

PROPERTY OWNERS INSURANCE

A guide to your cover
and how to make a claim



WELCOME TO LV=

Thank you for choosing to purchase an LV= Insurance policy

Founded in 1843 Liverpool Victoria, which also trades as LV=, is the UK's largest friendly society and a major provider of insurance and financial services products.

As a friendly society and mutual, Liverpool Victoria exists wholly for the benefit of its members. We have no shareholders taking a share of our profits. Instead we invest our profits in making our products competitive and delivering an outstanding customer service.

Our claims service goes the extra mile. Committed to doing the right thing for policyholders we aim to settle claims quickly, even in the most difficult of circumstances.

If you would like to learn more about LV= please visit our website at: **www.LV.com/commercial**



John O'Roarke
Managing Director – General Insurance
Liverpool Victoria Insurance Company Limited

CONTENTS

Definitions	4
General Conditions	8
General Exclusions	11
Section 1 – Material Damage	12
Insurable Perils	12
Additional Cover	14
Extensions to Section 1	14
Clauses	16
Basis of Settlement Clauses	16
Condition	19
Section 2 – Loss of Rent	20
Clause	20
Basis of Settlement Clauses	20
Extensions to Section 2	21
Exclusion	21
Section 3 – Property Owners’ Liability	22
Limit of Indemnity	22
Extensions to Section 3	22
Exclusions	24
Conditions	26
Section 4 – Employers’ Liability	27
Limit of Indemnity	27
Section Definitions	27
Extensions to Section 4	27
Exclusions	28
Conditions	28
Section 5 – Terrorism	30
Section 6 – Legal Expenses	31
Section Definitions	32
Sub-Section A – Property Disputes	32
Sub-Section B – Repair and Renovation Disputes	33
Sub-Section C – Health and Safety Prosecutions	33
Sub-Section D – Tax Protection	34
Exclusions to Section 6	35
Legal Expenses Claims Conditions	36
Claims Conditions	40
Useful Information	42

PROPERTY OWNERS INSURANCE POLICY

Liverpool Victoria Insurance Company Limited (the Insurer) will provide the insurance described in the Policy subject to its terms and conditions for the Period of Insurance stated in the Schedule and any subsequent period for which the Insured shall pay and the Insurer shall agree to accept the premium. Any information supplied by or on behalf of the Insured shall be incorporated in the contract

The Policy the Schedule the Statement of Fact and any endorsements shall be read together as one contract. Any word or expression to which a specific meaning has been given shall have that meaning wherever it appears

Statement of Fact and Schedule

The Statement of Fact and Schedule form the basis of the legal contract between the Insured and the Insurer. It is therefore essential that the Statement of Fact and Schedule are accurate and true to the best of the Insured's knowledge and belief. If the Statement of Fact and/or Schedule are inaccurate or untrue it may affect the Insured's rights under the Policy

The Insured is not required to sign the Statement of Fact but should read it carefully and confirm that all the information contained within it and the Schedule is correct

If the Statement of Fact and/or Schedule are incorrect you should notify the Broker, Intermediary or Agent who arranged the Policy immediately and obtain a revised Statement of Fact and/or Schedule with the revisions required. You must ensure that all documentation in your possession is accurate

The Policy has been signed on behalf of Liverpool Victoria Insurance Company Limited



John O'Roarke
Managing Director – General Insurance
Liverpool Victoria Insurance Company Limited

DEFINITIONS

Building(s)

The Building or Buildings at the risk address(es) stated in the Schedule including

- a) outbuildings attached to or detached from the main Building
- b) walls gates and fences around the Buildings and belonging to them
- c) landlords' fixtures and fittings
- d) car parks yards paved areas pavements and footpaths

all belonging to the **Insured** or for which the **Insured** is legally responsible and being unless more specifically described built mainly of brick stone concrete or other non-combustible materials

Business

The Business specified in the Schedule conducted solely from within the **Territorial Limits** including the ownership repair and maintenance of the **Premises** including the provision of first aid but excluding any first aid provided by any qualified medical practitioner or nurse

Computer

All equipment including interconnected wiring fixed disks and telecommunications equipment used at the **Premises** for the storage and communication of electronically processed data but excluding any such equipment controlling any manufacturing process belonging to the **Insured** or leased hired or rented to the **Insured** and for which the **Insured** is legally responsible

Computer Records

All current and backup Computer Records excluding fixed disks and paper records of any description incorporating stored programs and information stored on them belonging to the **Insured** or leased hired or rented to the **Insured** and for which the **Insured** is legally responsible

Damage

Loss destruction of or damage to the **Property** insured

Declared Value

The **Insured's** assessment of the cost of reinstatement of the **Property** insured at the level of costs applying at the inception of the Period of Insurance including the extent to which indemnity is provided for

- a) the additional cost of reinstatement to comply with Public Authority requirements
- b) professional fees
- c) removal of debris costs

ignoring inflationary factors which may operate subsequently

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 network services network connectivity or information systems including but not limited to the generation of excess traffic into network addresses the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks

DEFINITIONS CONTINUED

Employee

- a) Any person under a contract of service or apprenticeship with the **Insured** or
- b) any of the following persons whilst working for the **Insured** in connection with the **Business**
 - i. any labour master or labour only subcontractor or person supplied by them
 - ii. any self employed person providing labour only
 - iii. any trainee or person undergoing work experience
 - iv. any voluntary helper
 - v. any person who is hired to or borrowed by the **Insured**

Excess

The amount for which the **Insured** is responsible for each and every claim or loss as specified in the Schedule or in the Policy

Hacking

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

Indemnity Period

The period beginning with the occurrence of the **Damage** and ending not later than the Maximum Indemnity Period afterwards during which the results of the **Business** shall be affected in consequence of the **Damage**

Injury

Bodily injury death illness or disease

Insured

The person persons or company named in the Schedule including subsidiary companies notified to and agreed as accepted by the **Insurer**

Insured Perils

Those Insurable Perils which are operative as stated in the Schedule

Insurer

Liverpool Victoria Insurance Company Limited

Landlord's Contents

The contents of the **Buildings** used in connection with the **Business** belonging to the **Insured** or for which the **Insured** is legally responsible including furniture carpets furnishings and all other **Property** belonging to the **Insured** or for which the **Insured** is responsible whilst contained in the common parts of the **Buildings** or parts of the **Buildings** under the direct control of the **Insured** including

