

Liability and Construction Combined Policy

Policy Wording



Introduction

Thank You for choosing Fusion Insurance Services

This is Your policy, setting out Your insurance protection in detail.

Your Premium has been based upon the information shown in The Schedule and recorded in the written application and/or declaration You have made.

Please read it carefully to make sure that it meets Your requirements and that the details on The Schedule are correct.

If after reading Your policy you have any questions, please contact Your insurance adviser.

This policy has been exclusively arranged by Towergate Underwriting Group Limited trading as Fusion Insurance Services
Towergate Underwriting Group Limited is authorised and regulated by the Financial Conduct Authority.

Contents – a guide to Your policy

This policy booklet consists of individual Sections and should be read in conjunction with The Schedule which indicates both the Sections insured and gives precise details of the extent of Your insurance protection.

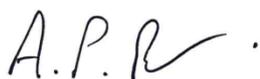
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The Contract of Insurance

Your policy is a legal contract between You, The Policyholder and Us, Fusion Insurance Services and there are provisions within it that restrict coverage .

In return for You having paid or agreed to pay the premium for the period of insurance, We will indemnify You by payment or, at Our option, by reinstatement or repair, in respect of loss, liability, destruction, damage, accident or injury to the extent of and subject to the terms contained in or endorsed on the policy.

SIGNED for and on behalf of Towergate Underwriting Group Limited trading as Fusion Insurance Services



Adrian Brown
Chief Executive Officer - Underwriting
Towergate Underwriting Group Limited

Important

This policy is a legal contract between You and Us and designed to be as easy to understand as possible. You must make a fair presentation of the risk to the Insurer at inception alteration or renewal of the policy.

Your application and/or declaration, The Schedule, Your policy and any endorsements shall be considered as one legal document. It is important that you read all Your documents carefully and let Your insurance broker or adviser know immediately if the insurance does not meet Your requirements or if any information is inaccurate or incomplete. If any changes are required, this may result in changes to the terms and conditions of the policy, or a refusal to provide insurance.

We are keen to work in partnership with you and avoid any misunderstandings.

Your Obligations under the policy

The policy imposes certain obligations upon you which if not complied with may invalidate this insurance or a claim.

Some of these obligations are expressed to be Policy Condition or Conditions Precedent. These are extremely important. If you are in breach of any of these obligations at the time of a loss the Insurer will have no obligation to indemnify you in relation to any claim for that loss. However if a Policy Condition or Conditions Precedent is intended to reduce the risk of a loss of a particular kind, at a particular location or at a particular time We will not rely on the breach of that Policy Condition or Conditions Precedent to exclude, limit or discharge the Insurer liability if the breach could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

Steps to be taken if you cannot comply

If you are unable to comply with any Policy Condition or Conditions Precedent you should contact the Insurer as soon as reasonably possible through Your insurance a broker or adviser. Your Insurer will decide whether they might be prepared to agree an alteration in the policy

All Policy Condition or Condition Precedent remain effective unless you receive written confirmation of a variation from the Insurer through Your insurance broker or adviser.

You should keep a written record (including copies of letters) of any information you give the Insurer or Your insurance broker or adviser, at inception alteration or renewal of this policy.

Law Applicable

This policy of insurance shall be governed and construed in accordance with English law and shall be resolved within the non-exclusive jurisdiction of the courts of England and Wales.

Our Service to You

Our goal is to give excellent service to all Our customers. We take all complaints We receive seriously and aim to resolve all Our customers' problems promptly. To ensure that We provide the kind of service you expect We welcome Your feedback

We will record and analyse Your comments to make sure We continually improve the service We offer.

What happens if You complain to Us?

(A) We will acknowledge Your complaint within 5 working days of receipt.

(B) We may refer your complaint to another party, depending on the circumstances of the complaint, who will handle Your complaint in accordance with their complaints procedure. However, We will advise You when this occurs.

(C) Once an assessment and full investigation of Your concern has been made We will respond with a decision.

Most of Our customers' concerns can be resolved quickly, but occasionally more detailed enquiries are needed. If this is likely, We will contact You with an update and give You an expected date of response. This will not be beyond 4 weeks from when You first made Your complaint.

If You remain unhappy with the decision You receive or We haven't dealt with the issue within 8 weeks You may be able to refer the matter to the Financial Ombudsman Service (FOS). The Financial Ombudsman Service will become involved if You are an eligible complainant as defined by the rules of the Financial Conduct Authority.

Whilst We and the Insurers are bound by the decision of the FOS, You are not. Following this complaints procedure does not affect Your right to take legal action.

The steps You should take to complain to Us

Step 1 Refer Your complaint to the Director of Operations, Fusion Insurance Services

If You are disappointed with any aspect of the handling of Your insurance You should contact, with full details including policy number and/or claim number:

Director of Operations
Fusion Insurance Services
55 Bishopsgate,
London,
EC2N 3AS
Tel: 0207 398 2100

Step 2 Refer Your complaint to the Financial Ombudsman Service.

If, after making a complaint to Fusion Insurance Services, You still feel the matter has not been resolved to Your satisfaction, You may be able to request assistance from:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR
Tel: 0800 023 4567

Email: [address: complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)
Website: www.financial-ombudsman.org.uk

Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS).

You may be entitled to compensation from the scheme if We cannot meet our financial obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS.

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

Telephone: 0800 678 1100 or 020 7741 4100

Fax: 020 7892 7301

Website: fscs.org.uk

Email: enquiries@fscs.org.uk

How We use personal and business details provided and who We share it with

Please read the following information carefully

We may use the personal and business details You have provided or which are supplied by third parties which may include details of directors officers partners and employees (whose consent You must obtain) to:

- provide You with insurance administer Your policy and to handle claims
- search credit reference credit scoring and or fraud agencies who may keep a record of the search
- share with other organisations to help offset risks administer Your policy provide statistical analysis handle claims and prevent fraud
- support the development of Our business by including Your details in customer surveys for market research and business reviews which may be carried out by third parties acting on Our behalf
- share with third parties to recover debt and fulfil statutory and regulatory obligations

We may need to collect and process data relating to individuals who may benefit from the policy ("Insured Persons") which under the Data Protection Act is defined as sensitive (such as medical history of Insured Persons) for the purpose of evaluating the risk and or administering claims which may occur. You must ensure that You have explicit verbal or written consent from the Insured Persons to such information being processed by Us and that this fact is made known to the Insured Persons

Personal details may be transferred to countries outside the EEA. They will at all times be held securely and handled in

accordance with all principles of English law

Telephone calls may be recorded for training and monitoring purposes

By applying for and or entering into this insurance policy You will be deemed to specifically consent to the use of Your data and Your insurance policy data in this way and for these purposes and that Your directors officers partners and employees have consented to Our using their details in this way

If You have any queries about Your data or rights under the Data protection Act (1998) You should write to :

Towergate Data Protection Officer
(care of the office of the CIO) at
Towergate,
55 Bishopsgate,
London EC2N 3AS

Policy Definitions

Each time We use one of the words or phrases listed below, it will have the same meaning wherever it appears in Your policy unless an alternative definition is stated to apply. A defined word or phrase will start with a capital letter each time it appears in the policy.

Each section of the policy contains definitions. They must be read in conjunction with the following Policy Definitions.

Computer and Electronic Equipment

All computers, computer installations and systems, microchips, integrated circuits, microprocessors, embedded systems, hardware, and any electronic equipment, data processing equipment, information repository, telecommunication equipment, computer controlled or programmed machinery, equipment capable of processing data and/or similar devices, whether physically or remotely connected thereto.

Condition Precedent

Any term expressed condition precedent is extremely important. If You are in breach of any of these obligations at the time of a loss We will have no obligation to indemnify You in relation to any claim for that loss. However if a condition precedent is intended to reduce the risk of a loss of a particular kind, at a particular location or at a particular time, We will not rely on the breach of that condition precedent to exclude, limit or discharge Our liability if the breach could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred

Data

Information represented or stored electronically including but not limited to code or series of instructions operating systems software programs and firmware

Employee

Any person who is

- (1) under a contract of service or apprenticeship with You
- (2) borrowed by or hired to You
- (3) a labour master or supplied by a labour master
- (4) employed by labour only sub-contractors
- (5) self employed
- (6) under a work experience or training scheme
- (7) a voluntary helper

[The next wordings apply where The Policyholder is not a Charity and Not For Profit Organisation]

while working under Your control in connection with The Business

- (8) an outworker or home worker when engaged in work on Your behalf.

[The wordings (8), (9) and (10) below apply to Charities and Not For Profit Organisations]

- (8) a governor
- (9) a trustee

while working under Your control in connection with The Business

- (10) an outworker or homeworker when engaged in work on Your behalf.

Event

One occurrence or all occurrences of a series consequent on or attributable to one source or original cause

Failure of a System

The complete or partial failure or inability whether in terms of availability functionality and/or performance or otherwise of a System whether or not owned by You to operate at any time as desired as specified or as required in the circumstances of Your business activities.

Microchip

a unit of packaged computer circuitry manufactured in small scale and made for program logic and/or computer memory purposes and expressly including integrated circuits and microcontrollers.

Money

Current

- (1) coin, bank and currency notes
- (2) postal and money orders, bankers drafts, cheques and giro cheques
- (3) crossed warrants, bills of exchanges and securities for money
- (4) postage, revenue, national insurance and holiday with pay stamps
- (5) national insurance and holiday pay with cards, national savings certificates, war bonds, premium savings bonds and franking machine impressions.
- (6) credit company sales vouchers, luncheon vouchers and trading stamps
- (7) VAT invoices

Offshore

Embarkation on to a vessel or aircraft for conveyance to an offshore rig or platform until disembarkation from the conveyance on to land upon return from such offshore rig or platform

Period of Insurance

From the effective date until the expiry date (both shown in The Schedule) or any subsequent period for which We accept payment for renewal of this policy.

Specified Contingency

Fire

Lightning

Explosion

Aircraft and other aerial devices or articles dropped from them

Earthquake

Storm or flood

Escape of water from any tank apparatus or pipe

Falling trees

Impact

Escape of fuel from any fixed oil heating installation

System

Computers other computing and electronic equipment linked to a computer hardware electronic data processing equipment Microchips and anything which relies on a Microchip for any part of its operation and includes for the avoidance of doubt any computer installation.

Terrorism

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

The Business

Activities directly connected with The Business specified in The Schedule.

The Excess

The amount or amounts specified in The Schedule which You agree to pay as Your contribution

The Premises

The premises specified in The Schedule.

The Schedule

The document which specifies details of The Policyholder, The Premises, Property Insured and any excesses, endorsements and conditions applying to the policy.

Virus

Programming code or series of instructions designed to achieve an unexpected unauthorised and/or undesirable effect or operation when loaded onto a System transmitted between Systems by transfer between computer systems via networks extranets internet or electronic mail or attachments thereto or via floppy diskettes or CD-ROMs or otherwise and whether involving self replication or not.

We / Us / Our / TUGL

Towergate Underwriting Group Limited trading as Fusion Insurance Services on behalf of the insurers whose identity is stated in the General Endorsement entitled Identity of Insurers attaching to The Schedule and whose proportionate liability will be detailed upon request.

You / Your / The Policyholder

The persons, companies, partnerships or unincorporated associations named in The Schedule as the policyholder.

Section 1 – Employers' Liability

Definitions

(Also refer to the Policy Definitions at the front of this policy booklet).

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

Bodily Injury

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

Compensation

Damages, including interest.

Costs and Expenses

- (1) Fees for The Insured's legal representation at
 - (a) any Coroner's Inquest or Fatal Accident Inquiry
 - (b) proceedings in any Court of Summary Jurisdiction arising out of any alleged breach of statutory duty
- (2) Costs and expenses incurred with Our written consent
- (3) Any claimant's legal costs for which The Insured is legally liable in connection with any Event which is or may be the subject of indemnity under this Section.

Terrorism

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

The Defined Territories

Great Britain, Northern Ireland, the Isle of Man, the Channel Islands or Offshore installations within the Continental Shelf around such territories.

The Insured

- (1) You.
- (2) Your personal representatives in respect of legal liability You incur.
- (3) At Your request
 - (a) any director, partner or Employee of Yours
 - (b) the officers, committees and members of Your
 - (i) canteen, social, sports, educational and welfare organizations
 - (ii) first aid, fire, security and ambulance servicesin their respective capacities as such
 - (c) any principal for whom You are carrying out a

contract to the extent required by the contract conditions

- (d) those who hire plant to You to the extent required by the hiring conditions

or the personal representative of any these persons

in respect of legal liability for which You would have been entitled to indemnity if the claim had been made against You.

Each indemnified party will be subject to the terms of this Section so far as they apply.

The total amount which We will pay will not exceed The Limit of Indemnity regardless of number of parties claiming to be indemnified.

The Limit of Indemnity

The maximum amount, stated in The Schedule, including Costs and Expenses, which We will pay in respect of any one Event.

The Territorial Limits

Anywhere in the world in connection with The Business conducted by You from premises within The Defined Territories.

Cover

We will indemnify The Insured against

- (1) The legal liability to pay Compensation and
- (2) Costs and Expenses

in respect of Bodily Injury caused during The Period of Insurance to any Employee arising out of and in the course of employment by You in The Business within The Territorial Limits.

The maximum We will pay is The Limit of Indemnity.

Clauses

The following clauses apply to this Section.

Additional Activities

The Business includes

- (1) ownership, use and upkeep of Your premises.
- (2) upkeep of vehicles and plant that are owned and used by You.
- (3) canteen, social, sports, educational and welfare organisations for the benefit of any Employee.
- (4) Your first aid, fire, security and ambulance services.
- (5) Your participation in exhibitions.
- (6) private work by any Employee, with Your prior consent, for You or for any director, partner or Employee of Yours.

Contractual Liability

We will indemnify The Insured in respect of liability for Bodily Injury imposed on You solely by reason of the terms of any agreement provided that the conduct and control of any claim is vested in Us.

Cross Liabilities

We will indemnify each party named as The Policyholder in The Schedule as if a separate policy had been issued to each.

The total amount payable will not exceed The Limit of Indemnity regardless of the number of parties claiming to be indemnified.

Legal Expenses arising from Health and Safety Legislation

We will indemnify The Insured in respect of

- (1) legal fees and expenses incurred with Our written consent for defending proceedings, including appeals
- (2) costs of prosecution awarded against The Insured

which arise from any health and safety inquiry or criminal proceedings for any breach of the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978.

We will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged act, omission or incident committed during The Period of Insurance within The Defined Territories and in connection with The Business.
- (2) In respect of proceedings which
 - (a) result from any deliberate act or omission by You.
 - (b) relate to the health and safety of any person other than an Employee.
- (3) where indemnity is provided by another insurance policy.
- (4) In respect of fines or penalties of any kind

Our Right of Recovery

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law relating to the compulsory insurance of liability to employees in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

However, You will repay to Us all sums We would not have been liable to pay but for the provisions of such law.

Payment for Court Attendance

We will compensate You if, at Our request, You, any director, partner or Employee of Yours, is attending court as a witness in connection with a claim for which The Insured is entitled to indemnity.

The maximum We will pay for

- (1) You, each director or partner is GBP500 per day.
- (2) each Employee is GBP250 per day.

Unsatisfied Court Judgments

We will, at Your request, pay any Employee or his or her personal representative, the amount of damages and costs awarded to such person as a result of a judgment which has been obtained for Bodily Injury against any company registered in or any individual domiciled in The Defined Territories and which remain unpaid six months after the date of such judgment.

Payment will only be made where

- (1) the Bodily Injury was caused during any Period of Insurance to the Employee arising out of and in the course of employment by You in The Business.
- (2) the judgment was obtained in a court within The Defined Territories.
- (3) there is no appeal outstanding to the judgment.
- (4) the Employee, or his or her personal representative, assigns the judgment debt to Us.

Exceptions

The following exceptions apply to this Section. (Also refer to the Policy Exceptions at the back of this policy booklet).

We will not provide indemnity in respect of

- (1) work Offshore.
- (2) Bodily Injury for which The Insured is required to arrange motor insurance or security in accordance with road traffic legislation.
- (3) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or Event
 - (a) Terrorism
 - (b) any action taken in controlling, preventing, suppressing or in any way relating to (a) above

except as stated in **Special Provision - Terrorism** (see below)

In any action, suit or other proceedings where We allege that any consequence whatsoever resulting directly or indirectly from or in connection with (3) (a) and/or (3) (b) above regardless of any other contributory cause or Event is not covered under this Section (or is covered only up to a specified limit of liability) the burden of proving that any such consequence is covered (or is covered beyond that limit of liability) under this Section shall be upon You.

Special Provision - Terrorism

Subject otherwise to the terms of the policy

When the Employers' Liability Section is insured by this policy neither of the Exceptions in (3) (a) and (3) (b) above shall apply to the Employers' Liability Section but the Limit of Indemnity for the purpose of this Special Provision - Terrorism is limited to GBP5,000,000 including Costs and Expenses.

