

Material Damage Section

Definitions applicable to this Section

Basis of claims settlement

Unless states otherwise in the **appendix** the basis of settlement under this section shall be

A - **Reinstatement** - the amount payable in respect of **buildings computer equipment machinery** and or **tenants improvements** will be the cost of the reinstatement of the **damage**

For this purpose 'reinstatement' means

- 1) the rebuilding or replacement of **property insured** lost or destroyed which provided **our** liability is not increased may be carried out
 - 1.1) in any manner suitable to **your** requirements
 - 1.2) upon another site
- 2) the repair or restoration of **property insured** damaged

in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new

Provided that

- 1) **our** liability for the repair or restoration of **property insured damaged** in part only shall not exceed the amount which would have been payable had such **property insured** been wholly lost or destroyed
- 2) each item insured is subject to this basis of claims settlement and is declared to be separately subject to the following Condition of average (underinsurance)
- 3) no payment beyond the amount which would have been payable in the absence of this basis of claims settlement shall be made
 - i) unless reinstatement commences and proceeds without unreasonable delay
 - ii) until the cost of reinstatement shall have been actually incurred
- 4) all the terms Conditions and Exclusions of this **policy** or Section shall apply
 - i) in respect of any claim payable under the provisions of this basis of claims settlement except insofar as they are varied hereby
 - ii) where claims are payable as if this basis of claims settlement had not been incorporated including any Condition of average (underinsurance)
- 5) **you** will at **your** own expense provide all such plans documents books and information as may be reasonably required
- 6) **we** shall not be bound to reinstate exactly but only as circumstances permit

B - **Indemnity** - the amount payable in respect of **stock** and or all other **property insured** will be the value at the time of **damage** or at **our** option the cost of reinstatement or replacement of such **property insured** or any part of it

provided that

each Item insured is subject to this **basis of claims settlement** and is declared to be separately subject to the following Condition of average (underinsurance)

If at the time of **damage** the Sum Insured for each Item is less than 85% of the value of the Item insured then **our** liability shall be limited to that proportion of the **damage** which the Sum Insured bears to the value of the **property**

Damage

means loss of or destruction of or physical damage to **property insured**

Property insured

Buildings computer equipment machinery stock tenants improvements and other items shown and or described in the **appendix**

Buildings

means fixed permanent structures at the **premises** belonging to **you** or for which **you** are responsible that are unless otherwise stated in the **appendix** are built mainly of brick stone concrete or other non – combustible materials and includes unless more specifically insured

- 1) landlord's fixtures and fittings
- 2) internal and external fixed glass sanitary ware and signs
- 3) small outside buildings annexes conveniences external hoists gangways and staircases
- 4) walls gates fences yards driveways car parks forecourts roads and footpaths
- 5) fuel tanks and their ancillary equipment and pipe work
- 6) conveyors trunks lines wires and service pipes
- 7) security lighting security cameras and other security or fire protection devices television radio satellite receiving aerials communication ariels masts affixed to the building fixed poles or fixed pylon

Computer equipment

means

- 1) all computer equipment (including peripheral devices interconnecting wiring fixed discs telecommunications equipment computerised telephone systems electronic access equipment and electronic point of sale systems) used for the storage and communication of electronically processed data including
 - a) portable computer equipment
 - b) electronic replication and or message transfer machine

but this does not include computer equipment

- i. which is an integral part of any controlling manufacturing process
 - ii. which is an integral part of any fixed vehicle satellite navigation systems
 - iii. manufactured for sale or held as stock for sale
- 2) programs and or information stored upon data carrying materials
 - 3) all current and backup computer records (excluding fixed discs and paper records of any description) incorporating stored programs and or information thereon owned by or on deferred purchase leased hired rented or for which **you** are responsible
 - 4) computer lock down plates security enclosures security cables and similar devices

Machinery

means machinery plant fixtures fittings and other contents belonging to **you** or for which **you** are responsible (other than landlord's fixtures and fittings **stock** and other **property** specifically described in the **appendix**) whilst on the **premises** including