- a) **Property** in the open subject to a maximum of £500 for any one loss
- b) Paintings prints and works of art subject to a maximum of £500 per item for any one loss
- c) **Money** subject to a maximum of £500 for any one loss

but excluding

- a) **Computers** and **Computer Records**
- b) Stock and materials in trade
- c) property belonging to any **Tenant** for which the **Insured** is not responsible
- d) credit cards securities of any description jewellery curiosities or rare books
- e) any other property more specifically insured

DEFINITIONS CONTINUED

Legal Costs

All costs and expenses incurred with the prior written consent of the **Insurer** in addition to claimant's costs and expenses for which the **Insured** is legally liable

Money

Cash bank currency notes cheques postal orders money orders unused postage stamps National Insurance stamps trading stamps luncheon vouchers credit company sales vouchers Value Added Tax purchase invoices lottery and other prize scratch cards utility vouchers top up cards and mobile phone vouchers held in connection with the **Business** belonging to the **Insured** or for which the **Insured** is legally liable

Offshore Installation

- a) Any installation in the sea or tidal waters which is intended for underwater exploitation of mineral resources or exploration with a view to such exploitation
- b) any installation in the sea or tidal waters which is intended for the storage or recovery of gas or generation of electricity
- c) any pipe or system of pipes in the sea or tidal waters
- d) any accommodation installation for persons who work on or from the locations specified above

Pollution or Contamination

- a) All Pollution or Contamination of buildings or other structures or of water or land or the atmosphere and
- b) all **Injury** loss or damage directly or indirectly caused by such Pollution or Contamination

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

Premises

The **Buildings** and the land inside the boundaries at the risk address stated in the Schedule

Principal

Any person firm company ministry or authority for whom the **Insured** is undertaking work

Products Supplied

Any goods or other property including containers packaging labelling and instructions for use sold supplied delivered erected repaired serviced altered treated installed processed manufactured or tested by the **Insured** in connection with the **Business**

Property

- a) **Buildings Landlord's Contents** and in respect of Section 1 of the Policy such other items to which cover is expressly extended in Section 1 of the Policy or Schedule
- b) in respect of Section 6 of the Policy land and/or **Buildings** owned or occupied by the **Insured** or otherwise for which the **Insured** is legally responsible

The **Insurer** agrees to accept the classification under which any **Property** has been entered in the books of the **Insured**

DEFINITIONS CONTINUED

Rent Receivable

The money paid or payable to the **Insured** by **Tenants** for accommodation and services provided in the course of the **Business** at the **Premises**

Solicitors' Fees

Solicitors' Fees for the representation of the **Insured** at any Coroner's Inquest or Fatal Accident Inquiry or at proceedings in any court of summary jurisdiction in respect of any occurrence which may be the subject of indemnity under Sections 3 and 4

Standard Rent Receivable

The **Rent Receivable** during the period immediately before the date of the **Damage** which corresponds with the **Indemnity Period**

Tenant

The tenant or lessee of any **Building**

Territorial Limits

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

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

Unoccupied

Any **Building** or part of any **Building** which is empty or not in use by the **Insured** or any **Tenant** of the **Insured** for more than 45 consecutive days

Virus or Similar Mechanism

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

GENERAL CONDITIONS

1. Misrepresentation

The Policy shall be voidable by the **Insurer** in the event of material misrepresentation material misdescription or material non-disclosure

2. Reasonable Care

The **Insured** shall

- a) take all reasonable precautions to prevent or diminish loss destruction damage or injury
- b) take all reasonable steps to comply with statutory requirements obligations and regulations imposed by any authority
- c) exercise care in the selection and supervision of **Employees**
- d) maintain all **Buildings** ways works machinery and plant in sound condition

As soon as possible after discovery of any defect or danger the **Insured** shall cause such defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require

3. Alteration

If a change of circumstance after the commencement of the insurance increases the risk of loss destruction damage or injury or the **Insured's** interest ceases except by will or operation of law or the **Business** is wound up or carried on by a liquidator or receiver or permanently discontinued the Policy shall be voidable by the **Insurer** from the date of the alteration unless the **Insurer** has agreed in writing to accept such alteration

4. Cancellation

The **Insurer** may cancel the Policy or any Section by giving 30 days' notice in writing by registered letter to the **Insured** at the **Insured's** last known address and in such event the **Insured** shall be entitled to a proportionate return of premium in respect of the unexpired term of the Policy

5. Payment of Premium

It is a condition precedent to the **Insurer's** liability that the premium for the Policy shall be paid when due

If the premium for the Policy is payable by instalments it is a condition precedent to the **Insurer's** liability that each instalment shall be paid when due. If a payment is not made the **Insurer** may cancel the Policy from the date when any unpaid instalment was due

6. Choice of Law

Both parties to this contract have a choice as to which law should be applied. In the absence of written agreement to the contrary English law applies to this contract

7. Observance of Terms

It is a condition precedent to the **Insurer's** liability that the **Insured** shall observe the terms of the Policy so far as they relate to anything to be done or complied with

8. Legal Representatives

In the event of the death of the **Insured** the **Insurer** will indemnify the **Insured's** legal personal representatives in respect of liability at law previously incurred by the **Insured** provided they observe fulfil and be subject to the terms conditions and limitations of the Policy to the extent that they can apply

GENERAL CONDITIONS CONTINUED

9. Third Party Rights

A person or company who is not a party to the Policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any clause or term of the Policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act

The **Insured** shall not assign or transfer their rights under the Policy without the written agreement of the **Insurer**

10. Subject to Survey

If any insurance by the Policy has been granted subject to the completion of a survey

- a) pending completion of such survey the terms conditions exclusions and Limits as specified in the Policy and Schedule shall apply
- b) following the completion of the survey if in the opinion of the **Insurer** the survey has identified additional risks which were not evident to the **Insurer** prior to the survey then the **Insurer** reserves the right to alter or amend the terms and conditions of the Policy or to suspend or withdraw cover immediately
- c) continuance of cover after the survey by the **Insurer** shall be subject to the **Insured** complying with the **Insurer's** acceptance criteria and the completion of any risk improvements required within the timeframe agreed with the **Insurer** otherwise the **Insurer** may at its option invoke the Cancellation Condition

11. Limit of Indemnity

All the Sums Insured Limits of Indemnity and any other restrictions on the amount of the **Insurer's** liability stated in the Policy shall apply as maximum limits to the **Insurer's** liability irrespective of the number of persons entitled to indemnity under the Policy