Conditions and Conditions Precedent

The following conditions and Conditions Precedent apply to this Section. (Also refer to the Policy Conditions and Conditions Precedent at the back of this policy booklet).

Suspension of Cover

We may, at any reasonable time, inspect any property and, in the event of any defect or danger being apparent, We may by written notice to You suspend all Our liability that might otherwise arise from such defect or danger.

Additional Endorsements

This Section extends to include the following Additional Endorsements, only if stated as applying in The Schedule.

FIS-D Erection of Buildings

We will only indemnify The Insured in respect of contracts, undertaken by The Insured, for the erection of buildings not exceeding fifteen metres in height and including any

- (a) partial or total demolition
- (b) road and footpath construction
- (c) laying pipes, drains and sewers

forming part of the contract.

We will not provide indemnity in respect of piling work or the use of explosives.

FIS-E General Builders

We will indemnify The Insured in respect of

- (1)
 - (a) partial or total demolition
 - (b) road and footpath construction
 - (c) laying pipes, drains and sewers

only if this forms part of a contract undertaken by The Insured for the erection, alteration, maintenance or repair of buildings or structures.

- (2) partial or total demolition of structures not exceeding four metres in height.

We will not provide indemnity in respect of

- (a) piling work, water diversion or the use of explosives.
- (b) the construction of or work on towers, steeples, chimney shafts, blast furnaces, viaducts, bridges, docks, tunnels, dams or reservoirs.

FIS-F Civil Engineering Contractors including Road and Sewer Contractors

We will indemnify The Insured in respect of

- (1) partial or total demolition
 - (a) of structures as part of a contract, undertaken by The Insured, for erection, reconstruction, alteration, maintenance or repair.
 - (b) of other structures not exceeding four metres in height.
- (2) piling work contracts undertaken by The Insured for sheet piles in respect of the temporary support of trenches.

We will not provide indemnity in respect of

- (1) piling work contracts other than the use of sheet piles for the temporary support of trenches.
- (2) water diversion or the use of explosives.
- (3) the construction of
 - (a) towers, steeples, chimney shafts, blast furnaces.
 - (b) viaducts, bridges and flyovers other than for surfacing or resurfacing of roads thereon.
 - (c) docks, quaysides, jetties, harbours, tunnels, dams or reservoirs.
- (4) digging below the Depth Limit shown in The Schedule.

FIS-G Height Limit

We will not provide indemnity in respect of work at a height where the drop exceeds the Height Limit shown in The Schedule.

Section 2 – Public and Products Liability

Definitions

(Also refer to the Policy Definitions at the front of this policy booklet).

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

Asbestos

Asbestos, asbestos fibres or any derivatives of asbestos.

Bodily Injury

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

Compensation

damages, including interest.

Costs and Expenses

- (1) Fees for The Insured's legal representation at
 - (a) any coroner's inquest or fatal accident inquiry
 - (b) proceedings in any court of summary jurisdiction arising out of any alleged breach of statutory duty
- (2) Costs and Expenses incurred with our written consent
- (3) any claimant's legal costs for which The Insured is legally liable

in connection with any event which is or may be the subject of indemnity under this Section.

Damage

Physical

- (1) loss
- (2) destruction
- (3) damage

but not including loss of Data

Financial Loss

A pecuniary loss suffered by any

- (1) customer of
- (2) user of any Products Supplied by

The Insured and not caused by Personal Injury or Damage to Property.

Personal Injury

- (1) Bodily Injury
- (2) Wrongful

- (a) arrest, detention or imprisonment
- (b) eviction
- (c) accusation of shoplifting

Pollution or Contamination

- (1) Pollution or contamination of buildings or other structures or of water or land or the atmosphere

and
- (2) all loss, Damage to Property and Bodily Injury directly or indirectly caused by such pollution or contamination.

Products Supplied

Anything which is

- (1) manufactured, sold, supplied, processed, altered or treated
- (2) repaired, serviced or tested
- (3) installed, constructed, erected or transported

by You or on Your behalf and which is no longer in Your custody or control.

Property

Material property but shall not include Data

Terrorism

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

The Defined Territories

Great Britain, Northern Ireland, The Isle of Man, the Channel Islands or offshore installations within the continental shelf around such territories.

The Employer

The party named as the employer in the contract or agreement.

The Insured

- (1) You
- (2) Your personal representatives in respect of legal liability You incur
- (3) At Your request
 - (a) any director, partner or Employee of Yours
 - (b) the officers, committees and members of Your
 - (i) canteen, social, sports, educational and welfare organisations
 - (ii) first aid, fire, security and ambulance services

in their respective capacities as such

- (c) any principal for whom You are carrying out a contract, to the extent required by the contract conditions

- (d) those who hire plant to You to the extent required by the hiring conditions or the personal representatives of any of these persons in respect of legal liability for which You would have been entitled to indemnity if the claim had been made against You.

Each indemnified party will be subject to the terms of this Section so far as they apply.

The total amount which We pay will not exceed The Limit of Indemnity regardless of the number of parties claiming to be indemnified.

The Limit of Indemnity

The maximum amount, stated in The Schedule, which We will pay in respect of any one Event.

In respect of Pollution or Contamination The Limit of Indemnity will apply to the total of all Events happening in any one Period of Insurance.

The Period of Temporary Cover

Up to 28 days from the date on which The Insured enters into the contract or starts the work, whichever is the earlier.

The Territorial Limits

Anywhere in the world in connection with The Business conducted by You from premises within The Defined Territories.

The Works

All works completed or to be completed by You or on Your behalf including

- (1) all materials incorporated or to be incorporated
- (2) plants, tools, equipment and temporary buildings used or to be used

for the period during which You are responsible under contract conditions.

Cover

We will indemnify The Insured against

- (1) legal liability to pay Compensation and
- (2) Costs and Expenses in respect of accidental
 - (a) Personal Injury
 - (b) Damage to Property
 - (c) obstruction, trespass, nuisance or interference with any right of way, air, light or water

which arises in connection with The Business and which happens during the Period of Insurance and within The Territorial Limits.

The maximum We will pay is The Limit of Indemnity and any Costs and Expenses. However, in respect of any claim brought in

- (1) the United States of America or any territory within its jurisdiction

- (2) Canada

The maximum We will pay, inclusive of Costs and Expenses is the Limit of Indemnity.

Clauses

The following clauses apply to this Section.

Additional Activities

The Business includes

- (1) ownership, use and upkeep of Your premises.
- (2) Upkeep of vehicles and plant which are owned and used by You.
- (3) Your canteen, social, sports, educational and welfare organisations for the benefit of any Employee.
- (4) Your first aid, fire, security and ambulance services.
- (5) Your participation at exhibitions.
- (6) Private work by any Employee, with Your prior consent, for You or for any director, partner or Employee.

Building Contracts Liability and Damage

Where You are required to take out insurance to comply with

- (1) Clause 6.5.1 of the joint contracts tribunal standard form of building contract 2005 edition or any subsequent amendment or replacement
or
- (2) the equivalent clause in other contract conditions.

We will indemnify You and The Employer in respect of any expense, liability, loss, claim or proceedings which The Employer may incur or sustain as a result of injury or Damage to any Property occurring within The Territorial Limits during The Period of Temporary Cover and caused by

- (a) collapse
- (b) subsidence
- (c) heave
- (d) vibration
- (e) weakening of or removal of support
- (f) lowering of ground water

arising out of and in the course of or due to the carrying out of The Works.

The maximum amount We will pay in respect of any or all claims arising out of any one contract is The Limit of Indemnity stated in the Policy Schedule as applied to this Section of The Policy

You must ensure that

- (1) You tell Us about each contract to which this indemnity is to apply no later than seven days of

(a) entering into the contact

or

(b) starting the work

whichever is the earlier

(2) You agree the terms and pay the premium as We require in respect of this indemnity and for the continuation of this indemnity.

We will not provide indemnity in respect of

(1) the first GBP500 of each and every claim

(2) any expense, liability, loss, claim or proceedings

(a) as a result of the negligence, omission or default of

- (i) You, Your agents or any Employee.
- (ii) any sub-contractor, his employees or agents.

(b) as a result of errors or omissions in the planning or designing of The Works.

(c) which could be reasonably foreseen to be inevitable in view of the nature of the work to be executed or the manner of its execution.

(d) which is at the sole risk of The Employer under the terms of the contract

(3) liability assumed by The Employer by agreement and which would not have attached in the absence of any agreement.

(4) Damage to Property which comprises The Works

(5) Damage directly caused by pressure waves from aircraft or other aerial devices

Buildings Temporarily Occupied

We will indemnify The Insured in respect of legal liability for accidental Damage to premises (and their contents) temporarily occupied by The Insured for the purposes of carrying out The Business.

We will not provide indemnity in respect of Damage to

(1) premises and their contents which You own or are loaned, leased, hired or rented to

- (a) The Insured.
- (b) any other party who is carrying out work on Your behalf.

(2) The Works

Legal Expenses arising from Consumer Protection Act 1987 and Food Safety Act 1990

We will indemnify The Insured in respect of

(1) legal fees and expenses incurred with Our written consent for defending proceedings, including appeals

(2) costs of prosecution awarded against The Insured

which arise from criminal proceedings for any breach of Part II of the Consumer Protection Act 1987 or Part II of the Food Safety Act 1990.

We will not provide indemnity

(1) unless the proceedings relate to an actual or alleged act, omission or incident committed during The Period of Insurance within The Defined Territories and in connection with The Business.

(2) in respect of proceedings which result from any deliberate act or omission by You

(3) where indemnity is provided by another insurance policy

Contractual Liability

We will indemnify The Insured in respect of accidental Bodily Injury or Damage to Property imposed on You solely by reason of the terms of any agreement provided that the conduct and control of any claim is vested in Us.

We will not provide indemnity in respect of any agreement for or including the performance of work or Product Supplied unless liability would have attached in the absence of the agreement.

Cross Liabilities

We will indemnify each party named as The Policyholder in The Schedule as if a separate policy has been issued to each.

The total amount payable will not exceed The Limit of Indemnity regardless of the number of parties claiming to be indemnified.

Data Protection Act 1998

We will indemnify The Insured in respect of

(1) legal fees and defence costs

(2) legal liability for Compensation to an individual

(a) the subject of personal data The Insured holds

and

(b) who suffers distress caused by

- (i) inaccuracy of the data
- (ii) loss of the data
- (iii) unauthorised destruction or disclosure of the data
- (iv) unauthorised access to the data arising from proceedings brought against The Insured under Section 13 of the Data Protection Act 1998.

We will not provide indemnity in respect of

(1)

- (a) Personal Injury other than as provided by this Clause
- (b) Damage to Property
- (c) fraud, dishonesty, insolvency, financial default,

conspiracy, conversion, deceit, intimidation, inducement of breach of contract, injurious falsehood or breach of confidence

- (d) libel, slander or defamation
- (2) consequential losses
- (3) liability
 - (a) as a result of You having authorised the destruction or disclosure of the data
 - (b) which could reasonably have been expected to arise as a result of any other deliberate act or omission by You
- (4) any fine or statutory payment
- (5) liability which arises solely by reason of the terms of any agreement
- (6) liability in respect of liquidated damages or under any penalty clause
- (7) legal costs or expenses or Financial Losses in respect of any order
 - (a) for rectification or erasure of data
 - (b) requiring the data to be supplemented by any other statements
- (8) proceedings relating to Compensation for any
 - (a) Employee if the Employers' Liability Section of this policy is not in force
 - (b) third party if the Public and Products Liability Section of this policy is not in force.

Defective Premises

We will indemnify The Insured in respect of legal liability for accidental Bodily Injury or Damage to Property arising under

- (1) the Defective Premises Act 1972
- (2) the Defective Premises (Northern Ireland) Order 1975 or the Defective Premises (Landlord Liability) Act (Northern Ireland) 2001

in connection with any premises which You previously owned or occupied for the purposes of The Business

We will not provide indemnity in respect of the cost of rectifying any defect or alleged defect in such premises.

Employees' and Visitors' Personal Belongings

We will indemnify The Insured in respect of legal liability for accidental Damage to Employees' and visitors' vehicles and personal belongings, which are in the custody or control of The Insured.

We will not provide indemnity where this Property is

- (1) loaned, leased, hired or rented to The Insured
- (2) stored for a fee or other consideration by The Insured
- (3) in the custody or control of The Insured for the purpose

of being worked upon

Financial Loss – Products Liability

We will indemnify The Insured in respect of legal liability for Financial Loss as a direct result of Products Supplied.

The maximum We will pay, including Costs and Expenses, in respect of all claims made against The Insured in any one Period of Insurance is GBP25,000.

This indemnity only applies to claims made against The Insured during the currency of this Clause or within 30 days of its expiry.

We will not provide indemnity in respect of Financial Loss as a result of

- (1) circumstances which, at inception of this Public and Products Liability Section, The Insured knew or ought to have known about and which were likely to give rise to a claim.
- (2) non or late delivery of Products Supplied
- (3) fraud, dishonesty, insolvency, financial default, conspiracy, conversion, deceit, intimidation, inducement of breach of contract or injurious falsehood.
- (4) Passing off or infringement of any trademark, trade name, merchandise mark, registered design, copyright or patent right.
- (5) liability under the Data Protection Act 1998 or any subsequent amending legislation.
- (6) any diminution in value of any Property of Products Supplied.
- (7) liability imposed on The Insured solely by reason of the terms of any contract conditions or agreement.
- (8) Any consequence whatsoever directly or indirectly caused by or contributed to or arising from
 - (a) the presence of
 - (b) the release ofAsbestos including any product containing Asbestos
- (9)
 - (a) the transmission or impact of any Virus
 - (b) any unauthorised access to a System
 - (c) interruption or interference with electronic means of communication used in the conduct of the Insured's Business including but not limited to any diminution in the performance of any website or electronic means of communication
 - (d) Failure of a System
 - (e) damage to Data but not limited to any
 - (i) loss or destruction or corruption of Data whether in whole or in part
 - (ii) unauthorised appropriation use access to or modification of Data
 - (iii) unauthorised transmission of Data to any

- third party
- (iv) misinterpretation use or misuse of Data
- (v) operator error

Legal Expenses arising from Health and Safety Legislation

We will indemnify The Insured in respect of

- (1) legal fees and expenses incurred with our written consent for defending proceedings, including appeals
- (2) cost of prosecution awarded against The Insured

which arise from any health and safety inquiry or criminal proceedings for any breach of the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978.

We will not provide indemnity

- (1) unless the proceedings relate to an actual or alleged act, omission or incident committed during the Period of Insurance within The Defined Territories and in connection with The Business.
- (2) in respect of proceedings which
 - (a) result from any deliberate act or omission by You
 - (b) relate to the health and safety of any Employee
- (3) where indemnity is provided by another insurance policy

Hired or Rented Premises

We will indemnify The Insured in respect of legal liability for accidental Damage to premises (including fixtures and fittings) within The Defined Territories which are hired, rented or loaned to The Insured in connection with The Business.

We will not provide indemnity in respect of

- (1) the first GBP250 of Compensation, Costs and Expenses in respect of such Damage caused other than by fire or explosion
- (2) liability imposed on The Insured solely by reason of the terms of any hiring or renting agreement.
- (3) Damage caused by fire or any other peril against which any hiring or renting agreement specifies that insurance is taken out by The Insured.

Motor Contingent Liability

We will indemnify You in respect of Your legal liability for accidental Bodily Injury and Damage to Property which arises from any vehicle or trailer attached thereto which is

- (1)
 - (a) not owned by
 - (b) not loaned, leased, hired or rented to

You nor provided by You

and

- (2) being used in connection with The Business in The Defined Territories

We will not provide indemnity

- (1) in respect of Damage to the vehicle or trailer or goods carried in or on the vehicle or trailer
- (2) while the vehicle is being driven by
 - (a) You
 - (b) any person who to Your knowledge or that of Your representatives does not hold a licence to drive the vehicle unless such person has held and is not disqualified from holding or obtaining such a licence.
- (3) where indemnity is provided by another insurance policy

Overseas Personal Liability

We will indemnify You and, at Your request, any director, partner or Employee of Yours in respect of legal liability for accidental Bodily Injury or Damage to Property incurred in a personal capacity whilst such persons are temporarily outside The Defined Territories in connection with The Business.

We will also indemnify any accompanying spouse and children.

Where You are an individual, this indemnity will also apply to Your personal liability whilst away from Your business premises in connection with The Business but within The Defined Territories.

