Claim in respect of all of Your Employees.

Employee Theft for all claims

Our total liability for all claims in respect of all of Your Employees.

What We cover

We will indemnify You in respect of direct pecuniary loss You sustain caused by any act of fraud or dishonesty including procuring or abetting any fraud or dishonesty which is

- 1) committed by any Employee of Yours during the Period of Insurance and during the uninterrupted service of such Employee with You and
- 2) discovered
 - a) during the Period of Insurance by this section or within 12 months of its expiry or
 - b) within 12 months of the cessation for any reason of the employment by You of such Employee
 whichever occurs first.

We will also cover

Auditors' fees

We will indemnify You within the amount of the guarantee for auditor's fees incurred with Our written consent solely to substantiate a claim under this section.

How much We cover

Our liability shall not exceed in respect of

- 1) Any One Claim the amount of the Employee Theft Sum Insured stated in the Schedule
 - 2) all claims the Employee Theft for all claims Sum Insured stated in the Schedule
- irrespective of the number of Periods of Insurance this section (or any substituted or substitute section or policy) remains in force.

What We do not cover**Exceptions to Employee Theft**

We will not cover

- 1) any loss dependant solely upon an inventory compilation or a profit and loss compilation and unexplained shortages.
- 2) loss which does not arise from the fraudulent or dishonest act of any Employee which is intended to result in improper financial gain by any Employee or any other person.
- 3) loss of interest or consequential loss of any kind.
- 4) the Excess as stated in the Schedule.
- 5) any amount for which an indemnity is granted by the Money section of this policy.

Special Conditions

- 1) Notice shall be given to Us of any alteration in
 - a) the nature of Your Business
 - b) the duties and conditions of service of any Employee insured by this section
 - c) any system of check declared to Us.
- 2) Immediately following the discovery of any act of fraud or dishonesty on the part of any Employee the indemnity by this section shall be at an end so far as regards any further act of fraud or dishonesty committed by that Employee.
- 3) Any money of the Employee held by You or any money or assets which but for the act of fraud or dishonesty would have been due to the Employee from You shall be deducted from the amount of any claim payable under this section as a result of that act of fraud or dishonesty.
- 4) You shall give all such information and assistance to Us as We may require to enable Us to seek to recover from any Employee whose act of fraud or dishonesty has given rise to a claim under this section

any such recovery shall be shared by Us and You in such proportion as the amount paid by Us and the amount of the loss borne by You shall bear to the total amount of the loss caused by the act of that Employee.
- 5) Notwithstanding any provision in this policy for automatic reinstatement after a loss any sums payable by Us under this section in any one Period of Insurance shall reduce Our Limit of Liability. In the event of such Limit of Liability being reduced by reason of this Special Condition such limit may be reinstated upon payment by You of an appropriate additional premium provided that the amount by which such limit is reinstated shall be available solely in respect of acts of fraud or dishonesty committed after such reinstatement.

Definitions applicable to Contractors' All Risks**Contract**

Any Contract or agreement entered into by You to carry out work in the course of the Business, where the estimated Maximum Contract Value does not exceed the amount stated in the Schedule.

Contract Works

The permanent and temporary works executed in the performance of the Contract and materials for incorporation into such contracts but excluding any work which involves

- 1) work in, over or adjacent to water
- 2) bridges, viaducts, subways, tunnels, motorways, dams and the like
- 3) a depth of excavation exceeding 3 metres
- 4) piling and underpinning.

Estimated Original Contract Value

The estimated valuation of the works to be carried out or the estimated contract value at the commencement date of the Contract Works.

Existing Structure

Any Property including fixtures, fittings and contents which prior to the commencement of any Contract forms part of any structure.

Free Issue Materials

Materials for incorporation in the Contract Works

- 1) issued free to You by or on behalf of the employer
- and
- 2) for which You are responsible under the terms of the Contract.

Hired-in Property

Property that is not owned by or leased to You for a period of more than 6 months but which you have hired or rented or borrowed for a charge for the purpose of carrying out work under a Contract.

Maintenance Period

The period indicated in the terms of the Contract but not exceeding 12 months or as specified in the Schedule during which You are responsible for rectifying defects.

Maximum Contract Value

The maximum Value of any Contract as stated in the Schedule for which We will provide indemnity as set out below which shall be the overriding limit of indemnity in this Section.

Substantial Completion

A Building shall be deemed to be substantially complete when the work remaining relates only to choice of decoration, fixtures and fittings.

Temporary Buildings

A free standing construction or structure including a hut, shed, caravan, mobile home, shipping container, Portacabin or similar used temporarily during the course of the Contract for storage, office space or site welfare purposes but which is to be removed from the site upon or before completion of the Contract.

Territorial Limits

UK.

Insured Property

- 1) The Contract Works while on the site of any Contract anywhere within the Territorial Limits or in transit by road, rail or inland waterway thereto.
- 2) Temporary Buildings including fixtures and fittings therein for use in connection with the Contract excluding any Hired-in Property anywhere within the Territorial Limits other than on sites of contracts not insured by this Section.
- 3) Construction plant, tools and equipment for use in connection with the Contract excluding Hired-in Property and property described in Contract Works Temporary Buildings and Employees' personal tools and effects anywhere within the Territorial Limits.
- 4) Hired-in Property.
- 5) Employees' personal tools and effects while on the site of Contracts within the Territorial Limits.

Section 8 continued on the next page.

What We cover

If any of the Insured Property suffers Damage within the Territorial Limits in the course of the Business during the Period of Insurance, We will in accordance with the provisions of the insurance pay to You the amount of loss or at Our option repair, reinstate or replace such Insured Property

provided that

- 1) such Insured Property belongs to You or is Your responsibility.
- 2) the measure of indemnity shall be the cost of repair, reinstatement or replacement by similar property less an appropriate deduction for wear and tear.
- 3) Our maximum liability in respect of any one claim irrespective of the number of parties insured by this Policy shall not exceed
 - a) in respect of the Contract Works the lower of:
 - i) 125% of the Estimated Original Contract Value, or
 - ii) 125% of the Maximum Contract Value stated in the Schedule, or
 - iii) the Contract Works sum insured as stated in the Schedule
 including the value of Free Issue Materials and any payment or payments under any of the Section Extensions at the time of Damage
 - b) in respect of all other Insured Property: the Sum Insured by each item as detailed in Schedule at the time of Damage.

Extensions

The following Section Extensions shall apply subject to all other terms and conditions limits and exceptions of this Policy.

Automatic reinstatement following claim

In the event of a claim for Damage insured by this Section the Sums Insured will be reinstated automatically in full from the date of the Damage Provided that

- 1) You will comply with any reasonable recommendations We may make to prevent further Damage
- 2) You will pay an additional premium at a rate to be agreed on the amount of each claim from the date of the incident to the date of the Period of Insurance.

Professional fees

We will indemnify You for architects', surveyors' and consulting engineers' fees necessarily incurred in the repair, reinstatement or replacement of the Insured Property consequent upon Damage thereto for which indemnity is provided by this Section but not for preparing any claim.

Provided that the amount payable shall not exceed the level of fees authorised by the appropriate professional body.

Debris removal

We will indemnify You for costs and expenses necessarily incurred by You with Our consent in respect of

- 1) removing debris from
- 2) dismantling and/or demolishing
- 3) shoring up propping or fencing off
- 4) repairing or cleaning drains sewers service mains and the like and/or dewatering of
- 5) temporary boarding up of windows following breakage of glass in respect of

the portion or portions of the Contract Works resulting from any Damage for which indemnity is provided by this Section.

But we will not indemnify You in respect of costs and expenses

- a) incurred in removing debris except from the Contract Works where Damage occurred or from the area immediately adjacent thereto
- b) arising from pollution or contamination of Property not insured by this Section.

The maximum We will pay in respect of any one loss under this Extension shall not exceed 10% of the Estimated Original Contract Value.

Public Authorities requirements

We will indemnify You for such additional cost of reinstatement of the Insured Property as may be incurred with Our consent in complying with building regulations or local authority or other statutory requirements first imposed upon You following the Damage provided that the reinstatement is completed within twelve months of the Occurrence of the Damage or within such further time as We may allow in writing.

Provided that We shall not be liable in respect of costs for

- 1) requirements relating to undamaged property or undamaged portions of property other than foundations, unless foundations are specifically excluded from the insurance
- 2) any rate tax duty development or other charge or assessment which may arise out of capital appreciation as a result of complying with any of the regulations or requirements referred to.

If Our liability under this Section is reduced by the application of any terms of this Policy Our liability under this clause will be similarly reduced.

The maximum We will pay under this Extension in respect of any one Contract is the Sum Insured stated in the Schedule.

Free Issue Materials

The Contract Works will include any Free Issue Materials provided You include their value in the contract value of any Contract and any declaration required by Us.

Offsite storage

We will indemnify You under Contract Works in respect of materials or goods designated for incorporation in the Works while such materials or goods are temporarily held in store away from the site of the Contract but not while such materials or goods are being worked upon in order to complete the same up to the point of their incorporation in the Works.

Our liability under this Extension shall be limited to 15% of the Sum Insured for Contract Works or £25,000 whichever is the less at any one location.

Immobilised plant

We will indemnify You for the cost of recovery or withdrawal of construction plant or equipment or Hired-in Property which is unintentionally immobilised provided that such recovery or withdrawal is not necessitated solely by reason of electrical or mechanical breakdown or derangement.

Plans and documents

We will indemnify You for clerical costs necessarily incurred in re-writing, redrawing or reproducing plans, drawings or other Contract documents damaged within the Territorial Limits provided that Our liability shall not exceed £25,000 in respect of any one Occurrence of Damage.

Principals clause

This Section is extended to cover any principal in a like manner to You where required by the conditions of the Contract provided that such principal is subject to and complies with the terms of the policy.

Speculative development applicable to Contract Works only

We will indemnify You in respect of Damage to property being built or erected by You on a speculative basis.