- 1) **computer equipment** not exceeding £5,000 unless specified separately in the **appendix**
- 2) **money** to a maximum limit of £1,000
- 3) documents manuscripts and business books but only for the value of materials as stationery together with the cost of clerical labour expended in writing up and not for the value to **you** of the information contained therein to a maximum limit of £25,000
- 4) computer systems' records but only for the value of the materials and the cost of clerical labour and computer time expended in reproducing such records other than any expenses in connection with the production of information to be recorded therein and not for the value to **you** of the information contained therein to a maximum limit of £25,000
- 5) wines spirits cigarettes and tobacco goods held for entertainment purposes up to a maximum limit of £750
- 6) patterns models moulds plans and designs for an amount not exceeding the cost of labour and materials expended in reinstatement
- 7) directors partners **employees** and visitors personal effects other than motor vehicles in so far as they are not otherwise insured to a maximum limit of £1,000 in respect of any one person

Stock

means materials in trade work in progress finished stock owned by **you** or for which **you** are responsible

Tenants improvements

means structural fixtures and fittings and decorations of **yours** as occupier of the **premises**

Material Damage Section

Insurance provided

Damage happening during the **period of insurance** caused by any **Specified peril** described in this Section and not stated to be otherwise excluded in the **appendix** as stated in the **basis of claims settlement**

Limit of Liability

Our liability under this Section in any one **period of insurance** will not exceed

- 1) the Sum Insured by each Item stated in the **appendix**
- 2) any limit stated in any Extension to this Section
- 3) any limit of liability specified in the **appendix**

Specified perils

Fire but excluding **damage**

- a) caused by **Explosion** resulting from fire
- b) caused by **Earthquake** or **Subterranean fire**
- c) caused by its own spontaneous fermentation or heating
- d) to that portion of any item undergoing any heating process or any process involving the application of heat

Lightning

Explosion excluding **damage**

- a) caused by or consisting of the bursting of any boiler (not being a boiler used for domestic purposes only) economiser or other vessel machine or apparatus belonging to **you** or under **your** control in which internal pressure is due to steam only
- b) in respect of and originating in any vessel machinery or apparatus or its contents belonging to **you** or under **your** control which requires to be examined to comply with any statutory regulations unless such vessel machinery or apparatus shall be the subject of a certificate or other contract providing the required inspection service

Aircraft or other aerial devices or articles dropped from them but excluding **damage** caused by pressure waves by aircraft or other aerial devices

Riot civil commotion strikers locked-out workers or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation but excluding **damage**

- a) arising from cessation of work or from confiscation or destruction or requisition by order of the Government or any public authority
- b) by **Fire** caused by strikers locked-out workers or persons taking part in labour disturbances or **Malicious persons**

Malicious persons not acting on behalf of or in connection with any political organisation but excluding **damage** (other than by **Fire** or **Explosion**)

- a) by **Theft**

- b) in respect of any **unoccupied buildings**

Earthquake

Subterranean fire

Storm and falling trees but excluding **damage**

- a) attributable solely to change in the water table level
- b) caused by **Lightning** frost or **Subsidence**
- c) caused by felling lopping pruning trees
- d) to fences gates and moveable property in the open or in open sided building
- e) caused by escape of water from the natural confines of any natural or artificial water course lake reservoir canal drain or dam and inundation from the sea whether resulting from storm or otherwise

Flood being

- 1) the escape of water from the natural confines of any natural or artificial water course lake reservoir canal drain or dam
- 2) inundation from the sea
- 3) inundation by rainwater induced runoff other than where such inundation results solely from ingress of water through or via the roof of a building

whether resulting from **Storm** or otherwise but excluding

- a) **damage** caused by **Escape of Water** or **Sprinkler Leakage**
- b) **damage** attributable solely to change in the water table level
- c) **damage** caused by **Lightning** frost or **Subsidence**
- d) **damage** in respect of fences gates and moveable **property** in the open or in open sided building

Escape of water from any tank apparatus or pipe excluding **damage**

- a) in respect of any **unoccupied buildings**
- b) by water discharged or leaking from any automatic sprinkler installation

Impact by any vehicle or animal not controlled or belonging to **you** or any occupier of the **premises** or their respective **employees**

Impact (Own) by any vehicle or animal controlled or belonging to **you** or any occupier of the **premises** or their respective **employees**