We will not provide indemnity

- (1) where liability arises from
 - (a) any agreement unless liability would have existed otherwise
 - (b) ownership or occupation of land or buildings
 - (c) the carrying on of any trade or profession
 - (d) ownership, possession or use of wild animals, firearms (other than sporting guns) mechanically propelled vehicles, aircraft or watercraft.
- (2) where indemnity is provided by another insurance policy

Payment for Court Attendance

We will compensate You if, at Our request, You, any director, partner or Employee of Yours, is attending court as a witness in connection with a claim for which The Insured is entitled to indemnity.

The maximum We will pay for

- (1) You, each director or partner is GBP500 per day
- (2) each Employee is GBP250 per day

Exceptions

The following exceptions apply to this Section. (Also refer to the Policy Exceptions at the back of this policy booklet).

We will not provide indemnity in respect of

- (1) Personal Injury to any Employee arising out of an in the course of employment by You in The Business
- (2) the ownership, possession or use by or on behalf of The Insured of any
 - (a) aircraft, aerial device, watercraft or hovercraft

- (b) motor vehicle, trailer or plant in circumstances where compulsory insurance or security is required by any road traffic legislation

other than

- (i) where described in the Motor Contingent Liability Clause
- (ii) the loading or unloading of any such vehicle, trailer or plant where indemnity is not provided by another insurance policy.
- (iii) hand propelled or sailing craft which are less than 8 metres in length and barges used solely on inland or territorial waters.

(3) Damage to Property

- (a) which You own or is loaned, leased, hired or rented to The Insured
- (b) which is held in trust or in the custody or control of
 - (i) The Insured
 - (ii) any other party who is carrying out work on Your behalf

other than in the circumstances described in the Hired or Rented Premises Clause or the Employees' and Visitors' Personal Belongings Clause or the Buildings Temporarily Occupied Clause.

(4) Damage to or the cost incurred by anyone in repairing, removing, replacing, reapplying, rectifying or reinstating

- (a) Products Supplied (other than Products Supplied previously under a separate contract).
- (b) The Works

(5) recalling or making refunds in respect of

- (a) Products Supplied
- (b) The Works

(6) advice, instruction, consultancy, design, formula, specification, inspection, certification or testing performed or provided separately for a fee or under a separate contract.

(7) the carrying out of any work or any Products Supplied for incorporation within any aircraft or other aerial device.

(8) Pollution or Contamination

- (a) occurring in the United States of America or Canada.
- (b) other than caused by a sudden, identifiable, unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.

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

(9) work Offshore

(10)

- (a) liquidated damages
- (b) penalty clauses
- (c) fines
- (d) aggravated, restitutionary, punitive or exemplary damages or any additional damages resulting from the multiplication of compensatory damages or other non-compensatory damages

(11) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or Event

- (a) Terrorism
- (b) any action taken in controlling, preventing, suppressing or in any way relation to (a) above

except as stated in Special Provision – Terrorism below

In any action, suit or other proceedings where We allege that any consequence whatsoever resulting directly or indirectly from or in connection with (11) (a) and / or (11) (b) above regardless of any other contributory cause or Event is not covered under this Section (or is covered only up to a specified limit of liability) the burden of proving that any such consequence is covered (or is covered beyond that limit of liability) under this Section shall be upon You.

Special Provision – Terrorism

Subject otherwise to the terms of the policy

Neither of the Exceptions in (11) (a) and (11) (b) above shall apply to the Public and Products Liability Section but The Limit of Indemnity for the purpose of this Special Provision – Terrorism is limited to GBP5,000,000 or any other amount specified in the policy for Public and/or Products Liability whichever is the lower.

(12) The amount of The Excess shown in The Schedule as applying in respect of each and every Event resulting in Damage to Property.

You will reimburse any such amount paid by Us.

(13)

- (a) fears of the consequences of exposure to or inhalation of
- (b) the costs incurred by anyone in repairing, removing, replacing, recalling, rectifying, reinstating or managing (including those of any persons under any statutory duty to manage) any Property arising out of the presence of

Asbestos including any products containing Asbestos.

Conditions and Conditions Precedent

The following conditions and Conditions Precedent apply to this Section.

(Also refer to the Policy Conditions and Conditions Precedent at the back of this policy booklet).

Suspension of Cover

We may, at any reasonable time, inspect any Property and, in the event of any defect or danger being apparent, We may by written notice to You suspend all Our liability that might otherwise arise from such defect or danger.

Additional Endorsements

This Section extends to include the following additional endorsements, only if stated as applying in The Schedule.

FIS-A Products Supplied Aggregate Limit

In respect of Products Supplied The Limit of Indemnity will apply to the total of all Events happening in any one Period of Insurance.

FIS-B Products Supplied Restriction

We will not provide indemnity in respect of Products Supplied other than

- (a) the sale or supply of food and drink
- (b) the supply of office requisites
- (c) the disposal of furniture and office equipment previously used in the course of The Business

FIS-C North American Products Supplied Exclusion

We will not provide indemnity in respect of Products Supplied which The Insured knew, knows or could be expected to know would be used within the United States of America or Canada.

FIS-D Erection of Buildings

We will only indemnify The Insured in respect of contracts, undertaken by The Insured, for the erection of buildings not exceeding fifteen metres in height and including any

- (a) partial or total demolition
- (b) road and footpath construction
- (c) laying pipes, drains and sewers

forming part of the contract.

We will not provide indemnity in respect of piling work or the use of explosives.

FIS-E General Builders

We will indemnify The Insured in respect of

- (1)
 - (a) partial or total demolition
 - (b) road and footpath construction
 - (c) laying pipes, drains and sewers

only if this forms part of a contract undertaken by The Insured for the erection, alteration, maintenance or repair of buildings or structures.

- (2) partial or total demolition of structures not exceeding four metres in height.

We will not provide indemnity in respect of

- (a) piling work, water diversion or the use of

explosives.

- (b) the construction of or work on towers, steeples, chimney shafts, blast furnaces, viaducts, bridges, docks, tunnels, dams or reservoirs.

FIS-F Civil Engineering Contractors including Road and Sewer Contractors

We will indemnify The Insured in respect of

- (1) partial or total demolition
 - (a) of structures as part of a contract, undertaken by The Insured, for erection, reconstruction, alteration, maintenance or repair.
 - (b) of other structures not exceeding four metres in height.
- (2) piling work contracts undertaken by The Insured for sheet piles in respect of the temporary support of trenches.

We will not provide indemnity in respect of

- (1) piling work contracts other than the use of sheet piles for the temporary support of trenches.
- (2) water diversion or the use of explosives.
- (3) the construction of
 - (a) towers, steeples, chimney shafts, blast furnaces.
 - (b) viaducts, bridges and flyovers other than for surfacing or resurfacing of roads thereon.
 - (c) docks, quaysides, jetties, harbours, tunnels, dams or reservoirs.
- (4) digging below the Depth Limit shown in The Schedule.

Section 3 – Contract Works

Definitions

(Also refer to the Policy Definitions at the front of this policy booklet).

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

Contract

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

Contract Site

- (1) A site within the Territorial Limits at which You are carrying out work under a Contract

or

- (2) The site address stated in The Schedule if cover applies to a specific Contract.

Damage

Physical

- (1) Loss
- (2) Destruction
- (3) damage.

Employee's Tools

Employee's tools and personal belongings while on or adjacent to any Contract Site and in transit between Your premises and the Contract Site other than

- (1) motor vehicles.
- (2) gold or silver articles.
- (3) watches or jewellery.
- (4) Money.

Estimated Original Contract Price

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

Excess/Excesses

The amount or amounts shown in Your policy or The Schedule which You must pay for each and every claim and You will reimburse any such amount paid by Us.

Existing Structures

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 into the Contract

- (1) issued free to You by or on behalf of Your Employer

and

- (2) for which You are responsible under the conditions of the Contract

the value of which will not be included in the final valuation of the Works carried out or the final contract price and which are not otherwise excluded from this Section.

Hired in Plant

Plant, scaffolding, tools, equipment, site huts and temporary buildings hired in by You for use in connection with any Contract while anywhere within the Territorial Limits including transit other than by sea or air.

Maintenance Period

The period indicated in the conditions of the Contract, but not exceeding 12 months, during which You are responsible for rectifying defects.

Maximum Contract Price

The maximum price of any Contract for which We will provide indemnity as stated in The Schedule.

Practical Completion

Works which are

- (1) completed

or

- (2) complete except for the prospective buyer's or tenant's choice of decorations or final fitments.

Property Insured

Works, Your Plant and Hired in Plant which You own or are responsible for as stated in The Schedule.

Territorial Limits

Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.

Works

- (1) Temporary or permanent works completed or to be completed as part of any Contract

and/or

- (2) Materials for incorporation whilst on or adjacent to the Contract Site and in transit to or from the Contract Site other than by sea or air.

Your Plant

Plant, scaffolding, tools, equipment, site huts and temporary buildings owned by You, while anywhere within the Territorial Limits including transit other than by sea or air.

Cover

We will indemnify You in respect of Damage to the Property Insured during the Period of Insurance and within the Territorial Limits.

The maximum that We will pay in respect of any one occurrence which gives rise to a claim under this Section is for

(1) Works

(which includes any liability We may have in respect of the cover provided under the Clauses) 125% of the Estimated Original Contract Price including the value of Free Issue Materials in respect of any Contract or Works.

We will have no liability under this Section where the Estimated Original Contract Price plus the value of Free Issue Materials exceeds the Sum Insured stated in The Schedule at the time of Damage.

(2) Your Plant

The Sum Insured stated in The Schedule at the time of Damage.

(3) Hired in Plant

The Sum Insured stated in The Schedule at the time of Damage.

(4) Employee's Tools

The Sum Insured stated in The Schedule at the time of Damage.

The maximum that We will pay in respect of any one Employee is the limit stated in The Schedule.

Clauses

The following clauses apply to this Section.

Additional Interests

We will, to the extent required by the conditions of the Contract, include the interest as joint Insured of any

(a) employer

or

(b) contractor.

Automatic Reinstatement of Sum Insured

The Sums Insured stated in The Schedule will not be reduced by the amount of any claim unless We or You give notice to the contrary.

You must pay the additional premium required to reinstate the Sums Insured.

Consecutive Damage

Damage to Property Insured at any one Contract Site during a period of 72 hours caused by

(1) earthquake

(2) storm, flood or other water damage

(3) subsidence or collapse

will be considered for the purpose of applying any Excess as one occurrence of Damage.

Continuing Hire Charges

We will indemnify You in respect of Your legal liability to pay continuing hire charges as a result of Damage to any item of Hired in Plant insured under this Section.

Damage to Security Devices

If the attempted theft of any vehicle included within Your Plant or Hired in Plant results in Damage only to the vehicle immobiliser, locating, tracking or other security device, We will apply a reduced Excess of GBP50.

Debris Removal

We will indemnify You in respect of the costs and expenses that You incur, with Our consent, for

(1) removing debris

(2) dismantling or demolishing

(3) shoring up or propping

(4) clearing or repairing drains or service or mains

following Damage to Property Insured.

The maximum that We will pay in respect of any one loss is 25% of the Estimated Original Contract Price.

We will not indemnify You in respect of costs and expenses

(a) incurred in removing debris from anywhere other than the site of the Damage and the area adjacent to it.

(b) arising from pollution or contamination of consecutive property not insured under this Section.

(c) more specifically insured.

Dwellings

All Contracts or Works solely concerned with the erection of private dwellings not exceeding four storeys in height are insured under this Section irrespective of the Estimated Original Contract Price of such Contracts.

The maximum that We will pay in respect of any one loss is 125% of the Sum Insured in the description of the Contract or Works in The Schedule.

European Union and Public Authorities Clause

Following Damage to Works, We will pay the additional cost of reinstating the Property Insured necessary to comply with any

(a) European Union Legislation.

(b) Act of Parliament.

(c) Bye-Laws of any public authority

We will not indemnify You in respect of

(1) costs incurred

(a) in respect of Damage not insured by this Section.

(b) where notice was served on You before the Damage occurred.

(c) where an existing requirement must be completed within a stipulated period.

- (d) in respect of property or parts of the property, other than foundations (unless foundations are specifically excluded) which have not suffered Damage

- (2) any charge or assessment arising from capital appreciation following compliance with this legislation.

The reinstatement, repair or replacement

- (a) must begin and be carried out as quickly as possible.
- (b) may be carried out on another site if necessary provided this does not increase Our liability.

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 Clause in respect of any one Contract is the Sum Insured as stated in The Schedule.

Expediting Expenses

We will indemnify You in respect of the reasonable costs and expenses that You incur for

- (1) overtime
- (2) nightwork
- (3) work on public holidays
- (4) special delivery

to reinstate or repair Property Insured following Damage.

The maximum that We will pay in respect of any one loss is 25% of the amount which reinstatement, repair or replacement would have cost if these expenses had not been incurred.

Free Issue Materials

The Works will include any Free Issue Materials provided You include their value in

- (1) the contract price of any Contract
- (2) the declaration required by the Adjustment of Premium Condition of this Section.

Immobilised Plant

We will indemnify You in respect of necessarily incurred costs for the withdrawal or recovery of Your Plant or Hired in Plant accidentally immobilised on or adjacent to any Contract Site.

We will not pay for withdrawal or recovery required as a result of the breakdown of Your Plant or Hired in Plant.

Incidental Hiring of Plant

We will indemnify You in respect of Damage to any item of Your Plant while it is hired or loaned to a third party.

The maximum that We will pay is GBP35,000 in respect of any one loss.

Indemnity to Sub-Contractors

We will, to the extent required by contract conditions,

provide indemnity to nominated or domestic sub-contractors in respect of Damage to the Property Insured.

Loss of Keys

If the key to any immobiliser permanently fitted to a vehicle included as Your Plant or Hired in Plant is lost or stolen, We will indemnify You in respect of the cost of replacing the cylinder of the lock.

The maximum that We will pay is GBP1,000 in respect of any one loss.

We will not indemnify You in respect of the first GBP50 of each claim.

Off-Site Storage

The Works includes materials, anywhere within the Territorial Limits, separately stored and identified for inclusion in any Contract.

The maximum that We will pay in respect of any one loss is either

- (1) the value of the materials as detailed in an interim certificate under any standard printed contract conditions
- or
- (2) GBP50,000.

Professional Fees

We will indemnify You in respect of professional fees necessarily incurred in reinstating, repairing or replacing the Works following Damage.

We will not indemnify You in respect of fees

- (a) more specifically insured.
- (b) incurred in preparing a claim.

Redrawing Plans or Documents

We will indemnify You in respect of the cost of rewriting or redrawing plans, drawings or other Contract documents following Damage.

The maximum that We will pay in respect of any one loss is GBP25,000.

Show Properties

We will indemnify You in respect of Damage to show properties including their contents.

The maximum that We will pay in respect of the contents of any one show property is GBP50,000.

Speculative Building

We will indemnify You in respect of Damage to any property You have erected on a speculative basis.

This indemnity will cease on

- (1) the date You sell, lease or rent the property
- or

- (2) 180 days from Practical Completion whichever is the earlier.

Taken Into Use

We will indemnify You in respect of Damage to any part of the permanent Works taken into use as private dwellings or offices.

This indemnity will cease when

- (1) a certificate of completion has been issued
or
(2) the permanent Works have been completed and handed over to Your employer.

Exceptions

The following exceptions apply to this Section. (Also refer to the Policy Exceptions at the back of this policy booklet).

We will not indemnify You in respect of

- (1) Damage to any part of the permanent 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 use
- unless the Damage occurs
- (i) during the Maintenance Period but 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 responsible under the conditions of the Contract.

- (2) Damage as a result of
- (a) gradual deterioration or wear and tear.
 - (b) rust or mildew.
 - (c) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
- (3) Repair to or replacement of any item of Your Plant or Hired in Plant caused by its own mechanical or electrical breakdown, failure, breakage or derangement other than in respect of Hired in Plant and for which You are responsible under the terms of a hire agreement not being a leasing or hire purchase agreement.
- (4) Damage to
- (a) Existing Structures.
 - (b) Money.
 - (c) any mechanically propelled vehicle including any

trailer attached licensed for road use and for which a certificate of motor insurance is required, other than a vehicle used primarily at contract sites and not designed for the carriage of passengers or plant.