The indemnity will cease on

- 1) the date such property is sold or let out
- 2) 90 days after the date of completion of the work of building or erecting the last property on the Contract site
whichever is the earlier.

Show house contents

We will indemnify You in respect of Damage to the contents of show houses, show flats or show offices and the like on the site of the Contract until sold, provided that

- 1) Cover shall cease no later than 90 days beyond the date that the last building on the site is substantially complete
- 2) Our liability shall not exceed £25,000 in respect of any one unit
- 3) During the period from 1 December to 1 March an efficient heating system shall be left on at all times or the water system drained
- 4) Damage caused by theft or malicious damage is restricted to that following forcible and violent entry or exit.

Expediting expenses

In the event of Damage to the Insured Property the cost of repair, reinstatement or replacement admitted under this Section shall, subject to Our consent, include the additional costs of overtime, weekend and shift working, plant hire charges, express delivery necessarily and reasonably incurred in expediting repair, reinstatement or replacement of such Damage provide that Our liability shall not exceed £50,000 in respect of any one Occurrence of Damage.

Series Losses

Where Damage of or to the Insured Property on any one Contract site arises during any one period of 72 consecutive hours caused by storm, tempest, flood, earthquake, subsidence or collapse it shall be deemed to be a single event and therefore constitute one loss with regard to the application of the Excess.

Other interests

The interest in the Insured Property of any party entering into an agreement with You is noted in this insurance to the extent that the agreement entered into with You requires such interest to be noted and is in respect of that part of the Insured Property to which the agreement relates.

Munitions

We will indemnify You in respect of loss or damage to the Insured Property arising from the detonation of munitions of War in or about or in the vicinity of any place where the Insured Property may be Provided that the presence of such munitions does not result from a state of War current at the time of such loss or damage.

Continuing hire charges

We will indemnify You against Your legal liability to pay continuing hire charges following Damage to any machinery, plant, tools or equipment which is

- 1) hired by You for use in connection with the Business and
- 2) insured under this Section

during the period in which such machinery, plant, tools or equipment cannot be used as a result of such Damage

Provided that

- a) this indemnity shall only apply in respect of hired machinery, plant, tools or equipment for which a valid claim has otherwise been admitted under this Section
- b) Our liability under this Extension in respect of each affected item shall not exceed an amount equal to its hire charge for 90 days
- c) Our liability during any one Period of Insurance shall not exceed £25,000
- d) We will not indemnify You for
 - i) Damage caused by or arising from Your wilful or negligent act
 - ii) continuing hire charges in respect of tower cranes or scaffolding
 - iii) continuing hire charges in respect of the first 48 hours following such Damage

Maintenance or Defects Liability Period

We will indemnify You for Damage to the permanent works or any part thereof occurring during any Maintenance Period or defects liability period but only in respect of Damage for which You are liable arising from a cause occurring prior to the commencement of the Maintenance Period or for Damage to work actually being undertaken during such Maintenance Period solely in connection with Your obligations under the Contract to remedy a defect or complete any snagging list and any construction plant insured under Temporary Buildings, Construction plant, tools and equipment, Hired-in property, Employees' personal tools and effects for use in connection therewith.

Section Conditions

The following Conditions apply to this Section and should be read in conjunction with the General Conditions applying to the whole Policy.

Cessation of Work

In the event of stoppage of work by You on the Contract site from any cause for a period of 90 consecutive days, cover in respect of the Contract Works shall be suspended unless its continuance be agreed in writing by Us. In the event of such total or partial cessation of work You shall use due diligence and do all things reasonably practicable to protect the Insured Property.

Plant inspection

You shall ensure that all plant and equipment requiring inspection under any Statute Order or regulations is so inspected.

Access

You shall give to Us and every person authorised by Us, access to the Insured Property at all reasonable times.

Hiring out

Under Construction plant, tools and equipment and Hired-in property in the case of plant hired out by You, the conditions of such hiring's shall be no less onerous than the standard conditions of The Construction Plant-Hire Association unless agreed by Us.

Joint code of practice

You undertake to comply with the Joint Code of Practice on the Protection from Fire of Construction Sites and Buildings Undergoing Renovation dated June 1997 or any subsequent amendment thereto or revised edition thereof current at inception or subsequent renewal of the Policy hereinafter referred to as The Joint Code.

This Condition shall apply to the Contract provided that the Estimated Original Contract Value is £1,000,000 or more and for the purpose of Paragraph 63 of The Joint Code, if the Estimated Original Contract Value exceeds £1,000,000 it shall be deemed to be a large project.

Our appointed representative shall have the right at all reasonable times to enter and inspect the Contract site for the purpose of checking whether the conditions thereon in all respects comply with The Joint Code.

In the event that We become aware of a breach of The Joint Code We may inform the main/management contractor's construction site management of the nature of the breach specifying the remedial measures required by Us, the remedial measures and the period within which these must be completed.

Where We consider such a breach is of sufficient importance, We may confirm the same by notice in writing to the Employer and the main/management contractor and the first named party forming the insured in the Schedule when this is not the Employer or main/management contractor at their respective addresses nominated by You at the inception of cover or as subsequently amended.

Under the terms of this or any subsequent notice, We may suspend or cancel all cover under the Policy from the date named in the notice, not being a date earlier than the date named for completion of the remedial measures, it being understood that upon suspension such cover shall be reinstated when We are satisfied that the remedial measures have been completed.

Such notice shall be given by registered post, recorded delivery, facsimile transmission or by hand.

The reference to suspension or cancellation of all cover shall apply only to the Contract specified in the notice.

This clause shall not in itself be considered a condition precedent to liability but its inclusion shall not prejudice, waive or remove Our rights under the terms of other Policy exceptions and conditions.

This clause does not apply to any Public Liability, Employers' Liability or JCT 21:2:1 insurance if provided by this Policy

What We do not cover

Exceptions to Contractors' All Risks

We will not cover

- 1) Damage to any part of the permanent Contract Works
 - a) for which a certificate of completion has been issued or
 - b) which has been completed and handed over to Your employer or
 - c) taken into useunless the Damage occurs
 - i) during the Maintenance Period but was caused before the beginning of the Maintenance Period or
 - ii) while You are carrying out Your obligations under the Maintenance Period or
 - iii) within 14 days of the issue of a certificate of completion but only to the extent You are legally liable under the terms of the Contract.
- 2) The Excess as stated in the Schedule.
- 3) Damage to any property forming or which has formed part of any Existing Structure.
- 4) Damage for which You are relieved of responsibility under any contractual agreement.
- 5) Damage due to the use or occupancy other than as dwellings or offices of any portion of the permanent works by any owner, tenant or occupier other than herein provided.
- 6) Damage to any airborne or waterborne vessel or craft or any property therein or thereon.
- 7) Personal effects partly or wholly of precious metal, jewellery watches portable electronic devices mobile phones cameras Money and securities of any description.
- 8) Damage resulting from theft in respect of unfixed non-ferrous metals of any description unless at the time of theft either
 - a) an authorised Employee of Yours is actually on the site of the Contract Works or
 - b) such property is contained in a securely closed and locked hut or building.
- 9) Damage to any mechanically propelled vehicle or plant other than any such vehicle not more specifically insured or which would be so insured but for the existence of this policy and which is
 - a) not licensed for road use and used in circumstances which do not require insurance or security under any Road Traffic Act legislation or
 - b) designed or adapted primarily for use as a tool of trade.
- 10) Damage to any item of machinery, plant, tools or equipment caused by its own breakdown or explosion or by misuse.
- 11) The cost of repairing replacing or rectifying any
 - a) Insured Property which is in a defective condition due to a defect in design, plan, specification, materials or workmanship of such Insured Property or any part thereof
 - b) other Insured Property lost or damaged to enable the repair replacement or rectification of Insured Property excluded by 11 a) abovethis exception will not apply to other Insured Property which is free of the defective condition but is damaged as a consequence thereof. Insured Property will not be considered as having suffered Damage solely by virtue of the existence of any defect in design, plan, specification, materials or workmanship in or any part of that Insured Property.
- 12) The cost of rectification or making good, wear and tear, gradual deterioration due to atmospheric conditions or otherwise rust, wet or dry rot, mildew, corrosion, oxidisation, vermin or insects or scratching of painted or polished surfaces.
- 13) Losses of Insured Property from vehicles
 - a) where such losses exceed £5,000 in the aggregate in any one Period of Insurance prior to the application of any Excess in respect of any one loss or series of losses arising from any one event involving Damage by theft, attempted theft or malicious damage
 - b) by Damage caused by theft or attempted theft from any vehicle which is away from the site where You are undertaking work between the hours of 1800 and 0800 unless such vehicle is contained in a securely locked building or guarded security park
 - c) left unattended unless all doors windows or other points of access have been closed and locked security devices have been set and all keys removed or the vehicle is stolen at the same time.
- 14) The cost of normal upkeep or normal making good.
- 15) Liquidated damages penalties for delay or non-completion or in connection with guarantees of performance or efficiency or consequential loss or damage not specifically provided for herein.
- 16) Loss of Property either by disappearance or by shortage if such disappearance or shortage is only revealed when an inventory is made or is not traceable to an identifiable event.
- 17) Damage caused by Your wilful act or wilful neglect.

Definitions applicable to liability insurance**Asbestos**

Asbestos, asbestos fibres or anything containing asbestos.

Business

Your business described in the Schedule, conducted at or from premises in the UK. For the purpose of this Section only it also includes the ownership, repair and maintenance of Your property, any canteen, medical, social or sports activities or facilities for Employees, charity events You host and fire fighting or first aid facilities You operate. It also includes any private work undertaken with Your consent by an Employee for any of Your directors, officers, business partners or Employees.

Completed Work

Work carried out by You (or on Your behalf) away from Your Premises which is no longer under Your or an Employee's control.

Damage

Accidental loss of, or damage to, tangible property. For the purposes of this Section 9 only it also includes nuisance, trespass, obstruction or interference with any right of way, light, air or water.