Sprinkler leakage being accidental escape of water from any automatic sprinkler system fitted in the **premises** but excluding **damage** caused by

- a) freezing whilst the **building** belonging to or for which **you** are responsible are **unoccupied**

b) **Explosion Earthquake Subterranean fire** or heat caused by **Fire**

Accidental damage excluding

a) **damage** caused by

- i) any other of the **Specified perils** described in this Section and the causes excluded therefrom
- ii) inherent vice latent defect gradual deterioration gradually operating cause wear and tear frost faulty or defective design or materials
- iii) faulty or defective workmanship operational error or omission on the part of **you** or any **employee**
- iv) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects
- v) change in temperature colour flavour texture or finish
- vi) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping in connection therewith
- vii) mechanical or electrical breakdown derangement or overloading in respect of the particular machine apparatus or equipment in which such breakdown or derangement originates but this shall not exclude **damage** to surrounding property not forming part of the same machine apparatus or equipment caused by insured **Specified perils**
- viii) electrical or magnetic disturbance or erasure of electronic recordings
- ix) acts of fraud or dishonesty by any partner director or **employee**
- x) unexplained disappearance unexplained shortage inventory shortage misfiling or misplacing of information
- xi) **your** voluntarily parting with title or possession of any property or rights to property
- xii) confiscation requisition seizure or destruction by order of the Government or any public authority
- xiii) cessation of work
- xiv) the solidification of molten material unless such **damage** is directly caused by any other **Specified peril** insured by this **policy**

b) **damage** to

- i) **buildings** or structures caused by their own collapse or cracking unless resulting from any other **Specified perils** not otherwise excluded
- ii) property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection
- iii) property in the open or in **transit**
- iv) vehicles other than forklift trucks and vehicle accessories thereon licensed or intended to be licensed for road use caravans trailers railway locomotives rolling stock watercraft or aircraft
- v) livestock growing crops or trees

vi) jewellery precious stones precious metals bullion furs curiosities rare books or works of art

vii) land piers jetties bridges culverts or excavations

c) **damage** to any **property insured** undergoing

i) any process of production

ii) any process of packaging treatment testing commissioning cleaning servicing repair or any other similar process

but this will not exclude **damage** to surrounding property

1) not forming part of the same machine

2) not forming part of the same process of production or the same process of packaging treatment testing commissioning cleaning servicing repair or any other similar process caused by insured **Specified perils**

Subsidence ground heave or landslip excluding **damage**

a) in respect of walls gates fences yards driveways car parks forecourts roads and footpaths unless a **building** insured under this Section is affected at the same time

b) arising from the settlement or movement of made-up ground or by coastal or river erosion

c) resulting from defective design or workmanship or the use of defective materials

d) occurring as a result of the construction demolition alteration or structural repair of any property at the **premises** or as a result of ground works or excavation at the same **premises**

e) arising from the normal settling shrinkage or expansion of foundations walls floors ceilings or roof or bedding down of new structures or extensions

f) happening prior to the inception of this **Specified peril** under this Section

Theft or attempted theft **damage**

a) involving entry to or exit from **buildings** at the **premises** by forcible and violent means

b) following assault or violence or threat of assault or violence to **you** or any partner director **employee** of **yours** or members of their families or any other person lawfully on the **premises**

c) to the **premises** for which **you** are responsible as a result of a) above

but excluding **damage**

i) caused by **you** or any partner director or **employee** of **yours** or any other person to whom **property insured** has been entrusted excepting Collusion

ii) in respect of

1) coin and similarly operated gaming and or amusement machines or their contents

2) **money** except as provided for within **machinery**

- 3) livestock growing crops or trees furs jewellery gold silver or other precious metals or precious stones or curiosities works of art or rare books
 - 4) **property insured** in gardens yards open spaces or in open sided or fronted buildings or in buildings not on permanent foundations
- iii) to any **buildings** or **property insured** in any **building** which is **unoccupied** unless **we** state otherwise in the **appendix**

Escape of fuel means accidental escape of fuel or oil from any fixed heating installation tank apparatus or pipe excluding **damage**

- a) in respect of any **unoccupied buildings**
- b) resulting from gradual leakage