For the purposes of the Sums Insured Limits of Indemnity and any other restrictions on the amount of the **Insurer's** liability the **Insured** and all other persons entitled to be indemnified under the Policy shall be treated as one party or legal entity so that there shall be only a single contract of insurance between the **Insurer** as one party and the **Insured** and all other persons entitled to be indemnified as the other party

12. Insured's Contribution

Where stated in the Schedule the **Insured** shall be responsible for paying an **Excess** in relation to each claim made by the **Insured** under this Policy

13. Unoccupied Buildings

It is a condition precedent to the **Insurer's** liability that when any **Building** or portion thereof becomes **Unoccupied**

- a) the **Insured** must give immediate notice in writing to the **Insurer** of such unoccupancy and when any **Building** or portion thereof becomes re-occupied
- b) Insurable Perils 8, 9, 11, 12 and 13 specified in Section 1 and Section 2 are not operative
- c) the **Insured** or their authorised representative will
 - i. ensure all the main services are turned off or disconnected
 - ii. carry out a thorough inspection of the **Premises** on at least a weekly basis and carry out immediately any work necessary to maintain the security of the **Premises**
 - iii. remove all refuse and waste materials from the **Premises** following such inspection
 - iv. maintain a written record of such inspections
 - v. ensure the **Premises** are secured against unlawful entry

GENERAL EXCLUSIONS

This Policy does not cover

1. War Government Action Radioactive Contamination and Sonic Bangs

Damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from

- a) war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
- b) nationalisation confiscation requisition seizure or destruction by the government or any public authority
- c) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- d) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- e) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds

2. Terrorism and Civil Commotion

Damage to any **Property** whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss directly or indirectly caused by or contributed to by or arising from

- a) **Terrorism**
- b) civil commotion in Northern Ireland

In any action suit or other proceedings where the **Insurer** alleges that by reason of this Exclusion as far as it relates to **Terrorism** any **Damage** or resulting loss or expense or consequential loss is not covered by the Policy the burden of proving that such **Damage** loss expense or consequential loss is covered shall be upon the **Insured**

3. Date Recognition

Damage or consequential loss of whatsoever nature or liability for damages attaching to the **Insured** or any associated costs relating thereto arising directly or indirectly from or consisting of the failure or inability of any

- a) computer data processing equipment microchip integrated circuit or any similar device or any computer software or computer firmware
- b) media or systems used in connection with any of the above

whether the property of the **Insured** or not

- i. to recognise correctly any date as its true calendar date
- ii. to capture save or retain and/or correctly to manipulate interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date

but

- a) in respect of Section 1 and Section 2 this shall not exclude subsequent **Damage** not otherwise excluded which itself results from the **Insured Perils**
- b) this exclusion shall not apply to Section 4

GENERAL EXCLUSIONS CONTINUED

4. Marine Policies

Damage to Property which at the time of the happening of the **Damage** is insured by or would but for the existence of this Policy be insured by any marine policy or policies except in respect of any excess beyond the amount which would have been payable under the marine policy or policies had this Policy not been effected

5. Computer Virus

Damage to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property of the **Insured** or not where such damage is caused by **Virus or Similar Mechanism** or **Hacking** or **Denial of Service Attack** or consequential loss directly or indirectly caused by or arising from **Virus or Similar Mechanism** or **Hacking** or **Denial of Service Attack**

In the event of **Damage to Property** insured at the **Premises** from an **Insured Peril** during the Period of Insurance the **Insurer** will indemnify the **Insured** for the loss or amount of **Damage** or at its option replace or reinstate such **Property** in accordance with the provisions of the Policy and provided that during the Period of Insurance the liability of the **Insurer** under this Section shall not exceed the lesser of

- a) in respect of any item its Sum Insured or Limit stated in the Policy or the Schedule at the time of the **Damage**
- b) the Sum Insured or Limit remaining after deduction for any other **Damage** in the same Period of Insurance unless the **Insurer** has agreed to reinstate any such Sum Insured or Limit

SECTION 1 – MATERIAL DAMAGE

Insurable Perils

The following are the Insurable Perils operative as **Insured Perils** if stated in the Schedule

1. Fire

Excluding **Damage** caused by

- a) its own spontaneous fermentation or heating or its undergoing any heating process or any process involving the application of heat
- b) explosion resulting from fire

2. Lightning

3. Explosion

Excluding **Damage** caused by the bursting by steam pressure of a boiler economiser or other vessel machine or apparatus in which internal pressure is due to steam only belonging to or under the control of the **Insured**

However this exclusion does not apply to **Damage** caused by the explosion of any boiler or gas used only for domestic purposes

4. Aircraft or other aerial devices or articles dropped from them

5. Earthquake and subterranean fire

6. Riot civil commotion strikers locked out workers persons taking part in labour disturbances or malicious persons

Excluding **Damage**

- a) arising from cessation of work or due to confiscation nationalisation seizure requisition or destruction by order of the government or any public authority
- b) by theft or attempted theft
- c) whilst any **Building** is **Unoccupied**

7. Theft or attempted theft involving entry to or exit from the Buildings at the Premises by forcible and/or violent means or actual or threatened hold up assault or violence

Excluding

- a) loss from any structure which is incapable of being locked
- b) **Damage**
 - i. in respect of **Property** in the open
 - ii. whilst any **Building** is Unoccupied
 - iii. expedited or in any way brought about by the **Insured** or any partner director or **Employee** of the **Insured**
 - iv. caused by a **Tenant** to the portion of the **Buildings** which they occupy

8. Storm

Excluding **Damage**

- a) caused by frost subsidence ground heave or landslip
- b) attributable solely to change in the water table level
- c) to fences gates and moveable **Property** in the open or in open fronted or open sided **Buildings**

SECTION 1 – MATERIAL DAMAGE CONTINUED

9. Flood

Excluding **Damage**

- a) caused by frost subsidence ground heave or landslip
- b) attributable solely to change in the water table level
- c) to fences gates and moveable **Property** in the open or in open fronted or open sided **Buildings**

10. Impact by any road vehicles or animals

11. Escape of water from any tank apparatus or pipe or escape of oil from any fixed oil-fired heating installation

Excluding **Damage**

- a) by water discharged or leaking from any automatic sprinkler installation
- b) whilst any **Building** is **Unoccupied**