Defence Costs

All costs, fees and expenses incurred (with Our prior consent) by You in the defence or settlement of any claim under this insurance. This includes any costs arising out of Your representation at any Coroner's Inquest or Fatal Accident Inquiry and costs arising out of the defence of any proceedings in a Court of Summary Jurisdiction in respect of matters which may give rise to a claim which would be covered by this insurance.

It also includes any costs incurred by You arising out of any prosecution under the UK Health and Safety at Work Act 1974, the Health and Safety at Work (Northern Ireland) Order 1978 and/or the UK Corporate Manslaughter and Corporate Homicide Act 2007 (and/or legislation of similar effect) provided that We shall not be liable for any fines or penalties imposed as a consequence of such a prosecution or for any prosecution costs.

Financial Loss

Any loss not resulting from Injury or Damage.

Gradual Contamination

Pollution as defined below that is not the direct result of a sudden, identifiable, unintended and unexpected incident occurring in its entirety at a specific time and place during the Period of Insurance.

Injury

Death, Bodily Injury, illness, disease, mental injury, mental anguish, shock, wrongful arrest or detention, wrongful accusation of shoplifting or false imprisonment.

Pollution

Pollution or contamination of the atmosphere, or of any water, land, buildings or other tangible property.

Product

Any tangible property after it has left Your custody or control which has been altered, designed, distributed, erected, hired out, installed, manufactured, processed, repaired, sold, serviced, specified, supplied, treated or worked on by You or on Your behalf in connection with the Business including any Completed Work.

Temporary Buildings

A free standing construction or structure (including a hut, shed, caravan, mobile home, shipping container, Portacabin or similar) used temporarily during the course of the Contract for storage, office space or site welfare purposes but which is to be removed from the site on or before completion of the Contract

Turnover

The amount of money taken by You for the activities of the Business during the Period of Insurance excluding VAT and less payments You make to sub-contractors who are not Employees.

Work Materials

All materials brought to a site away from Your Premises for incorporation into work to be done by You (or on Your behalf) and any plant, tools, equipment, temporary works and Temporary Buildings brought onto or adjacent to the site to be used for the work.

What We cover

We will indemnify You against Your legal liability, as defined by each insured sub-section of this Section as indicated in the Schedule, arising out of the Business, to pay compensatory damages (including claimants' costs, fees and expenses) in accordance with the laws of any country (except the United States of America or Canada), subject to the terms, conditions, limits of liability, exceptions and Endorsements of this insurance.

We will not indemnify You for any judgment, award or settlement made within countries which operate under the laws of the United States of America or Canada (or any order made anywhere in the world to enforce such a judgment, award or settlement either in whole or in part) unless We have specifically agreed to do so by Endorsement to this insurance.

We will also pay Defence Costs.

Section 9 continued on the next page.

Compensation for court attendance extension.

We will also pay compensation for court attendance.

In the event of You or any of Your directors, officers, business partners or Employees attending court as a witness at Our request in connection with a claim We will provide compensation at the rates stated below for each day on which attendance is required.

How much We cover**Subsection A Employers' Liability**

We will not pay more than the Limit of Liability stated in the Schedule for compensatory damages (including claimants' costs, fees and expenses) and/or Defence Costs, arising from any one claim or series of claims against You arising out of one Occurrence.

In respect of claims arising out of Terrorism or Asbestos We will not pay more than £5,000,000 for compensatory damages (including claimants' costs, fees and expenses) and/or Defence Costs arising from any one claim or series of claims against You arising out of one Occurrence.

Subsections B Public Liability and C Products Liability

We will not pay more than the Limit of Liability stated in the Schedule for compensatory damages (including claimants' costs, fees and expenses) in respect of any one Occurrence or series of Occurrences arising from one cause.

Under Subsection C Products Liability the Limit of Liability is also the total amount We will pay (including claimants' costs, fees and expenses) for all claims against You arising from Occurrences during the Period of Insurance.

In respect of claims arising out of Pollution, the Limit of Liability stated in the Schedule is also the total amount We will pay (including claimants' costs, fees and expenses) for all claims against You during the Period of Insurance.

Defence Costs will be payable in addition to the Limit of Liability stated in the Schedule except for Subsection A Employers' Liability where the Limit of Liability includes Defence Costs.

Compensation for court attendance will be provided at the following rates:

1. You or any of Your directors, officers or business partners £250 per day,
2. any of Your Employees £150 per day,

subject to a total of not more than £5,000 in the Period of Insurance.

Who We cover

If You request it, subject to the terms, conditions, limits of liability, exceptions and Endorsements of this insurance, We will also indemnify any of the following:

- a) any of Your directors, officers, business partners or Employees in Your business capacity for claims arising out of the Business,
- b) the officers, committee and members of Your canteen, medical, social, charity, fire fighting and first aid organisations in their capacity as such,
- c) any principal for liability for which You would have been entitled to indemnity under this insurance if the claim had been made against You, provided the claim arises out of work carried out by You under a contract or agreement,
- d) If anyone covered by this insurance dies, We will deal with any claim made against their estate or Personal Representatives as long as the claim is covered by this insurance

provided that they have kept to all the terms of this insurance and any applicable Endorsements.

Details of Cover**What we cover**

We will cover compensation payments that have to be made for Injury to any Employee which occurs during the Period of Insurance where such Injury arises out of and in the course of their employment by You in the Business during the Period of Insurance, either:

- a) in the UK,
- b) elsewhere in the world in respect of temporary visits by Employees normally resident in the UK, provided that:
 - i) the action for damages is brought against You in a court of Law in the UK,
 - ii) We will not cover any amount payable under any workman's compensation, social security, health insurance or similar legislation,
 - iii) We will not cover any medical or repatriation costs.

Unsatisfied court judgments extension

If an Employee (or their Personal Representative) obtains a judgment in a court of law in the UK for damages against any person or company other than You for an Injury occurring during the Period of Insurance in connection with the Business and the judgment remains unsatisfied for six months We will cover the amount of the outstanding damages and costs awarded. We will not provide cover if there is an appeal outstanding. If we make a payment under this extension of cover the Employee (or their Personal Representative) must assign the judgment to Us.

Exceptions to Subsection A – Employers' Liability**Claims that We do not cover**

We will not cover claims arising out of:

- a) circumstances where any road traffic legislation requires compulsory insurance or security,
- b) work on or visits to, any offshore rig, installation or platform. This applies from the time of embarkation onto any kind of transport at the point of final departure to the offshore rig, installation or platform until disembarkation from the transport from the offshore rig, installation or platform onto land,
- c) claims arising from Asbestos. However this exception shall only apply to compensatory damages (including claimants' costs, fees and expenses) and/or Defence Costs in excess of £ 5,000,000 arising from any one claim or series of claims against You arising out of one Occurrence.

Employers' Liability Compulsory Insurance

The cover given by this Subsection of the Liability Insurance Section of this insurance is in accordance with the provisions of any law enacted in the UK relating to compulsory insurance of liability to Employees. If this insurance contains any terms which are prohibited by such law they will be disregarded when determining Our liability to make a payment.

However if You have failed to comply with any term of this insurance and We have to pay any sum because of the compulsory insurance law, then You must pay this amount back to Us.

Conditions that apply to Subsection A – Employers' Liability

You must ensure that the use or wearing of personal protective equipment by any Employee (as required by the Personal Protective Equipment at Work Regulations 1992 as amended) is enforced and that a formal record is maintained of personal protective equipment supplied to and received by Employees.

If You or Your Employees use industrial machinery You must:

- a) ensure that Your industrial machinery is guarded in accordance with current government regulations, health and safety legislation or industry recommendations as may be applicable,
- b) before they use the machinery, provide users of Your industrial machinery with a written procedure for the safe operation of the machinery which, if applicable, must include the procedure for the clearance of blockages or obstructions,
- c) ensure that the use of the machinery is undertaken in accordance with the written procedure,
- d) ensure that any new user of the machinery is trained and supervised by an experienced operative until they are able to operate such machinery in accordance with the written procedure.

Details of Cover**What we cover**

We will cover compensation payments that have to be made for:

- a) Injury to another person: and/or
- b) Damage to other people's property

as a result of an Occurrence during the Period of Insurance within:

- a) the UK or,
- b) the rest of the world where Your liability arises out of a temporary visit by You or any of Your directors, officers, business partners or Employees provided they normally live in the UK.

Defective Premises Act extension

We will cover compensation payments that have to be made for Injury or Damage arising because of the Defective Premises Act 1972 or the Defective Premises (Northern Ireland) Order 1975 in connection with any premises which You owned and have disposed of, but We will not cover the cost of rectifying any defect or alleged defect in the premises.

Section 9 continued on the next page.

Data Protection Act extension

We will cover compensation payments that have to be made for Injury or Damage arising because of Section 13 of the Data Protection Act 1998 provided that You are a registered user in accordance with the Act and you are not in business as a computer bureau, but We will not cover:

- a) Injury or Damage caused by any deliberate act or omission by you,
- b) any Injury or Damage caused by fraud or dishonesty,
- c) the costs and expenses of rectifying, rewriting or erasing data,
- d) claims arising out of Your recording, processing or providing of data for reward or to determine the financial status of anyone.
- e) fines, penalties or prosecution costs.

Overseas personal liability extension

We will cover You and any of Your family members accompanying You (and at your request any director, business partner or Employee and any of Your family members accompanying them) whilst outside the UK in connection with the Business against Your legal liability incurred in a personal capacity, but we will not cover:

- a) claims arising out of the ownership or tenure of any land or building,
- b) claims covered by any other insurance or which would be covered but for the existence of this insurance.

Motor contingent liability extension

Despite exclusion c) below of this Subsection We will cover Your liability arising from the use of any motor vehicle not belonging to or provided by You and being used in the course of the Business anywhere in the UK.

We will not cover

- a) claims for Damage to the vehicle,
- b) claims that arise from You driving the vehicle,
- c) claims that arise from someone driving with Your consent who, to Your knowledge, does not hold a licence to drive such a vehicle, unless they have held and are not disqualified from holding or obtaining such a licence.