- (d) any aircraft or waterborne vessel.
 - (e) property for which You are relieved of responsibility by the conditions of the Contract.
- (5) Damage
- (a) by disappearance or shortage discovered only when an inventory is taken

or
 - (b) which is not traceable to an event.
- (6) Damage caused by pollution or contamination other than that of or to the Property Insured.
- (7) liquidated damages, fines or any other penalties under contract for delay or non-completion.
- (8) consequential loss or Damage of any kind.
- (9) the cost of normal upkeep or making good.
- (10) Damage to and the cost necessary to reinstate or repair
- (a) Property Insured which is in a defective condition due to a defect in
 - (i) design, plan or specification
 - (ii) materials
 - (iii) workmanshipof or of any part of that Property Insured
 - (b) other Property Insured to enable the reinstatement or repair of Property Insured excluded by (a) above.
- This exception will not apply to other Property Insured which is free of the defective condition but is damaged as a result.
- Property Insured 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 in any part of, that Property Insured.
- (11) the Excess/Excesses.
- (12) any Damage or loss resulting from Damage occasioned by or happening through or in consequence directly or indirectly of
- (a) Terrorism regardless of any other cause or Event contributing concurrently or in any other sequence to the loss

and
 - (b) in Northern Ireland
 - (i) riot or civil commotion

- (ii) strikers, locked-out workers or persons taking part in labour disturbances or malicious persons but this shall not apply to Damage by fire or explosion

This Section also excludes Damage or loss resulting from or in connection with any action aimed in controlling, preventing, suppressing or in any way relating to an act of Terrorism

In any action suit or other proceedings where We allege that by reason of this exclusion any Damage or loss is not covered by this Section the burden of proving that any such Damage or loss is covered under this Section shall be upon You.

(13)

- (a) Damage to Data which shall include but shall not be limited to

- (i) Damage to or corruption of Data whether in whole or in part
- (ii) unauthorised appropriation of use of access to or modification of Data
- (iii) unauthorised transmission of Data to any third parties
- (iv) Damage arising out of any misinterpretation use or misuse of Data
- (v) Damage arising out of any operator error in respect of Data

- (b) Damage to the Property Insured or Money (if insured) arising directly or indirectly from

- (i) the transmission or impact of any Virus
- (ii) unauthorised access to a System
- (iii) interruption of or interference with electronic means of communication used in the conduct of Your Business including but not limited to any diminution in the performance of any website or electronic means of communication
- (iv) Failure of a System
- (v) anything described in (a) above but in respect of (b) (i), (b) (ii), (b)(iii) and (b)(iv), this shall not exclude subsequent Damage to the Property Insured caused by fire, lightning, explosion, earthquake, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, storm, flood, escape of water from any tank, apparatus or pipe, impact by any road vehicle or animal, accidental escape of water from any automatic sprinkler installation, subsidence, ground heave or landslide provided that such Damage does not arise by reason of any malicious act or omission.

Conditions and Conditions Precedent

The following conditions and Conditions Precedent apply to this Section. (Also refer to the Policy Conditions and Conditions Precedent at the back of this policy booklet).

Diminution of Damage

You shall carry out and permit any action to be taken which may be reasonably practicable to diminish Damage and at Our request and expense comply with and co-operate in any measures that may be reasonably required.

Cessation of Work

If, for whatever reason, construction work at the Contract Site is suspended or stopped, You must notify Us within 90 days of the suspension or stoppage.

We may at Our option;

- (1) modify Your premium,
- (2) amend the terms and conditions of this Section,
- (3) require You to make alterations to the Contract Site and/or the Works
- (4) exercise Our right to cancel Your policy under Policy Condition (3) Cancellation.

It is a Condition Precedent to Our liability to make any payment under this policy Section in relation to any claim that You must advise Us that construction work at the Contract Site has been suspended or stopped, and the suspension or stoppage has been in excess of 90 days

Endorsements

This Section is subject to any endorsements as stated in The Schedule as applying.

- 1 It is a Condition Precedent to Our liability to indemnify You under this policy Section in relation to any claim that You must

Section 4 – Property Damage Section

Definitions

(Also refer to the Policy Definitions at the front of this policy booklet).

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

Contingency Groups

- (a) fire, lightning explosion, aircraft, riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances and earthquake
- (b) malicious persons, storm, flood, escape of water from any tank, apparatus or pipe, impact
- (c) all other insured Damage other than any Additional Contingency if applicable.

Damage

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

Defined Contingency

fire

lightning

explosion

aircraft and other aerial devices or articles dropped from them

riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances

malicious persons other than thieves

earthquake

storm or flood

escape of water from any tank, apparatus or pipe

falling trees

impact

theft or attempted theft

escape of fuel from any fixed oil heating installation.

Excess/Excesses

The amount or amounts shown in Your policy or The Schedule which We will deduct from each and every claim at each separate location and will be deducted after the application of Average. See Condition 1.

You will repay any such amount paid by Us.

Property Insured

Property insured as detailed in The Schedule.

Cover

We will indemnify You in respect of Damage occurring during the Period of Insurance at The Premises.

The Sum Insured under each item other than items applying solely to fees, rent or removal of debris is separately subject to Average. See Condition 1.

The maximum We will pay under this Section in any one Period of Insurance will not exceed

- (1) the Sum Insured on each item
or
- (2) the Total Sum Insured
or
- (3) any other maximum amount payable or limit of liability specified in The Schedule.

Exceptions

The following exceptions apply to this Section.

(Also refer to the Policy Exceptions at the back of this policy booklet).

We will not indemnify You in respect of

- (1) Damage caused by or consisting of
 - (a) an existing or hidden defect
 - (b) gradual deterioration or wear and tear
 - (c) frost or change in the water table
 - (d) faulty design or faulty materials used in its construction
 - (e) faulty workmanship, operating error or omission by You or any Employee
 - (f) the bursting of
 - (i) a boiler
 - (ii) other equipment

not being used for domestic purposes where the internal pressure is due to steam only and belongs to You or is under Your control.

However, We will indemnify You in respect of any subsequent Damage which results from a cause not otherwise excluded.

- (2) Damage caused by or consisting of
 - (a)
 - (i) corrosion, rust or rot
 - (ii) shrinkage, evaporation or loss of weight
 - (iii) dampness or dryness
 - (iv) scratching
 - (v) vermin or insects
 - (vi) mould or fungus
 - (b) change in
 - (i) temperature
 - (ii) colour
 - (iii) flavour
 - (iv) texture or finish
 - (c) nipple or joint leakage or failure of welds
 - (d) cracking, fracturing, collapse or overheating of a boiler, vessel, machine or apparatus in which

- internal pressure is due to steam only and any associated piping
- (e) mechanical or electrical breakdown or derangement.

However, We will indemnify You in respect of

- (i) Damage not otherwise excluded which itself results from a Defined Contingency or any other accidental cause level
- (ii) any subsequent Damage which itself results from a cause not otherwise excluded.

- (3) Damage caused by pollution or contamination.

However, We will indemnify You in respect of Damage, not otherwise excluded, caused by

- (a) pollution or contamination which results from a Defined Contingency
- (b) a Defined Contingency which results from pollution or contamination.

- (4) Damage caused by or consisting of

- (a) subsidence, ground heave or landslip unless resulting from fire, explosion, earthquake or escape of water from any tank, apparatus or pipe
- (b) normal settlement of new structures
- (c) acts of fraud or dishonesty
- (d)
 - (i) disappearance
 - (ii) unexplained or inventory shortage
 - (iii) misfiling, misplacing of information or clerical error

- (5) Damage to a structure caused by its own collapse or cracking.

However, We will indemnify You in respect of such Damage if it results from a Defined Contingency and is not otherwise excluded.

- (6) Damage to

- (a) gates
- (b) fences
- (c) moveable property in the open

by

- (i) wind
- (ii) rain, hail, sleet or snow
- (iii) flood
- (iv) dust

- (7)

- (a) Damage by fire resulting from its undergoing any process involving the application of heat
- (b) Damage to that portion of any item caused by its own self ignition, leakage of electricity, short circuiting, or over-running (c) Damage resulting from its undergoing any process of

- (i) production or packaging

- (ii) treatment, testing or commissioning
- (iii) servicing or repair.

However, We will indemnify You in respect of such Damage if it is caused by fire or explosion and is not otherwise excluded.

- (8) Damage while any building is unoccupied or disused caused by

- (a) escape of water from any tank, apparatus or pipe
- (b) malicious persons
- (c) theft or attempted theft.

However, We will indemnify You in respect of such Damage if it is caused by fire or explosion and is not otherwise excluded.

- (9) Damage in respect of

- (a) glass not being fixed glass forming part of the structure of the building
- (b) china, earthenware, marble or fragile objects (not including stock in trade).

However, We will indemnify You in respect of such Damage if it results from a Defined Contingency and is not otherwise excluded.

- (10) Damage in respect of

- (i) vehicles licensed for road use including accessories on or attached to them
- (ii) caravans or trailers
- (iii) railway locomotives or rolling stock
- (iv) watercraft or aircraft
- (v) property in the course of construction including materials for use in the construction
- (vi) land, roads or pavements, piers, jetties, bridges, culverts or excavations
- (vii) livestock
- (viii) growing crops or trees

However, We will indemnify You in respect of Damage to such property if the property is specifically stated as insured in The Schedule and the Damage is not otherwise excluded.

- (11) Damage

- (a) insured by any marine policy
- (b) which would be insured under any marine policy if this policy did not exist

However, We will indemnify You in respect of Damage not otherwise excluded for any sum beyond the amount which would have been payable under the marine policy had this insurance not existed.

- (12) Damage more specifically insured by You or on Your behalf.

- (13) consequential loss or damage.

However, We will indemnify You in respect of rent when this cover is specified in The Schedule and the Damage is

not otherwise excluded.

- (14) Damage by pressure waves from aircraft or aerial devices.
- (15) Damage caused by theft or attempted theft
- (a) in any part of The Premises not occupied by You in connection with The Business
 - (b) in yards, open sided buildings, compounds, or other open spaces unless specifically mentioned in The Schedule
- (16) any Damage or loss resulting from Damage occasioned by or happening through or in consequence directly or indirectly of
- (a) Terrorism regardless of any other cause or Event contributing concurrently or in any other sequence to the loss
- and
- (b) in Northern Ireland
 - (i) riot or civil commotion
 - (ii) strikers locked-out workers or persons taking part in labour disturbances or malicious persons but this shall not apply to Damage by fire or explosion

This Section also excludes Damage or loss resulting from or in connection with any action aimed in controlling preventing suppressing or in any way relating to an act of Terrorism

In any action suit or other proceedings where We allege that by reason of this exclusion any Damage or loss is not covered by this Section the burden of proving that such Damage or loss is covered under this Section shall be upon You.

Conditions and Conditions Precedent

The following conditions and Conditions Precedent apply to this Section.

(Also refer to the Policy Conditions and Conditions Precedent at the back of this policy booklet).

(1) Average

Each Item Sum Insured stated in The Schedule is subject to average. This means that if at the time of Damage, the Sum Insured is less than the total value of the property, You will

- (a) be responsible for the difference
- (b) bear a proportionate share of the loss.

(2) Fire Extinguishing Appliances

It is a Condition Precedent to Our liability to make a payment in relation to any claim for Damage under Contingency Groups (a) Fire that You maintain all fire extinguishing appliances on The Premises in proper working order.

You must maintain all such equipment in accordance with the manufacturer's instruction under contract with

a company which is acceptable to Us

(3) Our Rights

If Damage occurs which may lead to a claim We may

- (a) enter or take possession of the building or The Premises
- (b) take possession of, or require to be delivered to Us, Property Insured which We will deal with in a reasonable manner without incurring liability or reducing Our rights.

We will not pay for Damage if You or anyone acting on Your behalf

- (i) do not comply with Our requirement
- (ii) hinder or obstruct Us.

You are not entitled to abandon property to Us.

Clauses

All of the following clauses apply to the Property Damage Section if stated as insured in The Schedule.

All Other Contents

This term includes

- (1) documents, manuscripts and business books
- (2) patterns, models, moulds, plans and designs

but only for

- (a) the value of the materials
- (b) the cost of labour and computer time spent in reproducing them.

We will not pay for

- (i) expenses in connection with producing information to be recorded
- (ii) the value to You of any information lost.

- (3) pedal cycles, tools and other personal items belonging to You, Your directors, Employees, customers or visitors but only if they are not otherwise insured.

The maximum We will pay for any one person's property is GBP1,000.

- (4) rare books or works of art but the maximum We will pay in respect of any one article is GBP1,000 and GBP10,000 in total for any one claim.

Automatic Reinstatement of Sum Insured

The Sums Insured stated in The Schedule, will not be reduced by the amount of any claim unless We or You give notice to the contrary.

You must pay the additional premium required to reinstate the Sums Insured.

Basis of Claim Settlement - Reinstatement

Unless otherwise stated in The Schedule, in the event of Damage the basis upon which We will calculate the amount We will pay for any claim will be the reinstatement of the

Property Insured lost, destroyed or damaged, subject to the following conditions

- (1) If Property Insured under any Buildings, Tenants alterations or Machinery Item described in The Schedule, other than pedal cycles, personal items, rent or motor vehicles if insured, is lost or destroyed, We will pay for its rebuilding or replacement by similar property in a condition as good as, but not better than or more extensive than, its condition when new.

If such Property Insured is damaged, We will pay for replacement or repair of the damaged portion to a condition as good as, but not better or more extensive than, its condition when new.

However, We will not pay more than We would have done if the property had been completely destroyed.

- (2) The Property Insured may be replaced on another site and in a manner suitable to Your needs, but this must not increase Our liability.
- (3) All work must begin and be carried out as quickly as possible.
- (4) If, at the time of rebuilding or replacement, 85% of what it would have cost to replace the whole of the Property Insured under that Item, is greater than the Sum Insured at the time the Damage occurred, You will be liable to bear a proportionate share of the loss
- (5) We will not pay under this Clause
 - (a) until You have incurred the cost of replacing or repairing the Property Insured
 - (b) if You, or someone acting on Your behalf have insured the property under another policy which does not have a similar basis of reinstatement
 - (c) if You do not comply with any of the terms of this Clause.

- (6) We will indemnify You in respect of Loss of Rent as insured under this resulting from the Building or any part of the Building

- (a) generating the rent received

or

- (b) for which rent is payable

being made unfit for The Business due to Damage insured by this Section.

The maximum amount that We will pay You under this clause will be the proportion of the Sum Insured which equals but does not exceed the proportion of the period of rent insured necessary to make the building fit for occupation.

Capital Additions

We will indemnify You in respect of loss, destruction or damage to

- (1) newly built and/or newly acquired buildings and/or machinery
- (2) alterations, additions and improvements to buildings and/or machinery, but not in respect of any appreciation in value

situate anywhere in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

The maximum We will pay in respect of any one location, under this Clause is

- (a) 10% of the total Buildings and Machinery Sum Insured by this Section

or

- (b) GBP50,000

whichever is lower.

You must provide Us with details of these extensions as soon as possible, but at least within six months and specifically insure such extensions with Us, from the date Our liability commenced.

Change of Occupancy

You must tell Us immediately if

- (1) any building stated in The Schedule becomes unoccupied or disused
- (2) any unoccupied or disused building stated in The Schedule, or any part of it becomes occupied.

Construction Heating and Occupation of the Buildings

Unless otherwise stated in The Schedule the buildings are

- (1) constructed of brick, stone or concrete
- (2) roofed with slates, tiles, concrete, metal or asbestos
- (3) heated by
 - (i) low pressure hot water or steam
 - (ii) oil fired space heaters fed from a fuel tank in the open
 - (iii) overhead gas or electrical appliances
 - (iv) gas or electric fires in offices only
- (4) occupied for the sole purpose of The Business and otherwise only as a private dwelling.

Contract Sale Price

If goods sold but not delivered, for which You are responsible, suffer Damage insured by this Section and because of this, the contract of sale is cancelled under the conditions of sale, Our liability will be on the basis of the contract price for the goods which have suffered Damage.

Any calculation for the purpose of Average will be on the basis of the contract price for all goods sold but not delivered, whether suffering Damage or not.

Customers Goods

The Stock and Materials in Trade Items stated in The Schedule extend to include

- (1) customers goods
- (2) goods for which Your customers are legally responsible,

while these goods are temporarily in Your custody or control and for which You have accepted responsibility but only to the extent they are not more specifically insured.

Debris Removal

Unless separately insured under this Section, the Sum Insured for each Item, other than rent if insured, includes costs and expenses You incur, with Our consent, for

- (1) removal of debris
- (2) dismantling or demolishing
- (3) shoring up or propping

of the parts of the property which have suffered Damage insured under this Section.

We will not indemnify You in respect of costs and expenses

- (a) incurred in removing debris from anywhere other than the site of the Damage and the area immediately adjacent to it
- (b) arising from pollution or contamination of property not insured by this Section
- (c) more specifically insured.

The maximum We will pay for costs and expenses in respect of Stock and Materials in Trade is GBP10,000.

Deep Frying and Cooking Equipment

It is a Condition Precedent to Our liability to make a payment in relation to any claim for Damage under Contingency Groups (a) Fire that You ensure

- (a) all deep frying and cooking equipment is installed, operated and maintained in accordance with the manufacturers' instructions
- (b) all deep frying equipment is fitted with a thermostat which prevents the temperature of fat or oil exceeding 205 degrees Centigrade (401 degrees Fahrenheit)
- (c) all deep frying and cooking equipment, including flues and exhaust ducting, is fixed and not in contact with combustible materials
- (d) all extraction hoods, canopies, filters and grease traps are cleaned at least every month
- (e) the entire internal length of all flues and extraction ducting, including extraction motors and fans, are cleaned at least every six months and staff are trained to use them

- (f) suitable fire extinguishers and/or blankets are kept close to the equipment and cooking areas and
- (g) during deep frying and cooking operations no equipment is left unattended or unsupervised.