Extensions

The terms Conditions and Exclusions of this policy and or Section apply to these Extensions
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Where no Limit or maximum liability is stated in the Extensions the Section Limit of Liability applies
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Additional metered water charges

This Extension provides insurance for additional metered water charges incurred by **you** or for which **you** are responsible as a result of **damage** to the water installation at the **premises** provided that **damage** in respect of any **unoccupied buildings** is excluded

Our maximum liability is £25,000 in respect of any **event of damage**

Automatic reinstatement

In the absence of written notice from **us** or **you** to the contrary the Sum Insured by this Section will not be reduced by the amount of agreed claim settlement and in return **you** undertake to pay an additional premium on the amount of the agreed claim settlement from the date thereof

Capital additions

This Extension provides insurance for

- 1) alterations additions and or improvements to the **property insured** but not any appreciation in value
- 2) newly acquired and or newly occupied property provided **your** interest in it is not otherwise insured

anywhere in the **territorial limits** provided that

- a) at any one **premises** this Extension will not exceed 10% of the Sum Insured under the respective Item or £1,000,000 in the aggregate whichever is the less
- b) **you** will advise **us**
 - i) every 6 months in respect of any such alterations additions and improvements
 - ii) as soon as practicable of any newly acquired and or newly occupied **property**

You will pay the appropriate additional premium required from inception of any additional insurance provided. The additional Sum Insured declared will be added by **endorsement** to the respective **appendix** Sum Insured whereupon these provisions shall be fully reinstated

Clearing of drains

This Extension provides insurance for costs and expenses necessarily and reasonably incurred by **you** or for which **you** are responsible to clean clear and or replace drains gutters sewers and the like at **your premises** following any **event of damage** but does not include costs and expenses incurred in cleaning and or clearing other than from the site of such **damage** and the area immediately adjacent to such site arising from **pollution and contamination of property** not insured by this Section

Collusion

If **Specified peril Theft** is operative this Section extends to include **damage** resulting from collusion by any **employee of yours** provided such **damage** is insured under **Specified peril Theft a)**

Contract price

If a contract for the sale of **goods** which are not yet delivered is cancelled following **damage** to the **goods** by reason of conditions attaching to the contract then **we** will pay the contract price to **you**

Where this Extension applies following **damage** the value of all **goods** will be ascertained on this basis

Debris removal

This Extension includes costs and expenses necessarily incurred by **you** with **our** consent in

- 1) removing debris from
- 2) dismantling and or demolishing
- 3) shoring up or propping up

the portion or portions of the **property insured** by the said items stated in the **appendix** following **damage**

Our liability under this Extension and the Section in respect of any Item shall in no case exceed the Sum Insured

This Extension does not include any costs and expenses

- a) incurred in removing debris except from the **premises** where **damage** occurred and the area immediately adjacent thereto
- b) arising from **pollution or contamination of property** not insured by this Section

Designation

We agree for the purpose of determining an Item heading for any **property insured** to accept the designation of such **property** stated in **your** accounts

Energy efficiency

This Extension provides insurance for the additional costs necessarily and reasonably incurred by **you** with **our** consent in rebuilding or repairing the **buildings** following **damage** in a manner that aims to reduce

potential harm to the environment by improving energy efficiency but does not include

- 1) the additional cost of complying with any European Union legislation Act of Parliament and or bye-laws of any public authority
- 2) any additional costs for work **you** had already planned to be carried out prior to the **damage**
- 3) any additional costs for replacing undamaged **buildings**
- 4) any **unoccupied buildings**
- 5) additional costs where **you** choose not to rebuild or repair the **building**

Our liability under this Extension will not exceed 10% of the Sum Insured by each Item stated in the **appendix** or £50,000 whichever is the less but does not include

- a) **damage** not insured by this Section
- b) costs incurred or to be incurred where notice has been served upon **you** by any appropriate authority before the date of **damage**
- c) increase in costs attributable to unreasonable delays reinstatement or replacement unless such delays are wholly outside **your** control
- d) any rate tax duty development or other charge or assessment arising out of capital appreciation as a result of the terms of this Extension

European Union & public authorities

This Extension provides insurance for additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with