12. Accidental escape of water from any automatic sprinkler installation

Excluding **Damage** occasioned by or attributable to

- a) heat caused by fire
- b) freezing whilst any **Building** is **Unoccupied**
- c) repairs alterations or extensions to the **Buildings** and/or sprinkler installations

13. Accidental damage

Excluding **Damage**

- 1) caused by any other Insurable Peril
- 2) to a **Building** or structure caused by its own collapse or cracking
- 3) to **Property** insured caused by **Pollution or Contamination** other than **Damage** caused by
 - a) **Pollution or Contamination** which itself results from an **Insured Peril**
 - b) an **Insured Peril** which itself results from **Pollution or Contamination**
- 4) to
 - a) vehicles licensed for road use (including accessories on them) caravans trailers railway locomotives rolling stock watercraft or aircraft
 - b) property or structures in the course of construction or erection and materials or supplies in connection with all such property or structures in the course of construction
 - c) land road pavements piers jetties bridges culverts or excavations
 - d) livestock growing crops or trees
- 5) to **Property** resulting from its undergoing any process of production packing treatment testing commissioning servicing adjustment or repair
- 6) to **Property** insured caused by or consisting of
 - a) inherent vice latent defect gradual deterioration wear and tear frost or change in water table level
 - b) its own faulty or defective design or materials
 - c) faulty or defective workmanship operational error or omission on the part of the **Insured** or any of their **Employees**but this shall not exclude subsequent **Damage** which results from a cause not otherwise excluded
- 7) caused by
 - a) corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects

SECTION 1 – MATERIAL DAMAGE CONTINUED

- b) change in temperature colour flavour texture or finish
- c) joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping connected to them
- d) mechanical or electrical breakdown or derangement in respect of the particular machines apparatus or equipment in which the breakdown or derangement originates but this shall not exclude such **Damage** not otherwise excluded which itself results from any other accidental damage or subsequent **Damage** which itself results from a cause not otherwise excluded
- 8) caused by disappearance unexplained or inventory shortage misfiling or misplacing of information
- 9) caused by acts of fraud or dishonesty
- 10) in respect of jewellery precious stones precious metals bullion or furs
- 11) occasioned by delay embargo nationalisation confiscation requisition seizure or destruction by the government or any public authority
- 12) caused by electrical or magnetic injury disturbance or erasure of electronic records

14. Subsidence ground heave or landslip

Excluding **Damage**

- a) to outbuildings yards pipes cables wires ducting car parks pavements walls gates and fences unless the structure of the main **Buildings** is also affected
- b) arising from the settlement or movement of made-up ground or by coastal or river erosion
- c) occurring as a result of the construction demolition structural alteration or structural repair of any property at the **Premises**
- d) arising from normal settlement or bedding down of new structures
- e) which originated prior to the granting of this cover

Additional Cover

Glass

The **Insurer** will indemnify the **Insured** in respect of **Damage** to glass for which the **Insured** is responsible at the **Premises** occurring during the Period of Insurance

Following **Damage** to glass at the **Premises** the **Insurer** will also indemnify the **Insured** in respect of

- a) the reasonable cost of reinstating Intruder Alarm Systems damaged as a result of glass breakage
- b) any boarding up costs reasonably incurred
- c) any **Damage** to framework and **Landlords' Contents** caused by the impact of falling glass

The **Insurer** will also indemnify the **Insured** for **Damage** at the **Premises** to sanitaryware (fixed baths washbasins pedestals bidets shower trays sinks lavatory pans and cisterns)

The liability of the **Insurer** under a) b) and c) shall be restricted to £2,500 for any one loss

Exclusions

The **Insurer** shall not be liable for **Damage** to glass

- a) caused by repairs or alterations to the **Premises**
- b) caused by alteration installation or removal
- c) in any **Building** which is **Unoccupied**

Extensions to Section 1

1. Underground Services

The **Insurer** will indemnify the **Insured** for **Damage** to underground water pipes gas pipes electricity and telephone cables extending from the public mains to the **Premises** from the **Insured Perils** but only to the extent of the **Insured's** responsibility

SECTION 1 – MATERIAL DAMAGE CONTINUED

2. Theft of Keys and Lock Replacement

The **Insurer** will indemnify the **Insured** for the cost of replacing locks and keys to the **Buildings** safes strongrooms or tills subject to an aggregate maximum of £2,500 in any one Period of Insurance provided that

- a) the original keys were stolen from the **Buildings** or the private residence of the **Insured** or any authorised **Employee**
- b) **Damage** by theft is not excluded in its entirety

3. Landscaped Gardens

The **Insurer** will indemnify the **Insured** for costs and expenses incurred by the **Insured** with the consent of the **Insurer** in making good **Damage** to landscaped gardens and grounds caused by Fire Brigade equipment and personnel in the course of combating or reducing **Damage** from the **Insured Perils** at the **Premises** subject to an aggregate maximum of £25,000 in any one Period of Insurance

4. Loss of Metered Water

The **Insurer** will indemnify the **Insured** for the unit cost of metered water calculated at the current rate per cubic metre consumed as a direct result of **Damage** from the **Insured Perils** to any tank apparatus or pipe not being automatic sprinkler installations at the **Premises** subject to a maximum of £5,000 for any one loss

5. Trace and Access

The **Insurer** will indemnify the **Insured** for the reasonable costs incurred in locating the source of an escape of water or fuel from any tank apparatus or pipe on the **Premises** and subsequent making good of **Damage** caused as a consequence of locating such source subject to a maximum of £5,000 for any one loss and an aggregate maximum of £25,000 in any one Period of Insurance

6. Clearing of Drains

The **Insurer** will indemnify the **Insured** for the costs and expenses necessarily and reasonably incurred in cleaning clearing or repairing drains gutters or sewers at the **Premises** as a consequence of **Damage** from the **Insured Perils** subject to a maximum of £5,000 for any one loss

7. Fire Extinguishment Expenses

The **Insurer** will indemnify the **Insured** for costs reasonably and necessarily incurred with the consent of the **Insurer** in refilling fire extinguishment appliances replacing used sprinkler heads and refilling sprinkler tanks in the event of **Damage** to insured **Property** caused by fire subject to a maximum of £5,000 for any one loss

8. Gardening Equipment

The **Insurer** will indemnify the **Insured** for **Damage** to gardening equipment owned by the **Insured** at the **Premises** from the **Insured Perils** subject to

- a) maximum of £1,000 for any one loss
- b) **Insured Perils** 8 and 9 being inoperative whilst gardening equipment is in the open
- c) **Insured Peril** 7 being inoperative unless the gardening equipment is stored within a locked **Building**