If there is other insurance in force (or which would be in force if Our insurance did not exist) which covers the same Damage or liability as Our insurance, We will only pay any amount over that provided by the other insurance.

Exceptions to Subsection B – Public Liability**Claims that We do not cover****We will not cover**

- a) claims which are covered by Subsection A Employers' Liability or C Products Liability or would be covered by Subsection A Employers' Liability or C Products Liability if you had valid cover under those sections and complied with all the terms of the policy, whether or not those sections are covered.
- b) Damage to Your property (Your property includes property owned by You, leased to You, hired by You, under hire purchase by You, on loan to You, held in trust by or for You or otherwise in Your care, custody or control) but We will cover Your liability for Damage to:
 - i) Employees' visitors' and customers' clothing and personal effects,
 - ii) Premises tenanted by You (provided Your liability for Damage does not arise under an agreement where Your liability only arises because of the agreement and would not have arisen if the agreement had not been made and provided that the cause of the Damage is not of a type which an agreement states must be insured against by the lessee or tenant).
- c) claims arising out of the ownership, possession or use by You or on Your behalf, or by or on behalf of any other person whom We cover, of any motor vehicle or trailer for which compulsory insurance or security is required by legislation, but We will cover claims:
 - i) caused by the use of any tool or plant forming part of, or attached to, or used in connection with, any motor vehicle or trailer in circumstances where compulsory insurance or security is not required by any road traffic legislation,
 - ii) arising beyond the limits of any carriageway or thoroughfare caused by the loading or unloading of any motor vehicle or trailer, except where cover is (or but for the existence of this insurance would be) provided by any motor insurance,
 - iii) arising out of any motor vehicle or trailer temporarily in Your custody or control for the purpose of parking, except liability for which compulsory insurance or security is required by any road traffic legislation.
- d) claims arising out of the ownership, possession or use by You or on Your behalf of any aircraft, hovercraft, offshore installation, offshore rig, offshore platform or watercraft, other than watercraft not exceeding 10 metres in length whilst being used on inland waterways.

A condition that applies to Subsection B Public Liability

You must not agree to cover the liabilities of, nor waive Your rights of recourse against, a sub-contractor who is not an Employee.

Details of Cover

What we cover

We will cover compensation payments that have to be made for:

- a) Injury to another person: and/or
- b) Damage to other people's property

as a result of an Occurrence during the Period of Insurance but only arising out of or in connection with any Product or Completed Work.

Consumer Protection Act and Food Safety Act legal costs extension

We will cover any costs incurred by you arising out of any prosecution under:

- a) Part 2 of the Consumer Protection Act 1987 or the Consumer Protection (Northern Ireland) Order 1987 the General product Safety Regulations 2005 or related product safety legislation
- b) Section(s) 7, 8, 14 and/or 15 of the Food Safety Act 1990 or the Food Safety (Northern Ireland) Order 1991

resulting from an offence alleged to have been committed during the Period of Insurance in connection with the Business, but we will not cover:

- a) any proceedings or appeals resulting from any deliberate act or omission by you.
- b) costs or expenses covered by any other policy (or which would be covered but for the existence of this policy).
- c) fines, penalties or prosecution costs.

Exceptions to Subsection C – Products Liability

Claims that We do not cover

We will not cover

- a) claims which are covered by Subsection A Employers' Liability or B Public Liability or would be covered by Subsection A Employers' Liability or B Public Liability if you had valid cover under those sections and complied with all the terms of the policy, whether or not those sections are covered.
- b) claims for the cost of the repair, reconditioning, removing, re-applying, rectifying or replacement of any Product or part of any Product, which is defective or alleged to be defective, other than Products supplied under a separate contract.
- c) claims or costs arising out of the recall of any Product or part of any Product.
- d) claims arising out of any Product which, to Your knowledge, is intended to be used in the structure, machinery or controls of any aircraft, other aerial device, hovercraft, offshore installation, offshore rig, or offshore platform.
- e) claims arising out of any Product which, to Your knowledge, is to be delivered to the United States of America or Canada unless We have specifically agreed to cover these claims by Endorsement to this insurance.
- f) claims arising under an agreement where Your liability only arises because of the agreement and would not have arisen if the agreement had not been made.
- g) claims arising out of the failure (or alleged failure) of any Product or Completed Work to work properly, or its unsuitability (or alleged unsuitability) for its intended function, unless it is due to an unintentional defect or error in the manufacturing or installation of the Product or Completed Work.

A condition that applies to Subsection C – Products Liability

You must maintain Your full rights of recourse against any manufacturer or supplier from whom You obtain any Product or anything which is incorporated into any Product.

Exceptions to both Subsection B – Public Liability and Subsection C – Products Liability**Claims that We do not cover****We will not cover**

- a) payments arising out of any liquidated damages clause, penalty clause, performance warranty or guarantee unless Your liability would have arisen if it had not been in force.
- b) claims arising out of Gradual Contamination.
- c) claims arising out of any negligent act, error, omission, or malpractice made or alleged to have been made by You or on Your behalf in the provision of professional services. 'Professional services' means the preparation or approval of any advice, certificate or similar document, computer programme, design, drawing, formula, instruction, map, opinion, plan, report, specification or survey and any consultancy, engineering inspection, project management or supervisory service done separately for a fee.
- d) claims for Financial Loss.
- e) claims for Damage to the Completed Work or to the Work Materials.
- f) liability for which You have to take out insurance under clause 21.2.1 of the 1980 Joint Contracts Tribunal Conditions of Contract or a clause of similar intent in a prior or later version.
- g) claims arising from Asbestos or the cost of removing nullifying or cleaning up Asbestos.
- h) claims arising out of Your failure to take reasonable steps to prevent Injury or Damage.

Commercial Legal Expenses Cover (from Arc Legal Assistance Ltd)

This cover is insured by Chaucer Insurance and administered by Arc Legal Assistance Ltd (Arc Legal).

There will be no cover under this policy unless You have sought and followed the advice of the Legal Helpline as to the procedure to be adopted and have received specific authorisation from the Legal Helpline.

- 1) before carrying out any disciplinary procedure or action.
- 2) before the dismissal of an Employee.
- 3) before implementing a redundancy programme and before making an Employee redundant.
- 4) on formal or informal notification of a grievance by an Employee or of a complaint of sexual, racial, religious or disability discrimination or discrimination on the grounds of sexual orientation or age.
- 5) before making any adverse variation of the terms of conditions of employment including altering the hours or time or place worked or demotion or deduction from or reduction in an Employee's remuneration.
- 6) on becoming aware of any event or circumstance that may be deemed to be constructive dismissal including absence from work following an Employee walking out with or without notice.

In the event of a valid claim under this insurance Arc Legal will appoint their panel solicitors or their agents to handle Your case. You are not covered for any other Professional Adviser's fees unless court proceedings are issued or a conflict of interest arises where following the issue of court proceedings You have elected to use a Professional Adviser of Your own choice You will be responsible for any Professional Costs and Expenses in excess of Arc Legal's Standard Professional Costs and Expenses.

This is a "Claims Made" insurance contract it only covers claims notified to Us during the Period of Insurance and within 180 days of any circumstance which may give rise to any claim. Failure to do so would lead Us to decline a claim for indemnity under this insurance.

Definitions applicable to Commercial Legal Expenses

Aggregate Limit

The maximum We will pay for all claims arising under this insurance in one Period of Insurance.

The Aggregate Limit is £1,000,000.

Attendance Expenses

Means the actual loss of earnings of any Employee or other officer of Yours for the period he is absent from work to attend at any court or tribunal hearing either –

- a) as a witness on Your behalf and at the request of the Professional Adviser in respect of a matter involving a valid claim under this insurance
- b) as a party to the Proceedings and at the request of the Professional Adviser in respect of a matter involving a valid claim under this insurance
- c) while attending Jury Service

for each half or full day of such attendance and shall be calculated on the basis that the period of absence from work shall be calculated to the nearest half day taking an eight hour day to be a whole day for this purpose and the maximum period for which a claim can be made in respect of any one day.

The maximum payable in respect of one eight hour period shall be £100 per person.

Awards of Compensation

Basic and compensatory awards of compensation which You must pay as a result of judgment in a dispute under employment legislation following a claim under subsection 1;

Or

an out-of-court settlement of a claim under subsection 1 to which We have given Our prior written consent.

Business Full Enquiry

An enquiry into Your self assessed returns of income or profit from a trade profession or business commenced by HMRC for the business insured by this policy.

Dismissal

Has the meaning given by Ss95 and 96 of the Employment (Rights) Act 1996 as amended Any Dismissals must be handled in accordance with the advice provided by the Legal Helpline.

Director

Any Director of Yours including executive officers.

Employee/Your Employee(s)

For the purpose of this Section 10 Employee means the following The definition of Employee in the General Definitions does not apply to this Section.

Any person under a contract of service with You in connection with the business insured under this policy.

Geographical Limits

For subsection 3 (b) Bodily Injury

The European Union, The Isle of Man, The Channel Islands, Albania, Andorra, Bosnia, Herzegovina, Bulgaria, Croatia, Gibraltar, Iceland, Liechtenstein, Macedonia, Montenegro, Norway, Romania, San Marino, Serbia, Switzerland and Turkey (west of the Bosphorus).

Section 10 continued on the next page.

Commercial Legal Expenses Cover (from Arc Legal Assistance Ltd) (continued)

For all other subsections

The UK.

HMRC.

HM Revenue and Customs in the UK.

Insured Event.

The incident or the start of a transaction or series of incidents which may lead to a claim or claims being made under the terms of this insurance.

In employment disputes the Insured Event will be the effective date of termination of employment.

In accountancy matters the Insured Event arises on the date that You or Your Professional Adviser are contacted either verbally or in writing by the relevant department of HMRC advising you of either dissatisfaction with Your returns or amounts paid or notice of intention to investigate.