- 1) European Union legislation
- 2) building or other regulations under or framed in pursuance of any Act of Parliament or bye laws of any public authority which are hereinafter referred to as “the regulations”

in respect of **damage**

This Extension does not apply to

- a) the cost incurred in complying with the regulations
 - i) in respect of **damage** occurring prior to the granting of this Section Extension
 - ii) in respect of **damage** not insured by this Section
 - iii) where notice has been served upon **you** prior to the **damage**
 - iv) for which there is an existing requirement which has to be implemented within a given period
 - v) in respect of undamaged **property insured** or undamaged portions of the **property insured**
- b) the additional cost that would have been required to make good the **property** destroyed or **damaged** to a condition equal to its condition when new had the necessity to comply with the regulations not arisen

- c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the **property** or by the owner thereof by reason of compliance with the regulations

provided that

- 1) the work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within 12 months after the **damage** or within such further time as **we** may allow within the said 12 months and may be carried out upon another site if the regulations so necessitate subject to **our** liability under this Extension not being thereby increased
- 2) if **our** liability under any Item of this Section apart from this Extension shall be reduced by the application of any of the terms Conditions and Exclusions of this Section then **our** liability under this Extension in respect of any such Item shall be reduced in like proportion
- 3) the total amount recoverable under any Item of this Section and Extension will not exceed

3.1) in respect of European Union legislation

- a) 15% of the Sum Insured
- b) where the Sum Insured by the Item applies to **property insured** at more than one **premises** 15% of the total amount for which **we** would have been liable had the **property insured** by the Item at the **premises** where **damage** had occurred been totally destroyed

3.2) in respect of building or other regulations under or framed in pursuance of any Act of Parliament and or bye-laws of any public authority the Sum Insured

Exhibitions and demonstrations

This Extension provides insurance for **property** stated in the **appendix** whilst temporarily removed from the **premises** including **transit** to and from an exhibition or demonstration site in the **territorial limits** but does not include an exhibition or demonstration site under canvas or in the open

Our maximum liability is £25,000 during any one **period of insurance**

If **Specified peril Theft** is operative then the following wording is added to **Specified peril Theft** –

but **we** do exclude **damage**

- 1) not involving forcible and violent entry to or exit from exhibition or demonstration buildings unless the exhibition or demonstration buildings are protected by permanently sited security guards

Fire extinguishment expenses

This Extension includes where not otherwise recoverable extinguishment expenses reasonably incurred by **you** in order to minimise **damage**

Our maximum liability is £50,000 in respect of any **event of damage**

Glass

This Extension provides insurance for **breakage** for which **you** are responsible of all fixed plain sheet and or plain plate glass in windows doors fanlights skylights partitions furniture displays show cases counters shelves neon and or illuminated signs electric light fittings and fixed sanitary ware

Following **breakage we** will include costs necessarily and reasonably incurred for

- 1) **damage** to any lettering embossing beading silvering or ornamental work to a maximum limit of £1,000 for any one **event**
- 2) boarding up repair and or replacement of window frames framework security fittings and or alarm foil to a maximum limit of £1,000 for any one **event**
- 3) **damage** to **goods** displayed to a maximum limit of £1,000 for any one **event** provided such **damage** was not a direct result of **Specified peril Theft**

This Extension does not include **breakage** caused by or arising from

- a) repairs alterations or other fitting to the **premises**
- b) defects in frames and framework
- c) any **unoccupied buildings**
- d) faulty or defective workmanship on the part of **you** or any **employee**
- e) wear tear gradual deterioration mechanical or electrical breakdown of neon and or illuminated signs and or electric light fitments

Landscaping and garden restoration

This Extension provides insurance for the costs of restoration of gardens and ornamental features caused by the fire brigade or other emergency services attending the **premises** following **damage**

Our maximum liability is £25,000 in respect of any **event of damage**

Mortgagees freeholders and lessors

The interest of mortgagees freeholders or lessors will not be prejudiced by any increase in the risk of **damage** resulting from any act of negligence of any mortgagee leaseholder lessee or occupier of any **buildings** insured by this Section provided

- 1) such increase in risk is without their prior knowledge or authority
- 2) **we** are notified immediately they become aware of such increase in risk