9. Unauthorised Use of Supplies

The **Insurer** will indemnify the **Insured** for the cost of water gas electricity or other metered supply charges incurred by the **Insured** and for which the **Insured** is legally responsible up to a maximum of £10,000 for any one loss due to unauthorised use by persons taking possession of or occupying any **Building** without

SECTION 1 – MATERIAL DAMAGE CONTINUED

the written consent of the **Insured** provided that

- a) the **Insured** shall take all practicable steps to terminate such unauthorized use as soon as it is discovered
- b) General Condition 14 of the Policy has been complied with by the **Insured**
- c) immediate notification of such possession is given to the **Insurer** upon the **Insured** becoming aware of it

Clauses

1. Non-invalidating

This insurance shall not be invalidated by any act or omission or alteration unknown to or beyond the control of the **Insured** whereby the risk of **Damage** is increased as long as immediately the **Insured** becomes aware of the increase in risk they inform the **Insurer** in writing and pay an appropriate additional premium if required by the **Insurer**

2. Reinstatement of Losses

Unless written notice to the contrary be given by either the **Insurer** or the **Insured** the insurance by this Section shall not be reduced by the amount of any loss and the **Insured** shall pay the appropriate additional premium from the date of the **Damage** to the date of expiry of the Period of Insurance

3. Freeholder Lessors and Mortgagees

The interest of any freeholder lessor or mortgagee shall not be prejudiced by any act or neglect of any leaseholder lessee mortgagor or occupier which may increase the risk of **Damage** to any **Building** insured by the Policy provided the freeholder lessor or mortgagee immediately upon becoming aware of such increase in risk shall give notice to the **Insurer** and pay an appropriate additional premium if required

4. Property more specifically insured

The **Insurer** shall not be liable for **Damage** to any **Property** insured more specifically by or on behalf of the **Insured**

Basis of Settlement Clauses

1. Average

If the **Property** covered by this Policy shall at the time of the **Damage** be collectively of greater value than the sums insured then the **Insured** shall be considered as being their own insurer for the difference and shall bear a rateable share of their **Damage** accordingly

2. Property Insured – Reinstatement

In the event of **Damage** to **Property** insured the basis of settlement shall be the cost of reinstatement meaning the rebuilding replacement repair or restoration of such **Property** to a condition substantially the same as but not better or more extensive than its condition when new

Special Provisions

- i. The replacement must be carried out without undue delay and no payment beyond the amount which would have been paid in the absence of this clause will be made until the cost of reinstatement has been incurred
- ii. Where **Damage** occurs to only part of the **Property** the liability of the **Insurer** shall not exceed the amount which the **Insurer** would have been liable to pay had the **Property** been wholly destroyed

SECTION 1 – MATERIAL DAMAGE CONTINUED

- iii. If at the time of reinstatement of any item the sum representing 85% of the cost which would have been incurred in reinstating the whole of the **Property** covered by such item exceeds its Sum Insured at the time of the **Damage** the liability of the **Insurer** shall not exceed that proportion of the amount of the **Damage** which the said Sum Insured shall bear to the sum representing the total cost of reinstating the whole of such **Property** at that time

3. Property Insured – Day One

For any item specified on the Schedule as being on Day One Basis of Settlement the following will replace Basis of Settlement Clause 1 above

In the event of **Damage to Property** insured other than **Stock** and **Computers** the basis of settlement shall be the cost of reinstatement meaning the rebuilding replacement repair or restoration of such **Property** to a condition substantially the same as but not better or more extensive than its condition when new Special Provisions relating to **Property** insured other than **Stock** and **Computers**

- a) At the inception of each Period of Insurance the **Insured** shall notify the **Insurer** of the **Declared Value** of the **Property** insured by each item described in the Schedule
- b) If at the time of **Damage** the **Declared Value** of the **Property** insured by each item is less than the cost of reinstatement at the inception of the Period of Insurance the liability of the **Insurer** shall not exceed the proportion which the **Declared Value** bears to the costs of such reinstatement
- c) Where **Damage** occurs to only part of the **Property** the liability of the **Insurer** shall not exceed the amount which the **Insurer** would have been liable to pay had the **Property** been wholly destroyed
- d) The replacement must be carried out without undue delay and no payment beyond the amount which would have been paid in the absence of this clause will be made until the cost of reinstatement has been incurred
- e) No payment will be made beyond the amount the **Insurer** would have paid where **Property** insured at the time of **Damage** is covered by any other insurance effected by the **Insured** or on behalf of the **Insured** which is not on the same basis of reinstatement

4. Index Linking

Where so indicated in the Schedule the Sums Insured for **Buildings and Landlords Contents** shall be adjusted in accordance with fluctuations in suitable indices of cost to be decided upon by the **Insurer**. At each renewal of the Policy the premium shall be calculated on the revised Sums Insured⁴.

5. European and Public Authorities

The **Insurer** will indemnify the **Insured** for the additional cost of

- a) reinstating the damaged parts of the **Buildings**
- b) upgrading any undamaged parts of the **Buildings**

or an amount not exceeding 15% of the amount that would have been payable if the **Buildings** had been totally destroyed incurred solely by the necessity to comply with any building or other statutory regulations or public authority byelaw or European Community Legislation excluding

- i. any cost resulting from any such requirement first imposed upon the **Insured** before the date of the **Damage**
- ii. the amount of any rate tax duty development or other charge arising out of capital appreciation as a result of complying with any such requirements which may be payable in respect of the **Buildings**

Conditions

- a) The work of reinstatement must be completed within 12 months of the date of the **Damage** or such further period as the **Insurer** may in writing allow

SECTION 1 – MATERIAL DAMAGE CONTINUED

- b) The liability of the **Insurer** for **Damage** to such **Property** including such costs and expenses shall not exceed the Sum Insured stated in the Schedule

5. Removal of Debris

This insurance includes the necessary and reasonable costs incurred in respect of removal of debris of **Property** insured resulting from **Damage** from an **Insured Peril** excluding

- a) costs incurred in removing debris except from the site of such **Damage** and the area immediately adjacent to such site
- b) costs arising from **Pollution or Contamination** of property not insured by this Section

The liability of the **Insurer** for **Damage** to such **Property** including such costs and expenses shall not exceed the Sums Insured stated in the Schedule