In criminal cases the Insured Event will be the date that You commenced or are alleged to have commenced violating the criminal law in question.

For the purposes of the Limit only one Insured Event will be regarded as having arisen from all causes or by actions incidents or events which are related by cause or time.

Legal Helpline

The service provided by Our panel Solicitors on Our behalf which enables You to obtain advice on any matter which may give rise to a claim under this insurance.

Limit

The maximum sum payable by Us under a section of cover after calculating all Professional Costs and Expenses incurred in Proceedings in respect of an Insured Event subject to the Aggregate Limit.

NIC Dispute

A challenge in writing by the National Insurance Contributions Office of HMRC of the accuracy or completeness of returns submitted in accordance with National Insurance contributions regulations.

PAYE Dispute

A challenge in writing by HMRC of the accuracy or completeness of returns submitted in accordance with Pay As You Earn regulations.

Proceedings

Civil criminal tribunal or arbitration Proceedings or appeals arising from them brought in the Geographical Limits.

Professional Adviser

Arc Legal's panel Solicitors or their agents, an accountant or other appropriately qualified person, firm or company appointed by Us to act for You, or, and subject to Our agreement, where proceedings have been issued, another legal adviser nominated by You.

Professional Costs and Expenses

Reasonable un-recovered fees and disbursements properly and necessarily incurred by the Professional Adviser with Our prior written authority and any costs incurred by a third party on the standard basis of any Proceedings for which You may be made liable by order of a court or by agreement.

Standard Professional Costs and Expenses

The level of Professional Costs and Expenses that would normally be incurred by Us in using a Professional Adviser of Our choice.

VAT Dispute

A challenge in writing by HMRC of the accuracy or completeness of returns submitted.

What We cover

This Insurance provides indemnity in respect of Professional Costs and Expenses and Attendance Expenses up to the limit of indemnity where

- a) The Insured Event is notified to Us during the Period of Insurance and within 180 days of occurrence
- b) The Insured Event and any Proceedings take place within the Geographical Limits.

Subsection 1 Employment Disputes and Compensation Awards

What We cover

- A) Professional Costs and Expenses and Attendance Expenses incurred by You in defence of Proceedings brought in an employment tribunal arising from a dispute with an Employee or ex-Employee relating to
 - 1) The contract of employment with You
 - 2) Actual or alleged breaches of their statutory rights under employment legislation.
- B) Awards of Compensation made against You arising from claims under subsection 1A
- C) Professional Costs and Expenses and Attendance Expenses incurred by You in pursuit of Proceedings against an Employee or former Employee to recover Premises owned by You or for which You are responsible.

How much We cover

The maximum We will pay for any one claim is £100,000.

What We do not cover

- a) any claim which is incurred by deliberately avoiding liability for a redundancy payment or for monies or benefits due under a contract of employment.
- b) any claim under the Transfer of Undertakings (Protection of Employment) Regulations 1981 or under the Equal Pay Act 1970 and any amending legislation.
- c) protective awards as defined in S189(3) Trade Union and Labour Relations (Consolidation) Act 1992 and any amending legislation or settlements in respect of such awards.
- d) redundancy payments.
- e) any claim arising from the Dismissal of any Employee or change to an Employees' terms of employment unless the Dismissal or change to an Employee's terms of employment is handled in accordance with the advice provided and procedures laid down by the Legal Helpline as described in the conditions to this section.
- f) any claim arising where the Insured Event was within 90 days of the start of the first Period of Insurance or within 180 days of the start of the first Period of Insurance if the Employee was at that time subject to disciplinary Proceedings or any verbal or written warning.
- g) any Awards of Compensation made against You relating to trade union activities including membership or non-membership; or relating to Pregnancy maternity or paternity rights.
- h) any award made because of Your failure to provide written reasons for Dismissal.
- i) any compensatory award specified in a reinstatement or re-engagement order or made because of Your failure to provide written reasons for a dismissal.
- j) any award to the extent that it relates to contractual rights accruing to the Employee or ex-Employee prior to the actual or alleged breach of the actual or alleged contract of employment.

Excess – Nil.

Subsection 2 Legal Defence 2A – Prosecution Defence for Employers

What We cover

Professional Costs and Expenses and Attendance Expenses incurred by You arising from any act or omission – or alleged act or omission – which leads to Your prosecution in a court of criminal jurisdiction

How much We cover

The maximum We will pay for one claim is £100,000

What We do not cover

- a) any claim arising from deliberate discrimination by You amounting to an act of unlawful discrimination.
- b) Criminal prosecutions brought under Health and Safety legislation.
- c) damages compensation interest fines costs or other penalties that You are ordered to pay by a court of criminal jurisdiction.
- d) any claim arising from a motor prosecution.
- e) any claim arising from a prosecution of You alleging.
 - i) intentional obstruction of a person in the execution of a warrant issued under the Data Protection Act 1998 by You.
 - ii) Your failure to give a person executing such a warrant the assistance as they reasonably require for its execution.

Excess – Nil.

Section 10 continued on the next page.

Section 10

Subsection 2 Legal Defence 2B – Prosecution Defence for Employees

What We cover

Professional Costs and Expenses and Attendance Expenses incurred by an Employee including Directors and officers concerning any matter arising out of his duties as Your Employee arising from any act or omission or alleged act or omission which leads to the prosecution of Your Employee in a court of criminal jurisdiction.

How much We cover

The maximum We will pay for any one claim is £100,000.

What We do not cover

- a) any claim arising from deliberate discrimination by an Employee including Directors and officers amounting to an act of unlawful discrimination.
- b) criminal prosecutions brought under Health and Safety legislation.
- c) damages compensation interest fines costs or other penalties that You are ordered to pay by a court of criminal jurisdiction.
- d) any claim arising from a motor prosecution.
- e) prosecutions of Employees for matters which do not relate to their duties as Your Employees.
- f) any claim arising from the prosecution of You alleging
 - i) intentional obstruction by an Employee of a person in the execution of a warrant issued under the Data Protection Act 1998
 - ii) failure by an Employee to give a person executing such a warrant the assistance he reasonably requires for its execution.

Excess – Nil.

Section 10

Subsection 2 Legal Defence 2C – Data Protection Act

What We cover

Professional Costs and Expenses and Attendance Expenses incurred by You in Proceedings arising from appeals against any enforcement or other notices served on You under Part 5 of the Data Protection Act 1998.

How much We cover

The maximum We will pay for any one claim is £100,000.

What We do not cover

- a) claims arising from a failure to register as a Data Controller.
- b) proceedings against You alleging contempt of the Data Protection Tribunal.
- c) claims arising from a failure to respond to any notice served on You under the Data Protection Act 1998.
- d) claims arising from a failure to comply with any legislative requirement concerning the processing of sensitive data.

Excess – Nil.

Section 10

Subsection 2 Legal Defence 2D – Jury Service

What We cover

Your Attendance Expenses for Jury Service.

Section 10

Subsection 3 Property Protection and Bodily Injury 3A – Property Protection

What We cover

Professional Costs and Expenses and Attendance Expenses incurred by You in pursuit of Proceedings against a third party other than an Employee or former Employee of Yours following an act or omission relating to material property owned by You which results in or is likely to result in Damage to that property and/or consequential loss by You.

How much We cover

The maximum We will pay for any one claim is £100,000.

What We do not cover

- a) any claim arising from a contract made between You and a third party other than a contract for the repair renovation reinstatement or decoration of real property.
- b) any claim arising from a lease or tenancy agreement applying to your Business Premises and disputes relating to the occupation of land or property owned by You by a party or parties whose licence to occupy such property has been determined or revoked or which was never granted by or on Your behalf.
- c) any claim involving
 - i) goods in transit
 - ii) goods hired or lent to third parties
 - iii) goods at premises other than those occupied by You unless they are at the premises for the purpose of installation or use in work carried out by You.
- d) any claim involving a motor vehicle belonging to You or in Your possession except whilst on Your Business Premises.
- e) any claim arising from an appeal against refusal of planning permission.

Excess – Nil.

Section 10

Subsection 3 Property Protection and Bodily Injury 3B – Bodily Injury

What We cover

Professional Costs and Expenses and Attendance Expenses incurred by Your Employee(s) in the pursuit of proceedings for damages specific performance or injunction arising from or out of their death or bodily injury.

How much We cover

The maximum We will pay for one claim is £100,000.

What We do not cover

Any claim relating to or arising from

- a) an accident/incident giving rise to bodily injury or death which occurred prior to inception of this insurance.
- b) any sickness or disease or any naturally occurring condition or degenerative process.
- c) a condition which manifested itself prior to inception of this insurance.

Excess – Nil.

Section 10 continued on the next page.

What We cover

Professional Costs and Expenses and Attendance Expenses incurred by You and arising directly from

- A NIC Disputes
- B Business Full and Aspect Enquiries
- C PAYE Disputes
- D VAT Disputes.

How much We cover

The maximum We will pay for any one claim is £100,000 except Aspect Enquiries where the maximum will be £2,000.

What We do not cover

- a) Professional Costs and Expenses incurred in dealing with
 - i) technical or routine matters not connected with or arising out of an expression of dissatisfaction with Your affairs
 - ii) any deficiencies in books records accounts or returns including the costs of rectifying a return.
- b) any claim involving criminal proceedings or alleged fraudulent evasion of tax and any case dealt with by a Special Compliance Office Boards Investigation Unit or any other special office of HMRC.
- c) any claim where deliberate mis-statements have been made in respect of accounts returns or any other submissions made to the relevant authorities with intent to deceive.
- d) any claim where You have failed to give Your business status to the relevant authorities within a statutory period.
- e) any claims which originate from any enquiry investigation or dispute which existed before this insurance started.
- f) Professional Costs and Expenses arising after the issue of a notice under relevant legislation notifying You that the enquiry has been completed.
- g) any claim involving tax or National Insurance contributions avoidance schemes.
- h) any claim which occurs during the first 60 days of the first Period of Insurance.
- i) any claim where You have failed to maintain or submit accurate truthful and up to date records and returns have failed to observe statutory time limits or requirements.