Non-invalidity

The insurance provided by this Section will not be invalidated by any act or omission or by any alteration whereby the risk of **damage** is increased unknown to or beyond **your** control provided that **you** give notice to **us** immediately **you** become aware of any act or omission or alteration and agree to pay any required additional premium

Other interests

The interest of parties having a financial interest in supplying **property** to **you** under a hiring leasing mortgage and or similar agreement is noted by this Extension the nature and extent of any such interest to be disclosed in the **event of damage**

Professional fees

This Extension provides insurance for architects surveyors legal and or consulting engineers fees incurred with **our** consent in the reinstatement and or repair of **property insured** subsequent to insured **damage** but **we** do not include any fees for preparation or presentation of any claim

Our liability under this Extension and the Section in respect of any Item shall in no case exceed the Sum Insured

Rent

This Extension applies only if any **building** or any portion of the **building** become unfit for occupation following insured **damage**

Our liability will not exceed such proportion of the Sum Insured stated for the Item as the period necessary for reinstatement bears to the total period of rent insured

Replacement locks

If **Specified peril Accidental damage** is operative this Section extends to include any of the keys of the **premises** being stolen from **you** or any partner director or **employee** of **yours** and if not recovered within 7 days **we** will pay for the replacement of the locks at the **premises** to a standard equal to but not better than their original standard provided that **we** are notified of the **event** within 7 days of it happening

Our maximum liability is £5,000 during any one **period of insurance**

Sprinkler upgrade costs

This Extension includes additional costs of reinstatement incurred with **our** consent to upgrade a sprinkler installation to comply with the current edition of the Sprinkler Rules of the Loss Prevention Council provided that the additional costs incurred are solely as a direct result of insured **damage**

Our maximum liability is the Declared Value Sum Insured of any one **building** during any one **period of insurance**

Subrogation waiver

We agree to waive any rights remedies and or relief to which **we** may become entitled against any subsidiary or parent company of **yours** or any fellow subsidiary where **you** are also a subsidiary as defined by current legislation

Temporary removal - documents

The insurance of deeds and other documents inclusive of any stamps thereon manuscripts plans and or writings of every description and both written and or printed books extends to cover such **property** for an amount not exceeding 10% of the value thereof whilst temporarily removed to any premises not in **your** occupation and in **transit** to and from in the **territorial limits**

This Extension does not include

- 1) **computer equipment** systems' records
- 2) **property** that is otherwise insured

Temporary removal - general

The **property insured** stated in the **appendix** except **stock** is covered whilst temporarily removed from the

premises for cleaning renovation or repair elsewhere and in **transit** to and from in the **territorial limits**

Our liability under this Extension shall not exceed 10% of the Sum Insured in respect of the item stated in the **appendix**

This Extension does not apply to

- 1) motor vehicles and motor chassis licensed for normal road use
- 2) **property** not belonging to **you** other than machinery

Theft damage to buildings

If **Specified peril Theft** is operative **we** will indemnify **you** for **damage** to the **premises** for which **you** are responsible which does not involve forcible and violent entry to or exit from **buildings** but this does not include **damage** of or to

- 1) any **unoccupied building**
- 2) **property** in respect of which **you** are not liable for repair costs or which **you** are able to recover repair costs from another source or which is more specifically or otherwise insured

Our maximum liability is £25,000 in the aggregate during any one **period of insurance**

Trace and access

This Extension provides insurance for costs necessarily and reasonably incurred with **our** consent in locating the source of any escape of water from any fixed domestic water services heating installation and or escape of fuel oil including subsequent repair to walls floors or ceilings provided that

- 1) this Section Extension shall not apply to the cost of repairs to any fixed domestic water services or heating installation
- 2) **our** maximum liability is £25,000 in respect of any **event of damage**

Transfer of interest

If at the time of **damage** **you** have contracted to sell **your** interest in any insured **buildings** and the purchase was incomplete but subsequently completes the purchase on completion of the purchase and where no other insurance policy exists to provide an indemnity to the purchaser against the **event of damage** will be entitled to the benefit of this Section so far as the insurance relates to such **damage** without prejudice to **your** or **our** rights and liabilities under this Section up to the date of completion

Workmen

Workmen are allowed in or about any of the **premises** for the purpose of carrying out minor alterations repairs decorations and or any maintenance without prejudice to this insurance