Description of Property

In determining the Item under which property is insured, We will accept the description given in Your business records.

Drains

The Sum Insured for each Buildings and Machinery Item extends to include an amount necessarily and reasonably incurred by You, and which We agree to for cleaning and/or clearing of

- (1) drains
- (2) sewers
- (3) gutters

for which You are responsible, following Damage insured by this Section.

European Union and Public Authorities

Following Damage insured by this Section to any Item on Buildings, Tenants alterations or Machinery Item description in The Schedule, We will pay the additional cost of reinstating the Property Insured necessary to comply with any

- (1) European Union Legislation
- (2) Act of Parliament
- (3) Bye-Laws of any public authority.

We will not indemnify You in respect of

- (a) costs incurred
 - (1) in respect of Damage not insured by this Section
 - (2) where notice was served on You before the Damage occurred
 - (3) where an existing requirement must be completed within a stipulated period
 - (4) in respect of property or parts of the property, other than foundations (unless foundations are specifically excluded) which have not suffered Damage
- (b) any charge or assessment arising from capital appreciation following compliance with any legislation or Bye-Law.

The reinstatement of the Property Insured

- (1) must begin and be carried out as quickly as possible
- (2) may be carried out on another site and in a manner suitable to Your needs but this must not increase Our liability.

If Our liability under this Section is reduced by the application of any terms or conditions of this policy, Our liability under

this Clause will similarly be reduced.

The maximum We will pay under this Clause in respect of any one Item is the Item Sum Insured.

Fire Brigade Damage

We will indemnify You in respect of costs and expenses necessarily incurred in reinstating or repairing landscape gardens and grounds following damage caused by Fire Brigade equipment or personnel in the course of combating fire.

The maximum We will pay in respect of any one claim is GBP10,000.

Fire Extinguishing Expenses

We will indemnify You in respect of costs and expenses incurred in refilling, recharging or replacing any

- (1) portable fire extinguishing appliances
- (2) local fire suppression system
- (3) fixed fire suppression system
- (4) sprinkler installation
- (5) sprinkler heads

as a result of Damage as insured by this Section.

We will not indemnify You in respect of any costs and expenses recoverable from the maintenance company or fire service.

The maximum We will pay in respect of any one claim is GBP10,000.

Hire Agreement

If the Property Insured by this Section is the subject of hire agreements, We will include the interest of the owners in any indemnity provided by this Section.

You must provide the name of any other interested party in the event of a claim.

Loss of Metered Water

We will pay for charges for which You are responsible, if water is accidentally discharged from a metered water system providing service to The Premises.

The maximum that We will pay in respect of any one claim is GBP10,000.

Machinery Re-erection Costs

The Sum Insured for each Machinery item extends to include the cost of re-erecting machinery following Damage insured by this Section.

Metal Workers

The insurance on each Stock and Materials in Trade item, extends to apply to the premises of

- (1) machine makers

- (2) engineers
- (3) founders
- (4) metal workers
- (5) customers
- (6) agents
- (7) sub-contractors

and also while in transit to and from any of the above premises by road, rail or inland waterway anywhere in England, Wales and Scotland, Northern Ireland, The Republic of Ireland, the Channel Islands and the Isle of Man.

We will not indemnify You under this Clause in respect of any Stock and Materials in Trade in any portion of premises occupied by You.

The maximum We will pay You in respect of this clause and any one location is GBP25,000.

Non-Invalidation

The insurance by this Section will not be invalidated by any

- (1) act
or
- (2) omission
or
- (3) alteration

either unknown to You or beyond Your control which increases the risk of Damage.

However, You must

- (a) notify Us immediately You become aware of any such act, omission or alteration
and
- (b) pay any additional premium required.

Portable Space Heaters

It is a Condition Precedent to Our liability to make a payment in relation to any claim for Damage under Contingency Groups (a) Fire that You must

- (a) not place portable space heaters
 - (i) where they are liable to be overturned or suffer mechanical damage
 - (ii) where flammable atmospheres exist on combustible surfaces
 - (iii) on combustible surfaces
- (b) keep portable space heaters clear of combustible materials
- (c) maintain a clear space of at least one metre around the portable space heater by using a non-combustible

guard.

Professional Fees

The Sum Insured for each Buildings or Machinery Item(s) described in The Schedule includes an amount for professional fees necessarily incurred in reinstating or repairing the Property Insured, following Damage insured by this Section.

We will not indemnify You in respect of fees

- (1) more specifically insured
- (2) incurred in preparing a claim.

Services

Each Buildings, or Machinery Item(s) described in The Schedule includes service meters, pipes, cables and instruments which You own or for which You are responsible, associated to The Premises, while

- (a) in adjoining yards
- (b) on roadways
- (c) underground.

Stock Storage - Basements and Ground Floors

It is a Condition Precedent to Our liability to make a payment in relation to any claim for Damage under Contingency Groups (b) storm, flood, escape of water from any tank, apparatus or pipe that You must ensure that all stock stored in basements and/or on the ground floors of The Premises is stored at least 75mm above floor level.

Subrogation Waiver

In the event of a claim arising under this Section, We agree to waive any rights, remedies or relief to which We may be entitled by subrogation against

- (1) any company whose relationship to You is either a parent to subsidiary or subsidiary to parent
- (2) any company which is a subsidiary of a parent company of which You are a subsidiary as defined in, or within the meaning of the relevant Companies Act or Companies (N.I.) Order, current at the time of the Damage.

Temporary Removal for Cleaning or Renovation

We will indemnify You in respect of Damage insured by this Section other than to Stock and Materials in Trade, while temporarily removed for cleaning, renovation or repair or similar purposes

- (1) to another part of The Premises
- (2) to any other premises in England, Wales, Scotland, Northern Ireland, the Republic of Ireland, the Channel Islands and the Isle of Man including whilst in transit by road, rail or inland waterway.

The maximum We will pay is 10% of the Item Sum Insured after the deduction of the value of any building and Stock and Materials in Trade included within the item insured.

We will not indemnify You in respect of

- (a) property insured elsewhere
- (b) Damage occurring elsewhere than at The Premises to motor vehicles or motor chassis licensed for normal road use
- (c) property removed for more than 90 consecutive days unless We agree a longer period in writing.

Temporary Removal - Documents

Where any Item under this Section includes documents and records We will indemnify You in respect of Damage insured by this Section to such property while

- (1) temporarily removed to any premises not occupied by You
- (2) in transit by road, rail or inland waterway

in England, Wales, Scotland, Northern Ireland, the Republic of Ireland, the Channel Islands and the Isle of Man.

The maximum We will pay is GBP10,000.

Theft Damage to Buildings

We will indemnify You in respect of Damage to buildings at The Premises, for which You are responsible by

- (1) theft or attempted theft involving entry to or exit from buildings by forcible and violent means
or
- (2) theft involving violence or threat of violence to You, Your partners, directors or Employees.

We will not indemnify You in respect of

- (a) Damage
 - (i) caused to any property other than buildings
 - (ii) caused by any person lawfully in the buildings
 - (iii) while the building is unoccupied or disused
 - (iv) more specifically insured
- (b) the Excess stated in The Schedule.

Trace and Access

We will pay reasonable costs and expenses incurred with Our consent

- (1) in locating the actual source of Damage
and
- (2) any repairs directly arising from (1)

caused by the escape of water from any tank, apparatus or pipe or leakage of fuel from any fixed oil heating installation, provided such Damage is insured by this Section.

We will not indemnify You in respect of costs or expenses incurred where Damage results solely from a change in the water table level.

The maximum We will pay is GBP10,000 in any one Period of Insurance.

Transfer of Interest

If at the time of Damage to a Building insured under this Section You have entered into a contract to sell Your interest in it but

- (1) the contract has not yet been completed
and
- (2) the Building has not yet been insured by or on behalf of the purchaser and
- (3) the purchase is subsequently completed.

We will indemnify the purchaser to the extent that this Section insures that Building.

This will not affect either Your or Our rights and liabilities up to the date of completion of the purchase.

Waste - Storage and Weekly Removal

It is a Condition Precedent to Our liability to make a payment in relation to any claim for Damage under Contingency Groups (a) and (b) malicious persons that You

- (a) keep all oily and/or greasy waste and all used cleaning cloths, which remain in the buildings outside of normal working hours, in metal receptacles with metal lids
- (b) remove the contents of such metal receptacles from the buildings at least once a week.
- (c) remove all combustible trade waste and refuse from the buildings at least once a week.

Workmen

Repairs and minor structural alterations may be carried out at The Premises without affecting the Cover.

Additional Clauses

The following Additional Clauses only apply to the Property Damage Section if stated in The Schedule.

FIS-A Intruder Alarm System

For the purpose of this Additional Clause only the following definitions apply

Damage

Loss or destruction of or damage to the Property Insured caused by fire, explosion, riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances, malicious persons other than thieves, theft or attempted theft, or under the Theft Damage to Buildings Clause.

Intruder Alarm System

An electrical installation to detect and indicate the presence, entry or attempted entry of an intruder into Protected Premises.

Protected Premises

The Premises or those portions of The Premises protected by the Intruder Alarm System.

Responsible Person

You or any person authorised by You to be responsible for the security of The Premises.

Keyholder

You or any person or keyholding company authorised by You who must be available at all times to accept notification of faults or alarm signals relating to the Intruder Alarm System, attend, and allow access to The Premises.

It is a Condition Precedent to Our liability to make a payment in relation to any claim for Damage caused by theft or attempted theft involving entry or exit from The Premises by forcible and violent means that while The Premises are unattended You must ensure that

- (1) The Premises are protected by an Intruder Alarm System and means of communication used to transmit signals from such an Intruder Alarm System designed, installed and maintained as agreed by Us.
- (2) the Protected Premises must not be left without at least one Responsible Person in attendance
 - (i) unless the Intruder Alarm System is set in its entirety with all means of communication used to transmit signals in full operation
 - (ii) if the police have withdrawn their response to alarm calls unless We agree otherwise.
- (3) in the event of notification of any activation of the Intruder Alarm System or interruption of any of the means of communication during any period that the Intruder Alarm System is set, a Keyholder shall attend The Premises as soon as reasonably possible, in order to confirm the security of The Premises and reset the Intruder Alarm System in its entirety. If the Intruder Alarm System cannot be reset in its entirety or all the means of communication used to transmit signals are not in full operation, a Keyholder must remain at The Premises unless We agree otherwise in writing.
- (4) You shall advise Us as soon as possible, and in any event not later than 10.00am on Our next working day,
 - (i) that police attendance in response to alarm signals/calls from the Intruder Alarm System may be withdrawn or the level of response reduced or delayed
 - (ii) of notice from a Local Authority or Magistrate imposing any requirement for abatement of nuisance
 - (iii) that the Intruder Alarm System and the means of communication used to transmit signals from such installation cannot be returned to or maintained in full working order
- (5) No alteration or substitution of
 - (i) any part of the Intruder Alarm System
 - (ii) the structure of The Premises or changes to the layout of The Premises which would affect the effectiveness of
 - (iii) the means of communication used to transmit signals from the Intruder Alarm System

- (iv) activation of the Intruder Alarm System the procedures agreed with Us for police or any other response to any activation of the Intruder Alarm System
 - (v) the maintenance contract shall be made without Our written agreement.
- (6) You and each Keyholder must maintain secrecy of codes and security of keys and setting/unsetting devices for the operation of the Intruder Alarm System. All keys and other setting/unsetting devices for the Intruder Alarm System must be removed from The Premises when they are left unattended.
- (7) The Intruder Alarm System shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance with the installing company or other such company, as agreed by Us.
- (8) You will appoint at least two Keyholders and lodge written details (which must be kept up to date) with the alarm company contracted to maintain the Intruder Alarm System, and with the police if they so require.

FIS-B Minimum Security Condition

In relation to any claim for Damage, as insured by this Section, occurring more than 30 days after the inception of this Section caused by theft or attempted theft involving entry or exit from The Premises by forcible and violent means it is a Condition Precedent to Our liability to make a payment in relation to any claim for Damage that The Premises

- (1) final exit doors must be secured as follows
- (a) timber doors - by mortice deadlocks having five or more levers or conforming to BS3621 with matching boxed striking plate
 - (b) aluminium doors - by cylinder mortice lock operating a swinging lock bolt
 - (c) PVCu doors - by key operated multi-point locking devices having three or more locking points
 - (d) the first closing leaf of double leaf doors must be fitted internally with bolts top and bottom

When The Premises are closed for business all locks fitted to final exit doors must be put into effect.

- (2) all other external doors and internal doors leading to common areas or other premises, must be secured:
- (a) by the means set out in (1), or
 - (b) by key operated security bolts fitted top and bottom
- (3) all opening windows or rooflights accessible from the ground or via roofs, pipework or other structures must be secured by key operated locking devices or screwed permanently shut.
- (4) any security measures stipulated or agreed by Us in writing.

Any door or window officially designated a fire exit by the Fire Authority is excluded from these requirements.

FIS-C Subsidence

We will indemnify You in respect of Damage at The Premises caused by subsidence or ground heave of the site of the Property Insured or landslip.

We will only indemnify You in respect of Damage to

- (a) forecourts, car parks, driveways, footpaths, swimming pools, terraces or patios
- (b) walls, gates, hedges or fences
 - (i) if such property is specifically insured by this Section and
 - (ii) if Damage also occurs to the building to which such property applies and that building is insured by this Section.

We will not indemnify You in respect of

- (1) Damage caused by
- (a) collapse, cracking, shrinking or settlement of any building
 - (b) coastal or river erosion
 - (c) defective design or inadequate construction of foundations
 - (d) demolition, structural alteration or repair
 - (e) settlement or movement of made up ground.
- (2) Damage as a result of movement of solid floor slabs.

However, We will indemnify You in respect of Damage not otherwise excluded if there is Damage to the foundations beneath the exterior walls of The Premises at the same time.

- (3) the Excess stated in The Schedule.

Section 5 – Business Equipment All Risks Section

Definitions

(Also refer to the Policy Definitions at the front of this policy booklet).

The following definitions apply to this Section and will keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

Damage

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

Defined Contingency

fire

lightning

explosion

aircraft and other aerial devices or articles dropped from them

riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances

malicious persons other than thieves

earthquake

storm or flood

escape of water from any tank, apparatus or pipe

falling trees

impact

escape of fuel from any fixed oil heating installation.

Excess/Excesses

The amount or amounts shown in Your policy or The Schedule which We will deduct for each and every claim at each separate location after the application of Average. You will repay any such amount paid by Us.

Property Insured

Property insured as detailed in The Schedule

Cover

We will indemnify You in respect of Damage occurring during the Period of Insurance.

The maximum We will pay under this Section in any one Period of Insurance will not exceed

(1) the Sum Insured on each item

or

(2) the Total Sum Insured

or

(3) any other maximum amount payable or Limit of Liability specified in The Schedule.

Clauses

The following clauses apply to this Section.

Automatic Reinstatement of Sum Insured

The Sums Insured stated in The Schedule will not be reduced by the amount of any claim unless We or You or give written notice to the contrary.

You must pay the additional premium needed to reinstate the Sum Insured.

Average

Each of the Sums Insured by this Section is subject to average.

This means that if at the time of Damage, the Item Sum Insured is less than the total value of the property, You will

(a) be responsible for the difference

(b) bear a proportionate share of the loss.

Basis of Claims Settlement - Reinstatement

Unless otherwise stated in The Schedule, in the event of Damage the basis upon which We will calculate the amount We will pay for any claim will be the reinstatement of the Property Insured lost, destroyed or damaged, subject to the following conditions

(1) If Property Insured under any Buildings, Machinery or Tenants alterations Item described in The Schedule, other than pedal cycles, personal items, rent or motor vehicles if insured, is lost or destroyed, We will pay for its rebuilding or replacement by similar property in a condition as good as, but not better than or more extensive than, its condition when new.

If such Property Insured is damaged, We will pay for replacement or repair of the damaged portion to a condition as good as, but not better or more extensive than, its condition when new.

However, We will not pay more than We would have done if the property had been completely destroyed.

(2) The Property Insured may be replaced on another site and in a manner suitable to Your needs, but this must not increase Our liability.

(3) All work must begin and be carried out as quickly as possible.

(4) If, at the time of replacement or repair 85% of what it would have cost to replace the whole of the Property Insured under that Item, is greater than the Sum Insured at the time the Damage occurred, You will be liable to bear a proportionate share of the loss.