Excess – £200 in respect of Aspect Enquiries only.

Conditions applicable to Tax Disputes

- A You must have maintained and must continue to maintain accurate truthful and up to date records and make returns in accordance with statute and with accounting conventions acceptable to HMRC and have made all returns and payments except those payments which are disputed and provided information to these bodies where applicable.
- B You must contact the Legal Helpline as soon as possible on 0844 770 1047 after the Insured Event and comply with the advice given.
- C You or Your Professional Adviser should notify Us by contacting the Legal Helpline as soon as possible if You receive any invitation by HMRC to make an offer in settlement.
- D In respect of Business Full Enquiries Your Professional Adviser must provide a copy of the HMRC notice of enquiry and a copy of the return giving rise to the enquiry.

What We cover

Professional Costs and Expenses arising from any dispute between You and a customer or supplier about a contract for the supply of goods or services entered into after the start of the first Period of Insurance and where the total amount in dispute or the amount due to be paid at the time of the dispute is at least £250.

How much We cover

The maximum We will pay for any one claim is £100,000.

What We do not cover (Subsection 5)

- a) any Insured Event which occurs within 90 days of the start of the first Period of Insurance.
- b) the recovery of a debt from a customer where the customer does not dispute that the money is owed to You.
- c) any dispute You may have as a landlord or a tenant in connection with the lease or licence or tenancy agreement.
- d) Professional negligence claims.
- e) the defence of any matter which should be covered under a professional indemnity Insurance.
- f) any claim arising from the sale lease service repair or test of a Motor Vehicle.
- g) any claim arising from a dispute over a financial services product including payments which may be due under an insurance policy.
- h) any claim arising from a dispute with an Employee or former Employee arising from a contract of employment.

Excess – £250

or £500 where the amount in dispute exceeds £5,000.

What We do not cover

Exclusions applicable to all sections of Legal Expenses cover.

We will not be liable for

- a) Costs and Expenses incurred
 - i) where the Insured Event had commenced or occurred
 - 1) before this policy started; or
 - 2) on or after the renewal of this policy and which You knew or should reasonably have known could result in a claim.
 - ii) for the pursuit continued pursuit or defence of any claim if the Underwriters consider it unlikely a reasonable settlement will be obtained or where the likely settlement amount is disproportionate compared with the time and expense incurred.
 - iii) prior to written confirmation from Us that the claim has been accepted or Professional Costs and Expenses beyond those for which We have given Our prior approval in accordance with the terms and conditions of the cover.
 - iv) where You fail to instruct or give proper instructions to Us or to the Professional Adviser.
 - v) where You are responsible for anything which in Our reasonable opinion prejudices success in the prosecution defence or settlement of the Proceedings.
 - vi) where You fail to provide evidence or information reasonably required by Us to establish whether support can be provided under this cover.
 - vii) where You are responsible for anything which in Our reasonable opinion prejudices Our position in respect of the Proceedings.
 - viii) where You decide that You no longer wish to pursue Your claim as a result of disinclination All costs incurred up until this stage will become Your responsibility.
 - ix) in respect of the amount in excess of Our Standard Professional Costs and Expenses where You have elected to use a Professional Adviser of Your own choice.
 - x) where the Insured Event occurs outside of the Geographical Limits.
- d) Claims
 - i) arising from any deliberate criminal act or omission by You.
 - ii) involving prosecutions which allege dishonesty or intentional violence.
 - iii) notified to Us outside of the Period of Insurance.
 - iv) notified to Us more than 180 days after the Insured Event.
 - v) for an application for a judicial review.
 - vi) made by or against You against or by Us.
 - vii) directly or indirectly caused by contributed to or arising from
 - 1) subsidence or mining or quarrying activities
 - 2) patents copyrights trademarks merchandise marks service marks registered designs intellectual or artistic property secrecy or confidentiality agreements (other than claims under employment cover) and passing off
 - 3) computer software except operating systems and packaged software that have not been tailored by the supplier to the customer's own requirements

Section 10 continued on the next page.

- 4) the malfunction or failure of any software stored program computer device or system wholly or partly attributable to a date based event whether occurring before during or after the year 2000
 - 5) actual planned or proposed works by or under the order of any government or public or local authority
 - 6) planning law including town and country planning legislation
 - 7) the construction of or structural alteration to buildings or parts of buildings
 - 8) libel or slander or malicious falsehood.
- viii) where You act without Our consent or contrary to or in a manner different from Our advice or that of Your Professional Adviser.
- ix) made under this cover which do not arise from or relate to Your normal business as shown in the Schedule.
- x) relating to prosecutions arising out of deliberate discrimination amounting to an act of unlawful discrimination.
- xi) which are false or fraudulent.
- e) Professional Costs and Expenses and Attendance Expenses
- i) incurred in avoidable correspondence.
 - ii) which are recoverable from a court tribunal or elsewhere.
 - iii) incurred in respect of any claim where but for the existence of this policy You would be entitled to indemnity under any other policy or certificate or but for a breach or alleged breach by You of the terms of the other policy or certificate.
- f) damages interest fines or other penalties which You are ordered to pay unless provided for in this cover.
- g) the costs of an appeal unless We have given Our prior written consent to such costs being incurred.
- h) the fees of an expert witness without Our approval being obtained for the appointment of the expert witness and to the amount of his fees.
- i) prior to the issue of court Proceedings the legal costs and disbursements of a firm of solicitors instructed by You other than those of Arc Legal's panel Solicitors or their agents.

Conditions

Cancellation

This Section may be cancelled at any time by either Us or Your representative giving 14 days notice in writing to the other if no claims have been made or notified a pro rata return of premium will be made there shall be no return of premium in respect of a Period of Insurance in which a claim has been made or notified and claims notifications will not be accepted after the date of cancellation.

Appointing a Professional Adviser

- A At any time before Proceedings are issued We will
- 1) take over the claim and deal with it in Your name
 - 2) appoint Solicitors to act for You as Professional Adviser.
- B If Proceedings need to be issued
- 1) You may inform Us of Your choice of a Professional Adviser We may accept such choice if the Professional Adviser confirms in writing that he or she will co-operate with You to enable You to keep to the terms of this Certificate Where we agree to your own choice of Professional Adviser this insurance will not cover any amount in excess of Our Standard Professional Costs and Expenses
 - 2) if We and You cannot agree with Your choice of Professional Adviser You may suggest another if We still cannot agree upon a suitable Professional Adviser We shall ask the Law Society to choose a solicitor to act Both We and You must accept their decision.
- C If Your Professional Adviser refuses to continue acting for You for reasonable cause or You discontinue Your instructions then Our liability will stop at once unless We agree to the appointment of another Professional Adviser where you decide that you no longer wish to pursue Your claim through disinclination all costs incurred up until this stage will become your responsibility.

Conducting Proceedings

You will instruct the nominated Professional Adviser to

- A provide Us immediately with an opinion of the prospects of success an estimate of the total costs likely to be incurred and details of the charging rate.
- B keep Us fully and promptly advised of the progress of the case of any change in his view of prospects of success and/or his estimate of costs during the Proceedings if he does not comply all liability under this Section will cease.

We will meet the Professional Adviser's costs and expenses of dealing with the Proceedings which have been agreed in advance by Us – both amount and purpose – and as long as prospects of success remain reasonable.

Our right to information

We will have direct access to the Professional Adviser at all times and You will co-operate fully with Us and keep Us informed of all material developments.

We will be entitled to obtain any information copy document account or correspondence relating to the Proceedings whether or not it is privileged and You will give any instructions to the Professional Adviser which might be required immediately.

We will be notified as soon as reasonably possible by You or the Professional Adviser of any offer or payment into court made with a view to settlement.

If any offer or payment into court is not accepted by You but We reasonably consider the outcome of the Proceedings to be equally or less favourable to You than the offer of payment We will have no liability in respect of any further Professional Costs and Expenses unless We have given Our agreement for Proceedings to continue.

If You are not satisfied with Our decision the dispute must be resolved under the terms of the Disputes condition below.

Co-operation

You will co-operate with Us at all times and reply promptly to any correspondence connected with the claim.

Investigation of the claim

We may or through Our servants agents, solicitors, or accountants make Our own investigations into the claim and may subject to Your approval which will not be withheld unreasonably attempt to reach a settlement of the Proceedings.

Information to be given to the Professional Adviser

You will give all information requested by the Professional Adviser to him promptly and meet with him whenever requested.

Assessment of bills

If We request it You will instruct the Professional Adviser to submit his bill of costs for assessment by the court or by the appropriate professional body.

Withdrawal and discontinuance

If You withdraw from or discontinue the Proceedings without Our prior agreement the responsibility for payment of any Professional Costs and Expenses and third party costs will become Yours.

We will be entitled to reimbursement by You for any costs paid or incurred during the course of the proceedings including any Professional Costs and Expenses which We are obliged to pay because of You withdrawing or discontinuing.

Recovery of costs from third parties

You will whenever reasonably possible attempt to recover costs from a third party and will instruct the Professional Adviser accordingly.

Agreement

We will not be bound by any agreement to which We are not a party.

Disputes

In the event of any dispute arising between You and Us which cannot be resolved in accordance with Our complaints procedure available on request or where provision has not already been made the dispute will be promptly referred by You for the arbitration of a single arbitrator who must be either a solicitor or a barrister nominated by the parties or failing agreement by the Law Society.

Any arbitration will be in accordance with the provisions of the then current arbitration acts and will be binding on both parties the costs will be at the discretion of the arbitrator.

Prospects of Success

If at any time We consider Your prospects of success in the proceedings are not good or that Your interests can be achieved by other means We will provide You with a written explanation of Our decision.

We will then be under no further liability to indemnify You in respect of the case

in forming Our decision We may take into account

- a) the amount of money at stake.
- b) the fact that a reasonable business without legal costs insurance would not wish to pursue this matter.
- c) the prospects of being able to enforce a judgment.