Exclusions additional to the policy Exclusions

We will not indemnify **you** for

- 1) delay loss of market loss of use or subsequent or inevitable loss and or **damage** of any kind unless specifically insured as an Item under this Section

- 2) **damage** to any **property** more specifically insured by **you** or on **your** behalf
- 3) **damage** caused by **pollution or contamination** unless the **pollution or contamination** is itself caused by a **Specified peril** that is insured under this Section
- 4) **damage** to working dynamos motors wires main or electrical apparatus through short circuiting overrunning or excessive pressure
- 5) **damage** to motor vehicles or their contents more specifically insured
- 6) **damage** caused by the accidental or deliberate introduction of a **virus** or other instruction information or code into any electronic equipment
- 7) **damage**
 - 7.1) which originated prior to the inception date of this insurance Section
 - 7.2) in respect of electrical appliances or installations caused by self ignition short circuiting overrunning or excessive pressure
- 8) the **excess** amount stated in the **appendix**

Conditions additional to the policy Conditions

Day one average

Subject to the Special Conditions below the basis upon which the amount payable in respect of the **property insured** for Sums Insured in the **appendix** featuring the suffix (DV) is to be calculated shall be the reinstatement of the **property insured damaged** and for this purpose 'reinstatement' means

- 1) the rebuilding or replacement of **property insured damaged** which provided **our** liability is not increased may be carried out
 - a) in any manner suitable to **your** requirements
 - b) upon another site
- 2) the repair or restoration of **property insured damaged** in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new

You have stated in writing the Declared Value for each Item stated in the **appendix** to which this Condition applies and the premium has been calculated accordingly. Declared Value means **your** assessment of the cost of reinstatement of the **property insured** arrived at in accordance with paragraph 1) above at the level of costs applying at the inception of the **period of insurance** (ignoring inflationary factors which may operate subsequently) together with and insofar as the insurance by the Item provides due allowance for

- 1) the additional cost of reinstatement to comply with public authority requirements
- 2) professional fees
- 3) debris removal costs

Special Conditions

- 1) At the inception of each **period of insurance** you will notify **us** of the Declared Value of each Item of the insured **property** stated as (DV) in the **appendix**. In the absence of declaration from **you** we will assume the last amount declared by **you** should be taken as the Declared Value for the ensuing **period of insurance**
- 2) If at the time of **damage** the Declared Value of each Item of the **property insured** stated as (DV) in the **appendix** is less than the cost of reinstatement as defined in paragraph 2) above at the inception of the **period of insurance** then **our** liability for any **damage** will not exceed that proportion thereof which the Declared Value bears to such cost of reinstatement
- 3) **Our** liability for the repair or restoration of **property insured damaged** in part only will not exceed the amount which would have been payable had such **property insured** been wholly destroyed
- 4) No payment beyond the amount which would have been payable in the absence of this Condition will be made
 - 4.1) unless reinstatement commences and proceeds without unreasonable delay
 - 4.2) until the cost of reinstatement shall have been actually incurred
 - 4.3) if the **property insured** at the time of its destruction or **damage** is insured by any other insurance effected by **you** or on **your** behalf which is not upon the same basis of reinstatement
- 5) All the terms Conditions and Exclusions of this **policy** and or Section apply in respect of any claim payable under the provisions of this Condition except insofar as they are varied hereby
- 6) Where by reason of
 - 6.1) any of the above Special Conditions no payment is to be made beyond the amount which would have been payable under this Section if this Condition had not been incorporated therein

or

 - 6.2) **you** elect not to rebuild the **property insured** in a condition equal to but not better or more extensive than its condition when new then the provisions of this Condition are cancelled and **our** rights and liabilities and **yours** in respect of the **damage** will be subject to the terms Conditions and Exclusions of this **policy** and or Section including the following Condition of Average

The insurance for each Item of this Section is declared to be subject to Average i.e. if the insured **property** shall at the breaking out of any **damage** insured hereby be collectively of greater value than 115% of the Declared Value stated in the **appendix** then **you** will be considered to be **your** own insurer for the difference and will bear a rateable share of the claim loss amount accordingly