(5) We will not pay under this Clause

- (a) until You have incurred the cost of replacing or repairing the Property Insured
- (b) if You, or someone acting on Your behalf have insured the property under another policy which does not have a similar basis of reinstatement
- (c) if You do not comply with any of the terms of this clause.

Exceptions

The following exceptions apply to this Section.

(Also refer to the Policy Exceptions at the back of this policy booklet).

We will not indemnify You in respect of

- (1) Damage caused by or consisting of
 - (i) an existing or hidden defect
 - (ii) gradual deterioration or wear and tear
 - (iii) frost or change in the water table level
 - (iv) faulty design or faulty materials used in its construction
 - (v) faulty workmanship, operating error or omission by You or any Employee
 - (vi) explosion of a boiler (other than a boiler being used for domestic purposes), vessel, machine or apparatus in which the internal pressure is due to steam only and which You own or control
 - (vii) the bursting of
 - (i) a boiler
 - (ii) other equipment

not being used for domestic purposes where the internal pressure is due to steam only and belongs to You or is under Your control.

However, We will indemnify You in respect of any subsequent Damage which results from a cause not otherwise excluded.

- (2) Damage caused by or consisting of
 - (a)
 - (i) corrosion, rust or rot
 - (ii) shrinkage, evaporation or loss of weight
 - (iii) dampness or dryness
 - (iv) scratching
 - (v) vermin or insects
 - (vi) mould or fungus
 - (b) change in
 - (i) temperature
 - (ii) colour
 - (iii) flavour
 - (iv) texture or finish
 - (c) nipple or joint leakage or failure of welds
 - (d) cracking, fracturing, collapse or overheating of a boiler, vessel, machine or apparatus in which internal pressure is due to steam only and any associated piping
 - (e) mechanical or electrical breakdown or derangement.

However, We will indemnify You in respect of

- (i) Damage not otherwise excluded which itself results from a Defined Contingency or any other accidental cause
 - (ii) any subsequent Damage which results from a cause not otherwise excluded.
- (3) Damage caused by pollution or contamination.

However, We will indemnify You in respect of Damage, not otherwise excluded, caused by

 - (a) pollution or contamination which results or from a Defined Contingency
 - (b) a Defined Contingency which results from pollution or contamination.
 - (4) Damage caused by or consisting of
 - (a) subsidence, ground heave or landslip unless resulting from fire, explosion earthquake or escape of water from any tank, apparatus or pipe
 - (b) normal settlement of new structures
 - (c) acts of fraud or dishonesty
 - (d)
 - (i) disappearance
 - (ii) unexplained or inventory shortage
 - (iii) misfiling, misplacing of information or clerical error
 - (e) theft or attempted theft from any unattended motor vehicle unless there is evidence of forcible and violent entry into the vehicle.
 - (5) Damage by fire resulting from its undergoing any process involving the application of heat.
 - (6) Damage resulting from its undergoing any process of
 - (a) production or packaging
 - (b) treatment, testing or commissioning
 - (c) servicing or repair

However, We will indemnify You in respect of this Damage if it is caused by fire or explosion.

- (7) Damage while the building is unoccupied or disused caused by
 - (a) escape of water from any tank, apparatus or pipe
 - (b) malicious persons
 - (c) theft or attempted theft.

However, We will indemnify You in respect such Damage if it is caused by fire or explosion.
- (8) Damage more specifically insured by You or on Your behalf.
- (9) consequential loss or damage.
- (10)
 - (a) property insured by any marine policy
 - (b) property which would be insured under any marine policy if this insurance did not exist.

However, We will indemnify You in respect of Damage not otherwise excluded for any sum beyond the amount which would have been payable under the marine policy had this insurance not existed.

- (11) Damage to Money.
- (12) goods held in trust or on commission unless specifically mentioned in The Schedule.
- (13) the Excess stated in The Schedule.
- (14) any Damage or loss resulting from Damage occasioned by or happening through or in consequence directly or indirectly of
 - (a) Terrorism regardless of any other cause or Event contributing concurrently or in any other sequence to the loss
And
 - (b) in Northern Ireland
 - (i) riot or civil commotion
 - (ii) strikers locked-out workers or persons taking part in labour disturbances or malicious persons but this shall not apply to Damage by fire or explosion

This Section also excludes Damage or loss resulting from or in connection with any action aimed in controlling preventing suppressing or in any way relating to an act of Terrorism

In any action suit or other proceedings where We allege that by reason of this exclusion any Damage or loss is not covered by this Section the burden of proving that such Damage or loss is covered under this Section shall be upon You.

Conditions Conditions Precedent and Additional Clauses

The following Conditions Conditions Precedent and Additional Clauses only apply to this Section if stated in The Schedule.

(Also refer to the Policy Conditions and Conditions Precedent at the back of this policy booklet).

Conditions and Conditions Precedent

FIS-A Intruder Alarm System

For the purpose of this Condition the following definitions apply

Intruder Alarm System

An electrical installation to detect and indicate the presence, entry or attempted entry of an intruder into Protected Premises.

Protected Premises

The Premises or those portions of The Premises protected by the Intruder Alarm System.

Responsible Person

You or any person authorised by You to be responsible for the security of The Premises.

Keyholder

You or any person or keyholding company authorised by You who must be available at all times to accept notification of faults or alarm signals relating to the Intruder Alarm System, attend, and allow access to The Premises.

In relation to any claim caused by theft or attempted theft involving entry or exit from The Premises by forcible and violent means it is a Condition Precedent to Our liability to make a payment in relation to any claim for Damage that while The Premises are unattended You must ensure

- (1) The Premises are protected by an Intruder Alarm System and means of communication used to transmit signals from such an Intruder Alarm System designed, installed and maintained as agreed by Us.
- (2) the Protected Premises must not be left without at least one Responsible Person in attendance
 - (i) unless the Intruder Alarm System is set in its entirety with all means of communication used to transmit signals in full operation
 - (ii) if the police have withdrawn their response to alarm calls.

unless We agree otherwise.

- (3) in the event of notification of any activation of the Intruder Alarm System or interruption of any of the means of communication during any period that the Intruder Alarm System is set, a Keyholder shall attend The Premises as soon as reasonably possible, in order to confirm the security of The Premises and reset the Intruder Alarm System in its entirety. If the Intruder Alarm System cannot be reset in its entirety or all the means of communication used to transmit signals are not in full operation, a Keyholder must remain at The Premises unless We agree otherwise in writing.
- (4) You shall advise Us as soon as possible, and in any event not later than 10.00am on Our next working day,
 - (i) that police attendance in response to alarm signals/calls from the Intruder Alarm System may be withdrawn or the level of response reduced or delayed
 - (ii) of notice from a Local Authority or Magistrate imposing any requirement for abatement of nuisance
 - (iii) that the Intruder Alarm System and the means of communication used to transmit signals from such installation cannot be returned to or maintained in full working order

bolts top and bottom

- (5) No alteration or substitution of
- (i) any part of the Intruder Alarm System
 - (ii) the structure of The Premises or changes to the layout of The Premises which would affect the effectiveness of the Intruder Alarm System
 - (iii) the means of communication used to transmit signals from the Intruder Alarm System
 - (iv) the procedures agreed with Us for police or any other response to any activation of the Intruder Alarm System
 - (v) the maintenance contract shall be made without Our written agreement.
- (6) You and each Keyholder must maintain secrecy of codes and security of keys and setting/unsetting devices for the operation of the Intruder Alarm System. All keys and other setting/unsetting devices for the Intruder Alarm System must be removed from The Premises when they are left unattended.
- (7) The Intruder Alarm System shall be maintained in full and efficient working order under a contract to provide both corrective and preventative maintenance with the installing company or other company, as agreed by Us.
- (8) You must appoint at least two Keyholders and lodge written details (which must be kept up to date) with the alarm company contracted to maintain the Intruder Alarm System, and with the police if they so require.

FIS-B Minimum Security Condition

In relation to any claim for Damage, as insured by this Section, occurring more than 30 days after the inception of this Section caused by theft or attempted theft involving entry or exit from The Premises by forcible and violent means it is a Condition Precedent to Our liability to make a payment in relation to any claim for Damage to The Premises that

- (1) final exit doors must be secured as follows
- (a) timber doors - by mortice deadlocks having five or more levers or conforming to BS3621 with matching boxed striking plate
 - (b) aluminium doors - by cylinder mortice lock operating a swinging lock bolt
 - (c) PVCu doors - by key operated multi-point locking devices having three or more locking points
 - (d) the first closing leaf of double leaf doors must be fitted internally with

When The Premises are closed for business all locks fitted to final exit doors must be put into effect.

- (2) all other external doors and internal doors leading to common areas or other premises, must be secured:
- (a) by the means set out in (1), or
 - (b) by key operated security bolts fitted top and bottom
- (3) all opening windows or rooflights accessible from the ground or via roofs, pipework or other structures must be secured by key operated locking devices or screwed permanently shut.
- (4) any security measures stipulated or agreed by Us in writing.

Any door or window officially designated a fire exit by the Fire Authority is excluded from these requirements.

C Alarm Condition - Unspecified Vehicles

This Section excludes Damage resulting from theft or attempted theft from any unattended Vehicle unless the alarm system approved by Us is

- (1) put into operation and all alarm keys removed
- (2) maintained in accordance with the terms and conditions of the installing company's agreement.

Additional Clauses

FIS-1 Unattended Vehicle Theft Exclusion

This Section excludes Damage resulting from theft or attempted theft from any unattended Vehicle.

FIS-2 Portable Computer Equipment

In relation to any claim for Damage by theft or attempted theft it is a Condition Precedent to Our liability to make a payment in relation to any claim for Damage You ensure that

- (1) when Portable Computer Equipment is left unattended inside any road vehicle
- (i) the vehicle is securely locked and all security devices set in operation
 - (ii) it is kept in a locked building of substantial construction or guarded security park between the hours of and 9.00pm and 6.00am unless the vehicle is aboard a ship or ferry
 - (iii) the Portable Computer Equipment is concealed from view
 - (iv) the Portable Computer

Equipment is stored in the boot
or under the parcel shelf if the
vehicle is a private car

- (2) when Portable Computer Equipment is in transit by air it is carried as hand luggage
- (3) when Portable Computer Equipment is in transit by ship or ferry it is kept in a securely locked cabin or road vehicle aboard such vessel.

For the purpose of this Additional Clause,
Portable Computer Equipment shall
mean:

Personal computers, small micro
computers and similar equipment used
for processing, communicating and
storing electronic data, and which are
designed to be carried by hand.

Section 6 – Business Interruption Section

Definitions

(Also refer to the Policy Definitions at the front of this policy booklet).

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

Damage

Accidental loss or destruction of or damage to property used by You at The Premises for the purpose of The Business.

Defined Contingency

fire

lightning

explosion

aircraft and other aerial devices or articles dropped from them

riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances

malicious persons other than thieves

earthquake

storm or flood

escape of water from any tank, apparatus or pipe

falling trees

impact

escape of fuel from any fixed oil heating installation.

Cover

In respect of each item in The Schedule, We will indemnify You in respect of any interruption or interference with The Business as a result of Damage occurring during the Period of Insurance caused by each of the following Contingencies unless otherwise excluded or varied in The Schedule.

The Schedule will state

The Basis of the operative Specification:

Gross Profit Sum Insured

or

Increased Cost of Working

The maximum We will pay in respect of any one claim is

- (a) for any Item, the Sum Insured or Limit of Liability stated in The Schedule
- (b) in aggregate, the total Sum Insured.

Contingencies

The following Contingencies apply.

- A**
- (1) Fire.
We will not indemnify You in respect of Damage
 - (a) caused by explosion resulting from fire
 - (b) to that portion of any item caused by its own self ignition, leakage of electricity, short circuiting or over-running
 - (c) to the Property caused by
 - (i) its own spontaneous fermentation
 - (ii) its undergoing any process involving the application of heat.
 - (2) Lightning.
 - (3) Explosion
 - (a) of boilers
 - (b) of gas in a building not being part of any gas works used for domestic purposes or used for lighting or heating the building.
- We will not indemnify You for Damage caused by earthquake or underground fire.
- B**
- Explosion.
We will not indemnify You in respect of any Damage caused by the bursting of any equipment on The Premises belonging to You or under Your control where the internal steam pressure is due to steam only.
- However, We will indemnify You in respect of Damage not otherwise excluded, caused by the bursting of any boiler on The Premises belonging to You or under Your control where the internal pressure is due to steam only.
- C**
- Aircraft including
 - (a) other aerial devices
 - (b) articles dropped from them.
- E**
- Riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances or malicious persons.
- We will not indemnify You in respect of Damage caused by or happening through
 - (a) work stoppages
 - (b) theft or attempted theft caused by malicious persons not acting on behalf of or in connection with any political organisation
 - (c) Damage whilst The Premises are unoccupied or disused.
- G**
- Earthquake.
- K**
- Underground Fire.

- L** Fire caused by the Property Insured's own spontaneous combustion.
- N** Storm, Flood and Falling Trees.
We will not indemnify You in respect of
- (a) Damage due only to change in the water table level
 - (b) Damage caused by
 - (i) frost
 - (ii) subsidence, ground heave or landslip
 - (iii) escape of water from any tank, apparatus or pipe
 - (iv) felling, lopping or pruning of trees
 - (c) Damage to fences, gates and moveable property in the open.
- P** Escape of water from any tank, apparatus or pipe or escape of fuel from any fixed oil heating installation.
We will not indemnify You in respect of
- (a) Damage by water discharged or leaking from an automatic sprinkler installation
 - (b) Damage whilst The Premises are unoccupied or disused.
- R** Impact by any vehicle or by goods falling therefrom or animal.
We will not indemnify You in respect of goods being carried.
- S** Water accidentally discharged or leaking from any automatic sprinkler installation at The Premises
We will not indemnify You in respect of Damage caused by
- (a) freezing whilst The Premises owned or occupied by You are unoccupied or disused
 - (b) explosion, earthquake, subterranean fire or heat caused by fire.
- T**
- (1) Theft or attempted theft involving entry into or exit from buildings by forcible and violent means
or
 - (2) Theft involving violence or threat of violence to You, Your partners, directors or Employees.
- We will not indemnify You in respect of Damage
- (a) where You, Your partners, directors or Employees or any member of Your household is involved as principal or accessory
 - (b) caused by any person lawfully in The Premises
 - (c) while The Premises are unoccupied or disused.

- U**
- (1) Any Damage not excluded by the terms of the Property Damage - All Risks Section of this policy.
and
 - (2) Damage not otherwise excluded by the terms of the Property Damage - All Risks Section of this policy caused by a Defined Contingency to
 - (a) boilers on The Premises
 - (b) glass, not being fixed glass forming part of the structure of the building
 - (c) china, earthenware, marble or other fragile object
 - (d) vehicles licensed for road use including accessories on or attached to them
 - (e) caravans or trailers
 - (f) railway locomotives or rolling stock
 - (g) watercraft or aircraft
 - (h) property in the course of construction including materials for use in the construction
 - (i) roads or pavements, piers, jetties, bridges, culverts or excavations
 - (j) livestock.
- We will not indemnify You in respect of Damage caused by
- (1) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunications services.
- However, We will indemnify You in respect of loss resulting from Damage
- (a) caused by a Defined Contingency or from any other Damage not otherwise excluded
 - (b) from an ensuing cause which is not excluded.
- (2) erasure or distortion of information on computer systems or other records
 - (a) while mounted in or on any machine or data processing equipment,
or
 - (b) due to the presence of magnetic flux
unless caused by Damage to the equipment in which the records are mounted.
 - (3) change in the water table level.

V Notifiable Disease at The Premises which restricts use of The Premises on the order or advice of competent authority and Notifiable Disease in the Area which restricts the use of The Premises on the order or advice of the competent authority.

Maximum Indemnity Period

3 months

Definitions applying to Contingency V

(Also refer to the Policy Definitions at the front of this policy booklet)

The following definitions apply to Contingency V only.

Food or Drink Poisoning

The occurrence of an illness sustained by any person caused by food or drink poisoning.

Notifiable Disease

The occurrence of any of the following diseases sustained by any person:

- Acute Encephalitis
- Acute Poliomyelitis
- Anthrax
- Chickenpox
- Cholera
- Diphtheria
- Dysentery
- Leptosy
- Leptospirosis
- Malaria
- Measles
- Meningococcal Infection
- Mumps
- Ophthalmia Neonatorum
- Paratyphoid Fever
- Plague
- Rabies
- Rubella
- Scarlet Fever
- Smallpox
- Tetanus
- Tuberculosis
- Typhoid Fever
- Viral Hepatitis
- Whooping cough
- Yellow Fever

Notifiable Disease at The Premises

(a) Food or Drink Poisoning attributable to food or drink supplied from The Premises

or

(b) Notifiable Disease occurring at The Premises

Notifiable Disease in the Area

(a) Food or Drink Poisoning

or

(b) Notifiable Disease occurring within a radius of 5 miles of The Premises.