6. Capital Additions

To the extent that they are not otherwise insured the insurance of **Buildings** and **Landlord's Contents** shall extend to cover

- a) alterations additions and improvements to **Buildings** and **Landlord's Contents** but not appreciation of the value of the **Property**
- b) any newly erected or acquired **Buildings** and **Landlord's Contents** within the **Territorial Limits** from the commencement date of the responsibility of the **Insured**

subject to

- i. the **Insured** advising the **Insurer** of the amendments as soon as practicable on becoming aware of the increase in the extent of cover required and paying the appropriate additional premium
- ii. the Sums Insured for **Buildings** and **Landlord's Contents** at each location only being increased by the value of the additional **Property** up to no more than 10% of the existing Sums Insured or £250,000 whichever is the lesser at any one location

7. Professional Fees

The insurance by each item on **Buildings** and **Landlord's Contents** includes an amount for reasonable architects' surveyors' consulting engineers' and legal fees necessarily and reasonably incurred in the reinstatement or repair of the **Property** consequent upon its **Damage** but not for preparing any claim. The total liability of the **Insurer** for **Damage** to any **Property** including such fees shall not exceed the Sums Insured stated in the Schedule

8. Contracting Purchaser

Where the **Insured** at the time of **Damage** has contracted to sell their interest in any insured **Building** and the purchase is subsequently completed the contracting purchaser shall be entitled to benefit under the Policy provided that the **Building** is not otherwise insured by the **Insured** or on their behalf

9. Subrogation Waiver

In the event of a claim arising under this Section the **Insurer** agrees to waive any rights remedies or relief to which it might become entitled by subrogation against

- a) any company standing in the relation of parent or subsidiary to the **Insured** or any company which is a subsidiary of or a parent company of which the **Insured** themselves are subsidiary in each case within the meaning of the Companies Act or Companies (Northern Ireland) Order current at the time of the **Damage**
- b) a **Tenant** in respect of **Damage** to the part of the **Buildings** which they occupy or to common parts of the **Buildings** unless the **Damage** arises out of a criminal fraudulent or malicious act of the **Tenant**

SECTION 1 – MATERIAL DAMAGE CONTINUED

10. Other Interests

Interests of third parties which the **Insured** is required to include herein under the terms of any mortgage property lease or hiring leasing or hire purchase agreement are automatically deemed to be held covered subject to notification by the **Insured** to the **Insurer** at the time of the **Damage**

11. Business Books

The basis of settlement of any claim for business books shall be their value as stationery together with the cost of clerical labour expended in their reproduction

Condition

1. Roof Maintenance Condition

It is a condition precedent to the **Insurer's** liability under Section 1 that

- a) any flat felted roof or part thereof of the **Premises** shall be inspected at least once every two years by a qualified builder or property surveyor and any defect identified by that inspection shall be repaired immediately
- b) any guttering is checked for blockages or defects by a competent person at inception of the Policy and at six monthly intervals thereafter and any remedial action required is immediately implemented
- c) a record of all inspections shall be made and retained by the **Insured** and provided to the **Insurer** upon request

SECTION 2 – LOSS OF RENT

In the event of **Damage** to the **Property** used by the **Insured** for the purposes of the **Business** carried on by the **Insured** at the **Premises** during the Period of Insurance from the **Insured Perils** under Section 1 resulting in loss of **Rent Receivable** the **Insurer** will indemnify the **Insured** in respect of the amount of the loss of **Rent Receivable** provided that

- a) such **Damage** is covered under Section 1 of this Policy and that liability shall be admitted or payment made therefore or
- b) payment would have been made or liability admitted but for the operation of a proviso in the insurance excluding liability for losses below a specified amount

The liability of the **Insurer** under this Section shall not exceed in respect of any item its Sum Insured or Limit stated in this Policy or the Schedule at the time of the event

Clause

Reinstatement Following a Loss

The liability of the **Insurer** under this Section shall not exceed the Sum Insured or Limit remaining after deduction for any other interruption or interference resulting from **Damage** occurring during the same Period of Insurance unless the **Insurer** has agreed to reinstate any such Sum Insured or Limit

Basis of Settlement Clauses

1. Rent Receivable

The **Insurer** will pay as indemnity to the **Insured** the amount of their loss in respect of

- a) the amount by which the **Rent Receivable** during the **Indemnity Period** shall fall short of the **Standard Rent Receivable** as a result of the **Damage**
- b) the amount of additional expenditure incurred by the **Insured** as a result of the **Damage** but not exceeding the loss of **Rent Receivable** thereby avoided

provided that if the Sum Insured for loss of **Rent Receivable** is less than the **Standard Rent Receivable** the amount payable shall be proportionately reduced

2. Alternative Accommodation

The **Insurer** will indemnify the **Insured** for costs reasonably incurred for alternative accommodation and temporary storage of **Tenants'** furniture if as a result of **Damage** from the **Insured Perils** the occupied **Buildings** are rendered unfit for occupation or access to them is denied subject to a maximum of 20% of the Sum Insured applying to the **Buildings** or to the parts of the **Buildings** damaged for any one loss

3. Managing Agents' Charges

The **Insurer** will pay to the **Insured** the reasonable charges payable to their managing agents necessarily incurred in connection with re-letting the **Premises** following **Damage** insured under Section 1

4. Accountants' and Auditors' Charges

The **Insurer** will pay to the **Insured** the reasonable charges payable by the **Insured** to their professional accountants and auditors for producing and certifying any particulars or details or any other proofs information or evidence as may be required by the **Insurer** under the terms of this Section and reporting that such particulars or details are in accordance with the **Insured's** books or documents

5. Value Added Tax

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

SECTION 2 – LOSS OF RENT CONTINUED

6. Payments on Account

Payments on account will be made to the **Insured** during the **Indemnity Period** if so requested subject to appropriate adjustment at the end of the **Indemnity Period**

Extensions to Section 2

The liability of the **Insurer** includes loss as insured by this Section resulting from interruption or interference with the **Business** in consequence of

1. Denial of Access

Damage from the **Insured Perils** to property in the vicinity of the **Premises** which shall prevent or hinder the use of or access to the **Insured's Premises** whether or not there has been **Damage** to the **Premises** or **Property** of the **Insured** but excluding the property of any supply undertaking from which the **Insured** obtains electricity gas water or telecommunications services subject to a maximum of £100,000 for any one loss