Electrical Inspection

It is a **condition precedent** to **our** liability to indemnify **you** in relation to any claim for **damage** under **Specified perils Fire** of this **Material Damage Section** that **you** undertake

- 1) to complete an inspection and test of the **buildings** electrical installation by a qualified electrician in accordance with IET Regulations for Electrical Installations and a Completion and Inspection Certificate is issued following such inspection and test which will be available to **us** upon request
- 2) to complete all remedial work stated as Priority 1 or 2 on the Completion and Inspection Certificate within 60 days subsequent to the date of the inspection and test

- 3) to provide **us** upon request a copy of each Completion and Inspection Certificate(s)
- 4) a further electrical installation inspection and test within the timescale recommended on the Completion and Inspection Certificate(s)

Fire alarms

It is a **condition precedent** to **our** liability to indemnify **you** in relation to any claim for **damage** under **Specified perils Fire Lightning and Explosion** of this **Material Damage Section** that **you** hereby undertake to

- 1) carry out and record the testing and checking requirements referred to on the completion certificate and remedy promptly any defect disclosed
- 2) carry out and record the maintenance procedures specified by the manufacturers of the equipment
- 3) notify **us** immediately of any disconnection or failure of the automatic fire alarm installation likely to leave any area unprotected for 12 hours or more
- 4) record details of all events such as alarm faults tests maintenance and disconnections and keep such details available for examination by **our** representatives

Fire break doors and shutters

It is a **condition precedent** to **our** liability to indemnify **you** in relation to any claim for **damage** under **Specified perils Fire Lightning and Explosion** of this **Material Damage Section** that all fire break doors and shutters will be kept closed except during working hours and will be maintained in efficient working order

Fire extinguishment appliances

It is a **condition precedent** to **our** liability to indemnify **you** in relation to any claim for **damage** under **Specified perils Fire Lightning and Explosion** of this **Material Damage Section** that **you** inspect the appliances regularly and remedy promptly any defect disclosed by any such inspection or otherwise

Fire extinguishment – automatic sprinkler installations

It is a **condition precedent** to **our** liability to indemnify **you** in relation to any claim for **damage** under **Specified perils Fire Lightning and Explosion** of this **Material Damage Section** that **you** in consideration of the discount and or reduced rate granted for the automatic sprinkler installation(s) will

- 1) complete and record a test every working day for the purpose of ascertaining the condition of the circuit between the alarm switch and the control unit unless
 - 1.1) this function is continuously monitored
 - 1.2) a ring circuit or one break of wire(s) will not prevent an alarm signal being transmitted
- 2) complete and record a test at least once a week for the purpose of ascertaining
 - 2.1) the connection with the public fire station central fire alarm depot or public fire brigade control unless **you** have with a written undertaking from the public fire brigade that they will carry out this test
 - 2.2) the condition of the relevant batteries provided that where the circuit is not continuously monitored tests must be made and recorded every working day

- 2.3) that the alarm bell is in working order and that the stop valves controlling the individual water supplies and the installation(s) are fully open
- 2.4) that the pump(s) can be started both automatically and manually and that in respect of any diesel engine driven pump the battery electrolyte level and density are correct and record the completion of these tests
- 3) complete and record quarterly or half-yearly tests as required by **us** for the purpose of ascertaining that each water supply is in order
 - 4) remedy promptly any defect disclosed by tests required in paragraphs 1) 2) and 3) above or otherwise
 - 5) have a maintenance contract in place with an approved installing engineers providing maintenance and half- yearly inspection of the installation(s) and obtain from them following each inspection certification that the automatic sprinkler installation(s) are in full working order
 - 6) notify **us** before any installation is rendered inoperative or immediately in the event of emergency
 - 7) allow **us** access to the **premises** at all reasonable times for the purpose of inspecting the sprinkler installation(s)

Flat roof

It is a **condition precedent** to **our** liability to indemnify **you** in relation to any claim for **damage** under **Specified perils Storm** of this **Material Damage Section** that where any **building** has a flat roof and or flat roof portions and the mineral felt and or covering material has not been replaced within the last 5 years then **you** are required to arrange before August every year an annual inspection of these roof areas by a competent roofing contractor and implement any of their maintenance repair or replacement recommendations