Indemnity Period

(a) In respect of Notifiable Disease at The Premises the period during which the results of The Business are affected due to the occurrence or discovery starting from the date of the occurrence or discovery and ending not later than the Maximum Indemnity Period, stated as applying to this Contingency.

(b) In respect of Notifiable Disease in the Area the period during which the results of The Business are affected due to the accident, occurrence or discovery starting from the date the use of The Premises are restricted and ending not later than the Maximum Indemnity Period, stated as applying to this Contingency.

Condition applying to Contingency V

In relation to any claim arising directly or indirectly from an occurrence of Legionellosis or Legionnaires Disease it is a Condition Precedent to Our liability to indemnify You in relation to any Claim at The Premises that You ensure compliance at all times with the Health and Safety Commissions Approved Code of Practice, "The Prevention and Control of Legionellosis (including Legionnaires Disease)" Ref ISBN-0-7176-1772- 6 or any supplementary, replacement or amending Code of Practice.

We will not indemnify You in respect of

- (a) costs incurred in cleaning, repair replacement, recall or checking of property,
- (b) loss arising from premises other than those directly subject to the occurrence, discovery or accident,
- (c) any Business Interruption Extension or Additional Extension stated in The Schedule or in this Section.

Maximum Amount Payable under Contingency V

The maximum amount We will pay in respect of the total of all losses occurring during the period of insurance under Contingency V is

(a) GBP25,000

or

(b) 10% of the Sum Insured shown in The Schedule, whichever is the lower, unless otherwise stated in The Schedule

The provisions of any automatic reinstatement clause do not apply in respect of Contingency V.

Conditions and Conditions Precedent

The following conditions and Conditions Precedent apply to this Section.

(Also refer to the Policy Conditions and Conditions Precedent at the back of this policy booklet).

2 Claims Procedures

3 It is a Condition Precedent to Our liability to indemnify You under this policy Section in relation to any claim that You must

(a) take any action reasonably practicable to minimise any interruption of or interference with The Business or to avoid or minimise any Damage

(b) at Your expense, provide Us with

- (i) a written claim and
- (ii) details of other insurances covering the Damage

within 30 days after the expiry of the Indemnity Period or such further time that We may allow

(iii) books, records and documents We require to assess Your claim

(c) repay Us, any payment on account We have already made, if You fail to comply with this condition.

4 Property Cover

We will not indemnify You in respect of any Damage insured by this Section unless

(a) there is in force at the time of the Damage, an insurance policy covering Your interest in the property at The Premises for the Damage

and

(b) (i) payment has been made or liability admitted for such Damage

or

(ii) payment would have been made or liability would have been admitted for such Damage but for the exclusion of losses below a stated amount in such insurance policy.

Exceptions

The following exceptions apply to this Section.

(Also refer to the Policy Exceptions at the back of this policy booklet).

We will not indemnify You in respect of

- (1) Damage caused by or happening through pressure waves caused by aircraft or other aerial devices.
- (2) Damage caused by pollution or contamination.

However, if Contingency U applies, We will indemnify You in respect of loss resulting from Damage, unless otherwise excluded, caused by

(a) pollution or contamination at The Premises which itself results from a Defined Contingency

(b) any Defined Contingency which itself results from pollution or contamination.

However, if Contingencies other than U apply, We will indemnify You in respect of Damage, not otherwise excluded, caused by

(i) pollution or contamination at The Premises which itself results from any Contingency insured by this Section (other than Contingency T)

(ii) any Contingency insured by this Section (other than Contingency T) which itself results from pollution or contamination.

(3) any Damage or loss resulting from Damage occasioned by or happening through or in consequence directly or indirectly of

(a) Terrorism regardless of any other cause or Event contributing concurrently or in any other sequence to the loss

and

(b) in Northern Ireland

(i) riot or civil commotion

(ii) strikers locked-out workers or persons taking part in labour disturbances or malicious persons but this shall not apply to Damage by fire or explosion Food or Drink Poisoning attributable to food or drink supplied from The Premises

This Section also excludes Damage or loss resulting from or in connection with any action aimed in controlling preventing suppressing or in any way relating to an act of Terrorism.

In any action suit or other proceedings where We allege that by reason of this exclusion any Damage or loss is not covered by this Section the burden of proving that such Damage or loss is covered under this Section shall be upon You.

Extensions

1 Subrogation Rights Waiver

In the event of a claim arising under this Section, We agree to waive any rights, remedies or relief to which We may be entitled by subrogation against

- (1) any company whose relationship to You is either a parent to subsidiary or subsidiary to parent
- (2) any company which is a subsidiary of a parent company of which You are Yourself a subsidiary as defined in, or within the meaning of the relevant Companies Act or Companies (NI) Order, current at the time of the Damage.

2 Payments on Account

Claim payments on account may be made to You during the Indemnity Period, if required.

Additional Extensions

Damage as insured by this Section is extended to include loss, destruction or damage

(1) at the undernoted premises or situations

or

(2) to the undernoted property

by any Contingency applying to such situations or property which results in interruption or interference with The Business.

Our Liability under each extension for any one occurrence will not exceed

(a) the amount

or

(b) the percentage of the Sum Insured stated in the Additional Extension as the Limit or the Maximum Amount Payable specified in this Section as applying to the Additional Extensions

1 Unspecified Suppliers

Any of Your suppliers' premises within England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

The Limit that We will pay is 25% of the Gross Profit Sum Insured stated in The Schedule

We will not indemnify You in respect of Damage at any premises of suppliers of electricity, gas, water or telecommunications services.

2 Unspecified Customers

Any of Your customers' premises within England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

The Limit that We will pay is 25% of the Gross Profit Sum Insured shown in The Schedule

3 Patterns

Your patterns, jigs, models, templates, moulds, dies, tools, plans, drawings and designs including those for which You are responsible, while at any premises in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man of any

- (1) machine makers
- (2) engineers
- (3) founders
- (4) other metal workers.

We will not indemnify You in respect of Damage at

(1) any premises You occupy

or

(2) any premises You partially occupy.

4 Contract Sites

Any situation within England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man where You are carrying out a contract.

5 Public Utilities – Electricity

Any generating station or sub-station of Your electricity supplier, in England, Wales, Scotland, Northern Ireland, the Channel Islands, the Isle of Man or France.

6 Public Utilities – Gas

Any land based premises of

(1) Your gas supplier

And

(2) any natural gas producer directly linked to Your gas supplier

in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

7 Public Utilities – Water

Any water works or pumping station of Your water supplier, in England, Wales, Scotland, Northern Ireland, the Channel Islands or the Isle of Man.

8 Prevention of Access

Property in the vicinity of The Premises which hinders or prevents access to The Premises.

9 Public Utilities – Telecommunications

Any land based premises of Your public telecommunications supplier, in England, Wales, Scotland, Northern Ireland, Channel Islands, the Isle of Man or France.

Maximum Amount Payable

The maximum amount We will pay in respect of the total of all losses occurring during the period of insurance under all or any one of Additional Extensions 3 to 9 is

(a) GBP25,000

or

(b) 10% of the Sum Insured shown in The Schedule, whichever is the lower, unless otherwise stated in The Schedule.

The provisions of any automatic reinstatement clause do not apply in respect of any Additional Extension 1 to 9.

Endorsements

The following Endorsements apply to this Section only if stated in The Schedule.

FIS-A Subsidence

We will indemnify You in respect of Damage

causing interruption or interference with The Business as a result of subsidence or ground heave of the site of The Premises or landslip.

We will only indemnify You in respect of Damage to

- (a) forecourts, car parks, driveways, footpaths, swimming pools, terraces or patios
- (b) walls, gates, hedges or fences
 - (i) if such property is specifically insured by the Property Damage
 - Specified Contingencies Section and/or Property Damage
 - All Risks Section of this policy
 - And
 - (ii) Damage also occurs to the building to which such property applies and that building is insured by the Property Damage
 - Specified Contingencies Section and/or Property Damage
 - All Risks Section of this policy.

We will not indemnify You in respect of

- (1) Damage caused by
 - (a) collapse, cracking, shrinking or settlement of any building
 - (b) coastal or river erosion
 - (c) defective design or inadequate construction of foundations
 - (d) demolition, structural alteration or repairs
 - (e) settlement or movement of made up ground the Isle of Man
- (2) Damage as a result of movement of solid floor slabs.

However, We will indemnify You if there is Damage to the foundations beneath the exterior walls of The Premises at the same time.

Gross Profit Sum Insured Basis Specification

This Specification only applies if stated in The Schedule as Operative.

Item

Gross Profit Sum Insured stated in The Schedule.

Definitions

(Also refer to the definitions stated in this Section and the Policy Definitions at the front of this policy booklet).

The following definitions apply to this Specification and shall keep the same meaning wherever they appear in the Specification.

1 Gross Profit

- (a) The combined value of the Turnover, closing stock and work in progress

less
- (b) The combined value of opening stock and work in progress and Uninsured Working Expenses.

The values of opening and closing stocks and work in progress will

- (i) be calculated using Your usual accounting methods
- (ii) make due provision for depreciation.

2 Indemnity Period

The period during which The Business results are affected due to the Damage, beginning with the date of the Damage and ending not later than the Maximum Indemnity Period.

3 Maximum Indemnity Period

The number of months stated in The Schedule, unless amended in any Contingency.

4 (a) Rate of Gross Profit

Gross Profit earned on and expressed as a percentage of Turnover, during the financial year immediately before the date of the Damage.

(b) Annual Turnover

The Turnover during the 12 months immediately before the date of the Damage.

(c) Standard Turnover

The Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period.

Rate of Gross Profit, Annual Turnover and Standard Turnover may be adjusted to reflect any trends or circumstances which

- (i) affect The Business before or after the Damage
- (ii) would have affected The Business had the Damage not occurred.

The adjusted figures will represent as near as possible the results which would have been achieved during the same period had the Damage not occurred.

5 Turnover

Money paid or payable to You for

- (a) goods sold and delivered
- (b) services provided

in course of The Business at The Premises.

6 Uninsured Working Expenses

- (a) Purchases (less any discounts received)
- (b) Discounts allowed

and

- (c) any additional Uninsured Working Expenses stated in The Schedule.

The words and expressions used in this definition will have the meaning usually attached to them in Your books and accounts.

Notes

- (1) All terms in this Section exclude Value Added Tax to the extent that You are accountable to the Tax Authorities for Value Added Tax.
- (2) Any adjustment made for current cost accounting will be ignored.

Basis of Settlement

The insurance on Gross Profit is limited to loss due to

- (a) reduction in Turnover

and

- (b) increase in cost of working.

We will pay

- (i) in respect of reduction in Turnover

the sum produced by applying the Rate of Gross Profit to the amount by which due to the Damage, the Standard Turnover exceeds the Turnover during the Indemnity Period

- (ii) in respect of increase in cost of working

Any additional expense You necessarily and reasonably incur solely to prevent or limit a reduction in Turnover during the Indemnity Period which but for such additional expenses would have taken place due to the Damage. We will not pay more than the amount produced by applying the Rate of Gross Profit to the reduction in Turnover avoided by the expenditure

less any savings during the Indemnity Period in business charges or expenses, payable out of Gross Profit, which

reduce or cease due to the Damage.

If at the time of the Damage the Sum Insured is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover (proportionately increased where the Maximum Indemnity Period exceeds 12 months), You will be Your own insurer for the difference and bear a rateable share of the loss.

Clauses

The following clauses apply to this Specification.

1 Alternative Premises

The Turnover during the Indemnity Period will include any money paid or payable to You during the Indemnity Period for goods sold or services provided elsewhere than at The Premises.

2 Auditors and Professional Accountants

We will pay Your auditors and professional accountants reasonable charges for

(a) producing information We require for investigating any claim

and

(b) confirming the information is in accordance with Your business books

The maximum We will pay for any claim, including auditors and professional accountants charges, is GBP10,000.

3 Automatic Reinstatement of Sum Insured

The Sums Insured stated in The Schedule will not be reduced by the amount of any claim unless We or You give written notice to the contrary.

However, You must pay the additional premium required to reinstate the Sum Insured.

4 Uninsured Standing Charges

Any increase in cost of working settlement will take into account any standing charges of The Business which are not insured (having been deducted in arriving at the Gross Profit).

We will reflect in any such settlement the proportion only of any additional expenditure which

(a) the Gross Profit bears

to

(b) the sum of the Gross Profit and the uninsured standing charges

Increased Cost of Working Basis Specification

This Specification only applies if stated in The Schedule as Operative.

Items

Increase in Cost of Working Sum Insured stated in The Schedule.

Auditors and Professional Accountants Charges stated in The Schedule.

The Schedule will state

- (1) which of the above items apply
- (2) any other items which apply.

Definitions

(Also refer to the definitions stated in this Section and the Policy Definitions at the front of this policy booklet).

The following definitions apply to this Specification and shall keep the same meaning wherever they appear in the Specification.

1 Indemnity Period

The period during which The Business results are affected due to the Damage, beginning with the date of the Damage and ending not later than the Maximum Indemnity Period.

2 Maximum Indemnity Period

The number of months stated in The Schedule, unless amended in any Contingency.

3 Maximum Limit

(a) The result of dividing the Sum Insured, for Increase in Cost of Working, by the number of separate buildings at all of The Premises.

(b) If a special limit stated in The Schedule applies to one or more building, the Maximum Limit for the building will be calculated by applying the 'Percentage Limit' shown against each building to the Sum Insured for Increase in Cost of Working.

The remainder of the Sum Insured will be divided equally between the other buildings to produce the Maximum Limit for each

If the limit is shown as an amount, this amount will be the Maximum Limit for the building concerned.

4 Remainder Limit

The Maximum Limit less any sum paid or payable for loss during the first three months of the Indemnity Period.

5 Remainder Period

The Maximum Indemnity Period less three months.

Basis of Settlement

Increase in Cost of Working

We will pay Your additional expenditure which has been reasonably and necessarily incurred, as a result of the Damage, to continue The Business during the Indemnity Period.

The maximum amount We will pay will not exceed

- (1) during the first three months of the Indemnity Period
25% of the Maximum Limit
- (2) for each subsequent month of the Indemnity Period the proportion of the Remainder Limit which the one month bears to
 - (a) the Remainder Period
 - or
 - (b) nine monthswhichever is the longer.

The maximum amount We will pay for any one building is the Maximum Limit.

Auditors and Professional Accountants Charges

We will pay Your auditors and professional accountants reasonable charges for

- (a) producing information We require for investigating any claim
- and
- (b) confirming the information is in accordance with Your business books

The maximum amount We will pay is GBP10,000.