2. Managing Agents' Premises

Damage from the **Insured Perils** at the premises of the **Insured's** managing agents within Great Britain Northern Ireland the Channel Islands or the Isle of Man subject to a maximum of £10,000 any one loss

3. Accidental Failure of Public Supply

Accidental failure at the terminal ends of the public supply undertakings' feed to the **Premises** of electricity gas water or telecommunications services as a direct result of **Damage** from the **Insured Perils** subject to a maximum of £100,000 for any one loss excluding atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite and providing the cessation of supply is of at least 30 minutes in respect of electricity gas or water and for a minimum of 8 consecutive hours in respect of telecommunications

4. Documents

Damage from the **Insured Perils** to documents belonging to or held in trust by the **Insured** whilst temporarily at premises not in the occupation of the **Insured** or whilst **In Transit** by road rail or inland waterway in Great Britain Northern Ireland the Channel Islands or the Isle of Man subject to a maximum of £25,000 for any one loss

Exclusion

The **Insurer** shall not be liable under this Section for loss arising directly or indirectly from

- a) erasure loss distortion or corruption of information on computer systems or other records programmes or software caused deliberately by rioters strikers locked out workers persons taking part in labour disturbances or civil commotion or malicious persons
- b) other erasure loss distortion or corruption of information on computer systems or other records programmes or software unless resulting from the **Insured Perils** insofar as it is not otherwise excluded

SECTION 3 – PROPERTY OWNERS’ LIABILITY

In the event of accidental

- a) **Injury** to any person
- b) physical loss of or physical damage to material property
- c) obstruction trespass nuisance or interference with any right of way light air or water
- d) wrongful arrest detention imprisonment or eviction of any person malicious prosecution or invasion of the right of privacy

occurring during the Period of Insurance and arising out of ownership of the **Premises** the **Insurer** will indemnify the **Insured** in respect of all sums which the **Insured** become legally liable to pay as compensation and claimant’s costs and expenses

The **Insurer** will also pay **Legal Costs** and **Solicitors’ Fees**

Limit of Indemnity

The liability of the **Insurer** under this Section for compensation in respect of

- a) one occurrence or all occurrences of a series consequent on or attributable to one source or original cause
- b) all **Pollution or Contamination** which is deemed to have occurred during any Period of Insurance shall not exceed the Limit of Indemnity stated in the Schedule

Extensions to Section 3

1. Consumer Protection and Food Safety Acts – Legal Defence Costs

The **Insurer** will indemnify the **Insured** and at the **Insured’s** request any director partner or **Employee** of the **Insured** against **Legal Costs** incurred with the **Insurer’s** written consent in connection with the defence of any proceedings or an appeal against conviction arising from such proceedings brought for a breach of

- a) Part 2 of the Consumer Protection Act 1987 or
- b) Section(s) 7 8 14 and/or 15 of the Food Safety Act 1990

committed or alleged to have been committed in the course of the **Business** during the Period of Insurance

Provided that this indemnity shall not apply to

- i. the payment of fines or penalties
- ii. proceedings or appeals in respect of any deliberate act or omission by the **Insured**
- iii. costs or expenses insured by any other policy

2. Court Attendance Compensation

The **Insurer** will indemnify the **Insured** for the costs of attendance at court to help defend or act as a witness in connection with any claim for which the **Insured** is entitled to indemnity under this Section and with the **Insurer’s** agreement up to a maximum of £250 per day per person

3. Cross Liabilities

Where the **Insured** comprises more than one party the **Insurer** shall treat each party as the **Insured** as if a separate Policy had been issued to each provided that nothing in this Extension shall increase the liability of the **Insurer** beyond the amount for which the **Insurer** would have been liable had this Extension not applied

SECTION 3 – PROPERTY OWNERS’ LIABILITY CONTINUED

4. Data Protection Act

The **Insurer** will indemnify the **Insured** against liability at law incurred by the **Insured** under Section 13 of the Data Protection Act 1998 in connection with personal data

(as defined in such Act) held by the **Insured** provided always that the **Insurer** shall not be liable for

- a) the payment of fines and penalties
- b) the cost of replacing reinstating rectifying or erasing any personal data

5. Defective Premises Act

The **Insurer** will indemnify the **Insured** in respect of any legal liability incurred by the **Insured** during the Period of Insurance under the terms of the Defective Premises Act 1972 or the Defective Premises (Northern Ireland) Order 1975 in connection with any business premises or land which have been disposed of by the **Insured**

Provided that the **Insurer** shall not be liable

- a) for the cost of remedying any defect or alleged defect in the premises disposed of
- b) if the **Insured** is entitled to indemnity from any other source

6. Health and Safety at Work – Legal Defence Costs

The **Insurer** will indemnify the **Insured** and at the **Insured's** request any director or partner of the **Insured** or any **Employee** against **Legal Costs** incurred in defending prosecutions for a breach of the Health and Safety at Work Act 1974 or similar legislation in Northern Ireland the Channel Islands or the Isle of Man committed or alleged to have been committed in the course of the **Business** during the Period of Insurance. The **Insurer** will also pay prosecution costs awarded and the costs incurred with its written consent in appealing against any judgment given

Provided that this indemnity shall not apply to the payment of fines or penalties

7. Indemnity to Other Parties

If the **Insured** so request the **Insurer** will indemnify the following parties

- a) any member of the **Insured's** first aid provision (but excluding medical practitioners) against liability incurred in such capacity
- b) any partner director or **Employee** of the **Insured** against liability incurred in such capacity and in respect of which the **Insured** would have been entitled to indemnity under this Section if the claim had been made against the **Insured** as though each party was individually named as the **Insured** in this Section
- c) any **Principal** for whom the **Insured** have agreed to execute work under contract or agreement against liability arising out of the performance of such work by the **Insured** and in respect of which the **Insured** are legally liable and would have been entitled to indemnity under this Section if the claim had been made against the **Insured**

Provided that

- i. each such party shall observe fulfil and be subject to the terms and conditions of this Section insofar as they can apply
- ii. the **Insurer's** liability to the **Insured** and all parties indemnified shall not exceed in total the Limit of Indemnity stated in the Schedule

SECTION 3 – PROPERTY OWNERS’ LIABILITY CONTINUED

Exclusions

The indemnity granted under this Section shall not apply to

1. Advice and Design

Liability arising from advice design formula specification inspection certification or testing provided by or on behalf of the **Insured** for a fee or in circumstances where a fee would normally be charged