If You disagree with this decision You can ask Us to obtain an opinion from an independent solicitor or barrister if You and We are unable to agree on a suitable solicitor or barrister the president of the Law Society will be asked to provide a nomination.

If the independent opinion disagrees with Our view We will pay the cost of obtaining it but if it supports Our view You will pay the cost.

Applicable Law

United Kingdom law allows for the insurer and You as the Insured to choose the law applicable to this insurance contract We propose that the contract is governed by English law if there is any dispute as to which law applies it shall be English law.

Language

The language for contractual terms and obligations will be English.

Business Legal Helpline

The helpline service may be used to discuss any business legal problem concerning You. Simply telephone 0844 770 1047 quoting "Chaucer Commercial Legal Expenses" and ask to speak to a legal adviser. This service is here to help You – do not hesitate to make full use of it. In particular if something You are proposing to do may result in a claim You must use the helpline first.

Debt Counselling Helpline

Managing money well is sometimes overlooked in the pressures of our daily lives. You and your Employees can talk about any financial concerns or worries through our 24/7 Debt Counselling Helpline.

Expert confidential help is at hand through Our trained independent counsellors ready to assist with counselling support advice and help if Your debt is complicated the counsellor can also direct Your call to our specialist debt experts who will talk through the stages of prioritising the debts and steps to resolution. Importantly once You are managing Your money concerns the support of Our counsellors is available 24/7 to help You find better ways to control future spending and deal with money related issues. Call Debt Counselling Helpline 0844 770 1036, 24 hours a day 365 days of the year and quote "Chaucer Commercial Legal Expenses".

Data Protection Act

Your details Your insurance cover and claims will be held by Arc Legal and or Us for underwriting processing claims handling and fraud prevention subject to the provisions of the Data Protection Act 1998.

Customer Service

Arc Legal's aim is to get it right first time every time if We make a mistake We will try to put it right promptly.

If You are unhappy with the service that has been provided You should contact Us at the address below We will always confirm to You within five working days that We have received Your complaint within four weeks You will receive either a final response or an explanation of why the complaint is not yet resolved plus an indication of when a final response will be provided within eight weeks You will receive a final response or if this is not possible a reason for the delay plus an indication of when a final response will be provided after eight weeks if You are not satisfied with the delay and Your business turnover is below €2,000,000 You may refer your complaint to the Financial Ombudsman Service You can also refer to the Financial Ombudsman Service if You cannot settle your complaint with Us.

Our contact details for this Section are

Arc Legal Assistance Ltd

PO Box 8921

Colchester

CO4 5YD

Tel: 0844 770 9000

Email: enquiries@arclegal.co.uk

The Financial Ombudsman Service contact details are:

Financial Ombudsman Service

South Quay Plaza

183 Marsh Wall

London

E14 9SR

Tel: 08000 234 567

Email: complaint.info@financial-ombudsman.org.uk

Compensation

We are covered by the Financial Services Compensation Scheme. If Your business turnover is below £1,000,000 You may be entitled to compensation from the scheme if Arc Legal or Chaucer Insurance are unable to meet their obligations. Your entitlement to compensation will depend on the circumstances of the claim. Further information about compensation scheme arrangements is available at www.fscs.org.uk

Authorisation

Arc Legal Assistance Ltd is authorised and regulated by the Financial Conduct Authority. Arc Legal's Firm Reference Number is 305958. This can be checked on the Financial Services Register by visiting the website www.fca.org.uk/register or by contacting the Financial Conduct Authority on 0800 111 6768.

General exceptions

The following exceptions apply to all sections of this insurance (unless stated to the contrary) in addition to any exceptions appearing in the particular sections or in any extension or endorsement.

What We will not cover

a) **Existing circumstances**

Claims arising out of circumstances which You knew about before the Period of Insurance which might be expected to give rise to a claim.

b) Any consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event.

1) **Terrorism**

2) **civil commotion in Northern Ireland** but this shall only apply to the Property Damage and Business Interruption Sections when insured by this policy

3) any action taken in controlling preventing suppressing or in any way relating to 1) and or 2) above.

except as stated in the Special Provisions – Terrorism below

Terrorism is defined as any act or acts including but not limited to

(i) the use or threat of force and or violence and or

(ii) harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and or chemical and or biological and or radiological means caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political religious ideological or similar purposes.

in any action suit or other proceedings where We allege that any consequence whatsoever resulting directly or indirectly from or in connection with b) 1) and 3) above regardless of any other contributory cause or event is not covered by this policy or is covered only up to a specified Limit of Liability You will have to prove that any such consequence is covered or is covered beyond that Limit of Liability.

Special Provisions – Terrorism

Neither of the exclusions in b) 1) and 3) above shall apply to Section 9 Subsection A Employers' Liability but the Limit of Indemnity for the purposes of this Special Provision – Terrorism is limited to £5,000,000 arising from any one claim or series of claims against You arising out of one Occurrence including claimants' costs fees and expenses and Defence Costs.

Exception b) 1) above does not apply to the Terrorism Extension when insured by this policy.

c) **Marine Policies**

Damage to property which at the time of the happening of the Damage is insured by or would but for the existence of this insurance 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.

d) **Sonic Bangs**

Damage caused by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

e) **War and Allied Risks**

Damage occasioned by

i) Riot or civil commotion except to the extent that it is specifically insured

ii) War.

f) **Pollution and Contamination (not applicable to Section 9 Liability Insurance)**

Damage caused by pollution or contamination except (unless otherwise excluded) destruction of or damage caused by

i) pollution or contamination which itself results from any Cover insured other than Cover 10 of Section 1 Property Damage or Cover 10 of Section 2 Business Interruption

ii) any Cover insured other than Cover 10 of Section 1 Property Damage or Cover 10 of Section 2 Business Interruption which itself results from pollution or contamination.

g) **Radioactive Contamination**

Damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from Radiation.

General exceptions continued on the next page.

General exceptions (continued)

h) Data Recognition Exception

Unless Damage results from Covers 1 to 9 of Section 1 Property Damage or Covers 1 to 9 of Section 2 Business Interruption this insurance does not cover loss resulting from direct or indirect Damage caused by any Failure of a System resulting in Damage whether direct or indirect to any such System or to any other Property Insured

for the purposes of this Exception Failure of a System means the failure or inability of a System whether or not owned by You to

- i) correctly to recognise or utilise any data concerning a date whether a date in the Year 2000 or any other date as being such calendar date as the data is intended to represent
- ii) operate as a result of any command programmed into the System utilising any date whether a date in the Year 2000 or any other date.

System includes Computer Equipment and insofar as not included within Computer Equipment computers other computing and electronic and mechanical equipment linked to a computer hardware software programs data electronic data processing equipment microchips and anything which relies on a microchip for any part of its operation microchip includes integrated circuits and microcontrollers

i) Punitive Damages

Any award of punitive or exemplary damages whether as fines penalties multiplications of compensatory awards or in any other form.

j) Sanction Limitation and Exception

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

Terrorism extension – applicable only if stated in the Schedule

Definitions applicable to the Terrorism Extension

The following definitions apply to this Terrorism Extension and shall keep the same meaning wherever they appear in the extension unless an alternative definition is stated to apply.

Act of Terrorism

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

Denial of Service Attack

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

Hacking

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

Private Individual

Any person other than

- 1) a company association or partnership
- 2) a trustee or body of trustees where insurance is arranged under the terms of a trust
- 3) a person who owns Residential Property for the purpose of their business as a sole trader
- 4) a person who owns Residential Property of which in excess of 20 per cent of the property is commercially occupied.

Note

- a) where the Residential Property is occupied by a trustee or a sole trader as a private residence and where the property is not a block of flats each will be deemed to be a Private Individual in respect of that same property; and
- b) where two or more persons have arranged insurance on Residential Property in their several names and or the name of the Policyholder includes the name of a bank or a building society or other financial institution for the purpose of noting their interest in the Property Insured they will be deemed to be a Private Individual in respect of that property.

Residential Property

- 1) private dwelling houses and flats
- 2) household goods and personal effects.

Treasury

The Lords Commissioners of Her Majesty's Treasury from time to time or any successor relevant authority.

Virus or Similar Mechanism

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

Cover

We will indemnify You in respect of all losses resulting from Damage to property and business interruption insured under this policy directly caused by an Act of Terrorism occurring during the Period of Insurance but only in England Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 nor the Isle of Man or the Channel Islands.

The maximum We will pay under this Terrorism Extension will not exceed the Limit of Liability or Sum Insured by each item of the Schedule under the Property Damage Business Interruption and Contractors All Risks Sections of this policy or limit specified in any extension to those Sections.

Exceptions

The following exceptions apply to this extension and no other exception applies (other than those exceptions excluding types of property)

- 1) We will not indemnify You in respect of any losses directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from
 - a) damage to any computer or other equipment, component system or item which processes, stores, transmits or receives data or any part thereof whether tangible or intangible including but without limitation any information, programs or software and whether Your property or not where such damage is caused by Virus or Similar Mechanism, Hacking or Denial of Service Attack
 - b) 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
- 2) We will not indemnify You in respect of any losses arising under any Head of Cover as a result of loss or destruction of or damage to Residential Property insured in the name of a Private Individual.

Terrorism extension continued on the next page.

Terrorism extension (continued)

Conditions

The following conditions apply to this Terrorism Extension also refer to the Policy Conditions at the front of this policy booklet.

- 1) the insurance provided by this Terrorism Extension is subject to all the Definitions Conditions Clauses Endorsements and Conditions of the Property Damage Business Interruption Sections and Contractors All Risks of this policy together with the policy Definitions and policy Conditions except
 - a) any which provide for adjustments of premium
 - b) any aggregate limit on the amount borne by You as a result of the operation of an Excess
 - c) any Long Term Undertaking and providing that if there is conflict between this Terrorism Extension and the rest of the policy this Terrorism Extension shall prevail.
- 2) We will not indemnify You under this Terrorism Extension unless and until the Treasury issues a certificate certifying that any loss was caused by an Act of Terrorism as defined in this Terrorism Extension.
- 3) in any action or suit or proceedings where We allege that any loss is not covered by this Section the burden of proving that such loss is covered shall be upon You.