Section 7 – Terrorism Section

Definitions

(Also refer to the Policy Definitions at the front of this policy booklet)

Act of Terrorism

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

Damage

Loss of or physical damage

Denial of Service Attack

any actions or instructions constructed or generated with the ability to damage interfere with or otherwise affect the availability of networks or network services or network connectivity or information systems

The definition of Denial of Service Attack includes but is not limited to the generation of excess traffic into network addresses and the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks

Great Britain

England and Wales and Scotland but not the territorial seas adjacent thereto (as defined by the Territorial Sea Act 1987)

Hacking

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

Nuclear Installation

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

- (a) production or use of atomic energy or
- (b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations or
- (c) the storage processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter being matter which has been produced or irradiated in the course of the production or use of nuclear fuel

Nuclear Reactor

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

Phishing

Any access or attempted access to data or information made by means of misrepresentation or deception

Private Individual

any person other than

- (a) a Trustee or body of Trustees where insurance is arranged under the terms of a trust
- (b) a person who owns Residential Property for the purpose of their business as a sole trader

The definition of Private Individual shall include two or more persons where insurance is arranged in their several names and/or the title of the Insured includes the name of a bank or building society or other financial institution for the purpose of noting their interest in the Property Insured

Residential Property

Houses and blocks of flats and other private dwellings (including household contents and personal effects of every description)

Virus or Similar Mechanism

any program code programming instruction or any set of instructions intentionally constructed with the ability to damage interfere with or otherwise adversely affect computer programs data files or operations whether involving self-replication or not

The definition of Virus or Similar Mechanism includes but is not limited to trojan horses worms and logic bombs

Cover

Notwithstanding any provisions to the contrary within this policy the insurance in respect of all items insured by the applicable Section is extended to include Terrorism Insurance as specified below

This policy includes Damage or loss resulting from Damage to the Property Insured and consequential loss resulting therefrom insofar and to the extent that it is insured by this policy in the Territories stated below caused by or resulting from an Act of Terrorism provided always that Terrorism Insurance is

- (a) subject to Exceptions 1 – 3 specified below
- (b) not subject to any other Exceptions stated in this policy

provided always that Our liability in any one period of insurance shall not exceed

- (a) in the whole the total Sum Insured
- (b) in respect of any item its Sum Insured or any other stated limit of liability specified in The Schedule or elsewhere in the policy whichever is the lower subject always to the limit(s) applying to Terrorism Insurance shown against the Territories stated below after application of all the provisions of the insurance including any Excess

Territory	Limit of Liability
1. Great Britain	As otherwise specified in this policy
2. (a) The Channel Islands (b) The Isle of Man	As otherwise specified in this policy but not exceeding in total GBP 10,000,000
3. Elsewhere in the World	Not Insured

Exceptions

The following exceptions apply to this Section

- (1) We will not indemnify You in respect of any loss whatsoever or any consequential loss directly or indirectly occasioned by or happening through or in consequence of 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 loss whatsoever or any expenditure resulting or arising there from or any consequential loss directly or indirectly caused by or contributed to by or arising from
 - (i) alteration modification distortion corruption of or Damage to any computer or other equipment or component or system or item which processes stores transmits or retrieves data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software)

or

 - (ii) any alteration modification distortion erasure corruption of data processed by any such any computer or other equipment or component or system or item whether Your property or not where such Damage is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from Virus or Similar Mechanism or Hacking or Phishing or Denial of Service Attack
- (3) We will not indemnify You in respect of
 - (a) property situated in the Channel Islands and the Isle of Man
 - (b) Residential Property insured in the name of a Private Individual

against any loss whatsoever or any expenditure resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from

- (i) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- (ii) ionising radiation or contamination by radioactivity or from the combustion of any radioactive material
- (iii) chemical and/or biological and/or radiological

irritants contaminants or pollutants

- (4) We will not indemnify You against any loss whatsoever or any consequential loss resulting or arising from Damage to any Nuclear Installation or Nuclear Reactor and all fixtures and fittings situate thereon and attached thereto and all pipes wires cables drains or other conduits or service media of any description which are affixed or connected to or in any way serve such Nuclear Installation or Nuclear Reactor
- (5) We will not indemnify You against any Damage to property or cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with any action taken in controlling preventing suppressing or in any way relating to Terrorism

Conditions

- (1) In any action suit or other proceedings We allege that any Damage or loss resulting from Damage is not covered by this policy the burden of proving that such Damage or loss is covered shall be upon You
- (2) Any terms in this policy which provide for adjustments of premium based upon declarations on expiry or during the period of insurance do not apply to Terrorism Insurance
- (3) If this policy is subject to any Long Term Agreement / Undertaking it does not apply to Terrorism Insurance

All the terms and conditions of the policy apply except insofar as they are hereby expressly varied

Policy Conditions and Conditions Precedent

Each Section of the policy contains conditions and Conditions Precedent. They must be read in conjunction with the following policy conditions which apply to all Sections unless otherwise stated.

(1) Alteration of risk

You must notify Us prior to or immediately if, during the Period of Insurance there is any alteration in Your ownership of The Business, or if there is any alteration

- (a) in or to The Business,
- (b) due to The Business being wound up or carried on by a liquidation or receiver or permanently discontinued,
- (c) due to its disposal or removal
- (d) in respect of which Your interest ceases except by operation of law,
- (e) in respect of the risk of subsidence, ground heave or landslip where any demolition, construction, ground works or excavation work is being carried out on any site adjoining the Premises
- (f) to the facts or matters set out in the Schedule or otherwise comprising the risk presentation made by you to the Insurers at inception alteration or renewal of the policy

which materially increases the risk of Damage as insured by this policy.

Should you be in any doubt as to whether information should be presented to the Insurers you must

- (1) discuss it with Your insurance broker or adviser; or
- (2) disclose it to Us.

Upon being notified of any such alteration We may at Our absolute discretion

- (i) continue to provide insurance under the appropriate Section on the same terms
- (ii) restrict the insurance provided by the Section
- (iii) impose additional terms
- (iv) alter the premium
- (v) cancel the Section and or the policy

If you fail to notify Us of any such alteration We may at

Our absolute discretion;

- (i) treat the appropriate Section and the policy as if it had come to an end as at the date of the alteration of the risk, returning a proportionate amount of the premium for the unexpired Period of Insurance if We would have cancelled the Section and the policy had We known of the increase in risk
- (ii) treat the Section and the policy as if it had contained such terms (other than relating to premium) or other restrictions (if any) from the date of the alteration in risk as We would have applied had We known of the increase in risk
- (iii) reduce proportionately the amount paid or payable on any claim, the proportion for which We are liable being calculated by comparing the premium actually charged as a percentage of the premium which We would have charged had We known of the increase in risk.

(2) Arbitration

If We accept liability but You disagree with the amount We offer to pay, the claim will be referred to an arbitrator who will be appointed in accordance with statutory provisions.

(3) Cancellation

(a) You may cancel Your policy

- (i) within 14 days of receiving Your policy documents for the first Period of Insurance if for any reason You are dissatisfied or the policy does not meet Your requirements.

- (ii) if at any time you sell The Business or sell all of the property insured shown in The Schedule, or You cease trading.

If You cancel the policy We will return part of the premium proportionate to the unexpired Period of Insurance provided that no claims have been paid or are outstanding during the current Period of Insurance

(b) Other than when policy Condition (8) Fraud applies, We may cancel Your policy

- (i) by sending You 30 days written notice to Your last known address.

We will return part of the premium paid proportionate to the unexpired Period of Insurance provided that

- (1) no claims have been paid or are outstanding or incidents reported that could give rise to a claim during the current Period of Insurance

- (2) We have not identified a breach of any policy Condition

- ii) immediately if the premium has not been paid or there has been a default under an instalment or linked credit agreement.

If this policy or the Employers' Liability Section is cancelled any certificates of Employers' Liability Insurance are cancelled from the same date. Any copied should not be displayed at The Premises.

(4) Claims Procedure

It is a Condition Precedent to Our liability to indemnify You under any policy Section in relation to any claim for damage or in the Event of an occurrence in consequence of which a claim is or may be made that You must

- (a) tell us immediately of any Event or occurrence which may result in a claim
- (b) notify the police immediately of loss, destruction or damage caused by malicious persons or thieves.
- (c) At Your expense, provide us with a written claim containing as much information as possible of the loss, liability, destruction, damage, accident or injury including the amount of the claim within
 - (i) 30 days
 - or
 - (ii) seven days in the case of loss, destruction or damage caused by riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances or malicious persons of You becoming aware of the Event or occurrence, or such further time that We may allow.
- (d) provide us with all information and help We require in respect of the claim.
- (e) pass to us unanswered, immediately, all communications from third parties in relation to any Event which may result in a claim under this policy.
- (f) not admit or repudiate liability, nor offer to settle, compromise, make payment which may result in a claim or pay any claim under this policy without Our written agreement.
- (g) allow us to take over and conduct in Your name the defence or settlement of any claim. You will also allow us to prosecute at Our own expense and for Our own benefit, any claim for indemnity or compensation against any other person and You must give us all information and assistance required.

(5) Contribution

Applicable to Employers' Liability Section and Public and Products Liability Section.

- (a) If the insurance provided by these Sections is also covered by another policy (or would be but for the existence of these Sections),

We will only indemnify You in respect of any excess beyond the amount which would be payable under such other insurance had these Sections not been effected.

Applicable to all other Sections insured by this policy

- (1) Where any loss, destruction, damage or liability covered by the policy is also covered by another policy, (or would be but for the existence of this policy), We will only pay a rateable share of the loss.
- (2) If the other insurance is subject to a condition of average and this policy is not, this policy will become subject to the same condition of average.
- (3) If the property insured covered by the other insurance is subject to a provision excluding proportional payment in whole or in part, the payment We make will be limited to the proportion of loss, destruction or damage as the sum insured bears to the value of the property.

(6) Discharge of Liability

We may at any time pay

- (a) The Limit of Indemnity
- or
- (b) the Sum Insured
- or
- (c) a smaller amount for which a claim can be settled after deduction of any sum already paid.

We will not be liable for any further payment except for costs and expenses incurred prior to the payment of claim or with Our consent.

(7) Fair Presentation of the Risk

We are keen to work in partnership with You and avoid any misunderstandings.

- (a) You must make a fair presentation of the risk to Us at inception alteration or renewal of this policy.

Should You be in any doubt as to whether information should be presented to Us You must discuss it with Your insurance broker or adviser,

or

- (b) disclose it to Us.

(c) We may, at Our absolute discretion, avoid the policy and refuse to pay any claims where any failure to make a fair presentation is:

- (a) deliberate or reckless; or
- (b) of such other nature that, if You had made a fair presentation Us We would not have issued the policy.

We will return the premium paid by You unless the failure to make a fair presentation is deliberate or reckless.

(d) If We would have issued the policy on different terms had You made a fair presentation, We will not avoid the policy (except where the failure is deliberate or reckless) but We may instead, at Our absolute discretion;

- (a) reduce proportionately the amount paid or payable on any claim, the proportion for which We are liable being calculated by comparing the premium actually charged as a percentage of the premium which We would have charged had You made a fair presentation; and/or
- (b) treat the policy as if it had included such additional terms (other than those requiring payment of premium) as We would have imposed had You made a fair presentation.

For the purposes of this Condition references to:

- (i) avoiding a policy means treating the policy as if it had not existed from the inception date (where the failure to make a fair presentation of the risk occurs before or at the inception of the policy), the renewal date (where the failure occurs at renewal of the policy), or the date of alteration (where the failure occurs when the policy is altered),
- (ii) refunds of premium should be treated as refunds of premium back to the inception date, the date of alteration or renewal date as the context requires,
- (iii) issuing a policy should be treated as the references to issuing the policy at inception, alteration or renewing the policy as the context requires,
- (iv) premium should be treated as the premium payable for the particular contract of insurance which is subject to this Condition (where there is more than one contract of insurance).

(8) Fraud

If You or anyone acting on Your behalf:

- (a) makes any false or fraudulent claim,

(b) makes any exaggerated claim,

- (c) supports a claim by false or fraudulent documents, devices or statements (whether or not the claim is itself genuine),
- (d) makes a claim for loss or damage which You or anyone acting on Your behalf deliberately caused,

We will:

- (i) refuse to pay the whole of the claim; and
- (ii) recover from You any sums that We have already paid in respect of the claim.

We will also notify You if We will be treating the policy as having terminated with effect from the date of the earliest of any acts set out in (a) – (d) above. In that event, You will:

- (1) have no cover under the policy from the date of the termination; and not be entitled to any refund of premium

(9) Identification

The policy and The Schedule will be read as one contract

(10) Reasonable Precautions

It is a Condition Precedent to Our liability to indemnify You under any policy Section in relation to any claim that You must

- (a) maintain The Premises, machinery, plant and equipment in a satisfactory state of repair.
- (b) take all reasonable precautions to prevent
 - (i) loss or destruction of or damage to the Property Insured
 - (ii) accident or injury to any person or loss, destruction or damage to their property
- (c) comply with all legal requirements and safety regulations and conduct The Business in a lawful manner.
- (d) keep books with a complete record of purchases and sales.

(11) Reinstatement

When We decide, or are required to reinstate or replace any property You will at Your expense, provide any

- (a) Plans
- (b) Documents
- (c) Books
- (d) Information

which We require

We will not be obliged to reinstate property exactly but only in a satisfactory manner as circumstances allow.

The maximum amount We will pay in respect of any one item is The Limit of Indemnity or the Sum Insured for that item.

(12) Subrogation

Anyone making a claim under this policy must, at Our request and expense, do everything We reasonably require to

(a) enforce a right or remedy

or

(b) obtain relief or indemnity

from other parties to which We will become entitled or subrogated because of payment for or making good loss, destruction, damage, accident or injury.

We may require You to carry out such actions before or after We make any admission of or payment of a claim.

(13) Adjustment of Premium

Applicable to Sections 1, 2 and 3 only.

If the premium has been calculated on estimates given by You,

(a) You will keep an accurate record containing all relevant particulars which will be available to Us for inspection

And

(b) Within 1 month after the expiry date shown in The Schedule, You will supply to Us an accurate statement in the form required so that the premium for that period can be calculated and the difference paid by or allowed to You subject to Us retaining any minimum premium(s) applying.

If the adjustment calculation results in a difference being due to be paid to You the return premium allowed will be limited to a maximum of 15% of the premium shown in The Schedule or the adjustable proportion of the premium, as applicable.

(14) Subjectivity

If this policy has been issued or renewed subject to the following requirements;

(1)

(a) You providing Us with any additional information requested,

(b) You completing any actions agreed between You and Us

(c) You allowing Us to complete any actions agreed between You and Us

by the required date(s),

(2) You allowing Us access to The Premises, Your contract sites, and, or The Business, to carry out survey(s), within 60 days of the inception or renewal date, unless We agree otherwise in writing,

(3) You complying with all survey risk improvements to make alterations to The Premises or contract sites by the required date(s),

and You do not complete these requirements by the required date(s), and then We may at their absolute discretion:

(a) modify the premium,

(b) issue a mid-term amendment to the policy, or Section terms, Conditions and Exceptions,

(c) exercise Our right to cancel the policy,

(d) leave the policy or Section terms, Conditions and Exceptions, and the premium, unaltered.

We will contact You with Our decision and where applicable, specify the date(s) by which any action(s) agreed need to be completed by You and, or any decision by Us will take effect. If the premium terms or Conditions are amended by Us then You will have fourteen (14) days to accept or reject the revised basis of indemnity.

If You elect to reject the revised basis of premium, terms and Conditions then You shall be entitled to a proportionate refund of premium for the unexpired Period of Insurance provided that no claim has been made during the current Period of Insurance.

If We exercise Our right to cancel the policy then you shall be entitled to a proportionate refund of premium for the unexpired Period of Insurance provided that no claim has been made during the current Period of Insurance.

To the extent that this Condition conflicts with any other cancellation condition then this Condition shall prevail.

Except in so far as they are expressly varied by this Condition all of the terms, Conditions, Exceptions and limits of this policy and of the Sections of the policy shall continue to apply until We advise You otherwise.

Policy Exceptions

Each Section of the policy contains exceptions. They must be read in conjunction with the following Policy Exceptions which apply to all Sections unless otherwise stated.

We will not provide indemnity in respect of

- (1) any consequence whatsoever resulting directly or indirectly from or in connection with any of the following, regardless of any other contributory cause or Event.
 - (a) war, invasion, act of foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power.
 - (b) nationalisation, confiscation, requisition seizure or destruction by any government or any public authority.
 - (c) Any action taken in controlling, preventing, suppressing or in any way relating to (a) and / or (b) above.

However,

- (1) Exceptions (1) (a) (b) and (c) do not apply to the following Sections, when insured by this policy.
 - a. Terrorism
 - b. Employers' Liability
 - (2) Exception (1) (b) does not apply to the Public and Products Liability Section, when insured by this policy.
- (2) Personal Injury or Damage to any Property, any loss or expense whatsoever, any consequential loss or any legal liability directly or indirectly caused by or contributed to by or arising from
 - (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion or nuclear fuel.
 - (b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.

However,

- (i) in relation to the Employers' Liability Section, Exception (2) (a) only applies when You under contract or agreement have undertaken to
 - (a) indemnify another party
 - (b) assume the liability of another party.
- (ii) Exceptions (2) (a) does not apply to the Terrorism Section, when insured by this policy

- (3)
 - (a) money
 - (b) securities or bonds
 - (c) jewellery or precious stones
 - (d) precious metals or bullion
 - (e) furs or curios
 - (f) rare books or works of art
 - (g) goods held in trust or on commission
 - (h) documents or manuscripts
 - (i) business books or computer systems records
 - (j) explosives
 - (k) property in transit

unless specifically mentioned

However, exceptions (3) (a) to (k) do not apply to the following Sections when insured by this policy

- (i) Terrorism
 - (ii) Employers' Liability
 - (iii) Public and Products Liability
- (4)
 - (a) Damage to Data which shall include but shall not be limited to
 - (i) Damage to or corruption of Data whether in whole or in part
 - (ii) unauthorised appropriation of use of access to or modification of Data
 - (iii) unauthorised transmission of Data to any third parties
 - (iv) Damage arising out of any misinterpretation use or misuse of Data
 - (v) Damage arising out of any operator error in respect of Data
 - (b) Damage to the Property Insured or Money (if insured) arising directly or indirectly from
 - (i) the transmission or impact of any Virus
 - (ii) unauthorised access to a System
 - (iii) interruption of or interference with electronic means of communication used in the conduct of the Insured's Business including but not limited to any diminution in the performance of any website or electronic means of communication
 - (iv) Failure of a System
 - (v) anything described in (a) above

but in respect of (b) (i), (b) (ii), (b)(iii) and (b)(iv), this shall not exclude subsequent Damage which itself results from a cause not otherwise excluded provided that such Damage does not arise by reason of any malicious act or omission

This Exception does not apply to the following Sections, when insured by this policy

- (a) Terrorism
- (b) Employers' Liability
- (c) Public and Products Liability
- (d) Contract Works

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