Claims procedures and conditions (other than Legal Expenses Section 10)

After any injury or Damage or claim or Occurrence which could lead to a claim

Please phone Us immediately on **0800 0195919** this number is available 24 hours a day 365 days a year. (Calls made to or from this number and other numbers at Chaucer Insurance may be recorded for training and monitoring purposes).

24 hour emergency secure & glass replacement

In external doors and windows broken glass is dangerous and presents a security risk in some premises it can result in loss of trade.

For emergency securing, replacement glazing including all types of frame replacement or repair locks roller shutters and garage doors call Solarglas Windows Care on **0870 870 71 71** lines are open 24 hours a day 365 days a year.

Solarglas Windowcare will bill Us direct, You pay nothing except the policy Excess and VAT where applicable.

Immediately, in the event of a serious accident, Loss or Damage

Please provide as much information as possible about the claim and your policy reference if available.

You should report to the Police any Loss or Damage from theft, arson, malicious damage or riot or civil commotion and obtain a crime book reference from them.

You must carry out and permit to be taken any action which may be reasonably practicable to prevent further Damage and to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss.

You must as soon as possible after discovery ensure any defect or danger is made good or remedied and in the meantime ensure additional precautions are taken as the circumstances require.

If there is any injury or Damage or claim or Occurrence which could lead to a claim You must not admit to anyone else that it was Your fault or negotiate or make an offer of settlement of any claim unless You have Our permission.

You must within 30 days or 7 days in the case of Damage caused by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances or malicious persons if insured by this Policy after the circumstances or event or of the expiry of the Indemnity Period or such further time as We may allow at Your own expense deliver to Us.

- 1) Details of any other insurance relating to the claim.
- 2) All such business books, documents, proofs, information, explanation and other evidence as may be reasonably required all of which information and details may be produced by Your professional accountants or auditors who are regularly acting as such Your report being prima facie evidence of such information and details.
- 3) If We demand it a statutory declaration of the truth of the claim and of any matter connected with it.
- 4) We are entitled to take full control of any claim and We must be given whatever information and help We need.
- 5) We can prosecute or defend any claim in Your name.
- 6) If We make a payment under this insurance We can assume and maintain any rights of recovery against any other party, any recovery We make will be retained by Us up to the amount of Our payment in respect of compensatory damages claimants' costs, fees and expenses and Defence Costs. Any balance will then be given to You as recovery of Your Excess or other amount You have paid in respect of compensatory damages, claimants' costs, fees and expenses and Defence Costs.
- 7) You must not do anything that will affect Our interest in this insurance.

Conditions

You must send Us any letter, writ, summons, application notice or claim form relating to a claim or potential claim as soon as You receive it together with a completed report form. Do not answer any letters send them straight to Us at the address at the end of this document You must also tell Us if You know about any prosecutions involving anyone covered by this insurance.

If We elect or become bound to reinstate or replace any property You shall at Your own expense produce and give to Us all such plans documents books and information as We may reasonably require.

We shall not be bound to reinstate exactly or completely 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 the sum insured thereon.

In the event of any injury, loss or Damage in respect of which a claim is or may be made under this Policy, We and every person authorised by Us may without thereby incurring any liability and without diminishing Our right to rely upon any conditions of this Policy, enter take or keep possession of the Building or premises where the injury, loss or Damage has happened and may take possession of or require to be delivered to them any of the property hereby insured and may keep possession of and deal with such property for all reasonable purposes and in any reasonable manner.

This condition shall be evidence of the leave and licence of You to Us so to do if You or anyone acting on Your behalf shall not comply with Our requirements or shall hinder or obstruct Us in doing any of the above-mentioned acts then benefit under this Policy shall be forfeited You shall not in any case be entitled to abandon any property to Us whether taken possession of by Us or not.

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

Applicable only to Glass Breakage Damage to Neon and Illuminated Signs, Electric Light Fittings and Sanitary Ware Insurance

In the event of any breakage, loss or damage to stained glass We shall only be liable for the cost of repairing the broken glass by stained glass artists of recognised repute and standing and shall not pay any loss arising from alleged inferior artistic merit.

Claims procedures (other than Legal Expenses Section 10) continued on the next page.

Claims procedures and conditions (other than Legal Expenses Section 10) (continued)

Not applicable to Money Bodily Injury (Robbery) Insurance

If at the time of any claim there is any other insurance covering Your interest in the property lost, destroyed or damaged or the same legal liability Our liability under this Policy shall be limited to its rateable proportion of such claim if any such other insurance is subject to any condition of average this Policy if not already subject to any condition of average shall be subject to average in like manner if any other insurance effected by or on behalf of You is expressed to cover any of the property hereby insured but is subject to any provision whereby it is excluded from ranking concurrently with this Policy either in whole or in part or from contributing rateably to the Damage Our liability hereunder shall be limited to such proportion of the Damage as the sum hereby insured bears to the value of the property.

Not applicable to Money Bodily Injury (Robbery) Insurance

If any difference shall arise as to the amount 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 the statutory provisions in that behalf for the time being in force Where any difference is by this condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against Us.

Applicable only to Money Bodily Injury (Robbery) Insurance

All certificates information and evidence required by Us shall be furnished free of expense to and in the form prescribed by Us You/the Insured Person shall as often as required submit to medical examination on behalf of and at Our expense in connection with any claim Your or Your personal representative's receipt shall discharge Us You/the Insured Person or Your/the Insured Person's personal representative shall have no right to claim from or sue Us if You comprise more than one party having an interest in the Insured Person the Benefit shall represent the total amount payable in respect of that Insured Person for all interests covered by this insurance.

Claims procedure for Legal Expenses Section 10 – employment cover

You will give Us notice in writing within 7 days of Your becoming aware of any Proceedings or suit made or brought against You or believed by You to be considered and any summons claim form application notice or other process served or threatened to be served and any event which may give rise to Proceedings against You.

If You do not give Us such notice any claim resulting from that event will not be covered without prejudice to the generality of this condition.

- A You must contact the Legal Helpline quoting the “Chaucer Commercial Legal Expenses” on **0844 770 1047** and follow the advice given.
- 1 before carrying out any disciplinary procedure or action.
 - 2 before the dismissal of an Employee.
 - 3 before implementing a redundancy programme and before making an Employee redundant.
 - 4 on formal or informal notification of a grievance by an Employee or of a complaint of sexual, racial, religious or disability discrimination or discrimination on the grounds of sexual orientation or age.
 - 5 before making any adverse variation of the terms of conditions of employment including altering the hours or time or place worked or demotion or deduction from or reduction in an Employee’s remuneration.
 - 6 on becoming aware of any event or circumstance that may be deemed to be constructive dismissal including absence from work following an Employee walking out with or without notice.

failure to seek and follow the advice of the helpline in any of the above situations will mean that any claim arising as a result of the action will not be covered.

- B If You receive a form ET1 claim form from an employment tribunal and wish to obtain indemnity under this cover You should notify the Legal Helpline quoting the Legal Plus Business Helpline’ this must be done as soon as reasonably practicable and not later than within 7 days of the receipt of such form because of the statutory 28 days time limit for returning a response form (ET3) or responding on-line the response form should be left blank for completion by Your Professional Adviser upon request You must complete an Arc Legal claim form and forward it to Us immediately.
- C If a former Employee requests a written statement of reasons for Dismissal You must contact the Legal Helpline quoting the Legal Plus Business Helpline’ not later than 7 days from the request and prior to the statement being given.
- D if You intend to make a significant alteration to an Employee’s terms of employment You must telephone the Legal Helpline quoting the Legal Plus Business Helpline’ first and follow their advice.

Claims procedure for Legal Expenses Section 10 – other than employment cover

Potential claims must be notified to Us by telephoning the Legal Helpline quoting “Legal Plus Business Helpline” and before instructing a Professional Adviser You must make Your claim as soon as You are or should reasonably have been aware of any event which has resulted in or could result in an Insured Event if you do not tell us about this event within 14 days of Your becoming aware any claim resulting from that event will not be covered. You must follow the advice of the Legal Helpline Professional Costs and Expenses incurred prior to Our accepting Your claim will not be covered under this insurance.

We will send You an Arc legal claim form which must be completed giving a complete and truthful report of the facts of the claim indicating any potential witnesses and any documentary evidence and return it to Us at the earliest opportunity.

Customer care

About Our service

We are committed to providing You with a high-quality service and We want to make sure that We maintain this at all times. If You feel that We have not provided a first-class service or if You have any questions about Your insurance please contact the broker or intermediary who arranged cover for You.

If You are not satisfied with their response please write quoting the policy number shown on Your Schedule to:

The Underwriter
Commercial Division
Chaucer Insurance
Prospect House
Chaucer Business Park
Thanet Way
Whitstable
Kent
CT5 3FD

If You are still not satisfied

If You can not sort the situation out with Us You can refer the matter to the Complaints Department at Lloyd's. Their address is

Complaints Department
Lloyd's
One Lime Street
London
EC3M 7HA

Phone: 020 7327 5693
Fax: 020 7327 5225
E-mail: complaints@lloyds.com

Complaints that the Complaints Department cannot sort out may be referred to the Financial Ombudsman Service. You can get more details from Us at the appropriate stage of the complaints process.



Chaucer Insurance

Prospect House
Chaucer Business Park
Thanet Way
Whitstable
Kent CT5 3FD

Chaucer Insurance is a trading name of an authorised Lloyd's syndicate managed by Chaucer Syndicates Limited, which is registered in England (No. 184915).
Registered Office: Plantation Place, 30 Fenchurch Street, London EC3M 3AD CIEP 0913(4)