2. Damage to Goods Supplied

Liability in respect of

- a) damage to any goods or other property sold supplied delivered installed or erected by or on behalf of the **Insured**
- b) all costs of or arising from the need for making good removal repair rectification replacement or recall of any such goods or property or any defective work carried out by or on behalf of the **Insured**

3. Products Supplied

Liability in respect of **Injury** loss or damage arising from **Products Supplied** but this Exclusion shall not apply to

- a) any food or drink supplied to partners directors **Employees** or non-paying guests of the **Insured**
- b) the disposal of furniture and office equipment originally intended solely for the use of the **Insured** in connection with the **Business**

4. Fines

Liability in respect of liquidated damages fines penalties exemplary punitive aggravated or multiplied damages

5. Injury to Employees

Liability in respect of **Injury** to any **Employee** arising out of and in the course of the employment or engagement of such person by the **Insured**

6. Mechanically Propelled Vehicles

Liability arising out of the ownership possession or use by or on behalf of the **Insured** of any mechanically propelled vehicle or trailer attached thereto which is required by any road traffic legislation to be the subject of compulsory insurance or other security but this Exclusion shall not apply

- a) while such vehicle is being used as a tool of trade (other than in respect of liability which is compulsorily insurable under road traffic legislation)
- b) in respect of the loading or unloading of such vehicle or the delivery or collection of goods to or from such vehicle except where more specifically insured by any other policy

7. Pollution or Contamination

Liability arising

- a) out of **Pollution or Contamination** unless 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 provided that all **Pollution or Contamination** arising out of one incident shall be deemed to have occurred at the time such incident takes place
- b) directly or indirectly by **Pollution or Contamination** occurring in the United States of America or Canada or their dependencies or trust territories

SECTION 3 – PROPERTY OWNERS’ LIABILITY CONTINUED

8. Property in the Charge or Control of the Insured

Liability in respect of loss or damage to any property belonging to or in the charge or control of the **Insured** other than

- a) personal effects or vehicles of any partner director or **Employee** of or visitor to the **Insured**
- b) premises (and their contents) not belonging leased rented or hired to the **Insured** but temporarily in the charge of the **Insured** for the purpose of carrying out work
- c) premises (including their fixtures and fittings) leased rented or hired to the **Insured** but this Section does not cover liability attaching to the **Insured** solely under the terms of any tenancy or other agreement

9. Vessels or Craft

Liability arising out of ownership possession or use by or on behalf of the **Insured** of any vessel craft or mobile plant designed to travel in on or through water air or space (other than hand-propelled watercraft)

10. Asbestos

Any liability of whatsoever nature arising out of the manufacture mining processing distribution testing remediation removal storage disposal sale use of or exposure to asbestos or materials or products containing asbestos

This Exclusion shall not apply in respect of such removal storage or disposal provided that

- a) the **Insurer’s** liability in respect of **Injury** loss or damage occurring during any one Period of Insurance shall not exceed £2,000,000 in the aggregate or the amount of the Limit of Indemnity for this Section as stated in the Schedule whichever is the lower
- b) such activity does not form part of the **Insured’s** usual trade or **Business** or contract
- c) the discovery of asbestos by the **Insured** is unintentional and accidental
- d) upon discovery of asbestos or products made entirely or mainly of asbestos all work immediately stops
- e) an HSE licensed asbestos removal contractor who has Employers’ Liability and Public and Products Liability insurances in force that
 - i. provide Limits of Indemnity no less than those stated in the Schedule and
 - ii do not exclude the work to be carried out is contracted if legally required to make safe the area in which the discovery is made as soon as is practicable

11. Contractual Liability

Liability which attaches because of a contract or agreement but which would not have attached in the absence of such contract or agreement

12. Slings and Cradles

Liability for **Injury** or loss or damage arising out of the operation of a sling or cradle

SECTION 3 – PROPERTY OWNERS’ LIABILITY CONTINUED

Conditions

1. Discharge of Liability

The **Insurer** may at any time pay to the **Insured** in connection with any claim or series of claims

- a) the amount of the Limit of Indemnity or
- b) any lesser amount for which such claim or claims can be settled less any sum or sums already paid as compensation claimant’s costs and expenses **Legal Costs** and **Solicitors’ Fees** recoverable prior to the date of such payment

On payment the **Insurer** shall relinquish the conduct and control of and be under no further liability in connection with such claim or claims except for the payment of costs and expenses incurred prior to the date of such payment

2. Other Insurances

If any claim under this Section is also covered in whole or in part by any other existing insurance or by an indemnity from any other source the liability of the **Insurer** shall be limited to any excess beyond the amount which would have been payable under such other insurance or from such other source had this Section not been effected

3. Bona Fide Subcontractors

It is a condition precedent to any liability of the **Insurer** in respect of injury loss destruction or damage arising out of work at the **Premises** commencing within the Period of Insurance carried out on behalf of the **Insured** by bona fide subcontractors that the **Insured** obtain and retain a written record that such subcontractors have in force throughout the duration of any work undertaken by them for the **Insured** the following insurance

- a) Employers’ Liability in accordance with any law relating to compulsory insurance of liability to **Employees**
- b) Public Liability insurance covering legal liability for **Injury** to any person other than described in a) above and loss destruction or damage to property with a Limit of Indemnity not less than the Limit stated in the Schedule

This condition does not apply where bona fide subcontractors are engaged to carry out work on behalf of the **Insured** in an emergency and there is insufficient time to obtain a written record from such subcontractor provided the **Insured** shall obtain verbal confirmation and confirm such information in writing and retain a copy as a written record

SECTION 4 – EMPLOYERS’ LIABILITY

This Section of the Policy is operative only if stated in the Schedule

In the event of **Injury** sustained by any **Employee** of the **Insured** occurring during the Period of Insurance and arising out of and in the course of their employment by the **Insured** for the purposes of the **Business** within the **Territorial Limits** the **Insurer** will indemnify the **Insured** in respect of all sums for which the **Insured** become legally liable to pay as compensation and claimant’s costs and expenses in respect of such **Injury**

The **Insurer** will also pay **Legal Costs** and **Solicitors’ Fees**

Limit of Indemnity

The liability of the **Insurer** under this Section for compensation and claimant’s costs and expenses (and **Legal Costs** and **Solicitors’ Fees**) in respect of one occurrence or all occurrences of a series consequent on or attributable to one source or original cause shall not exceed the Limit of Indemnity stated in the Schedule

Section Definitions

Territorial Limits

- a) Great Britain Northern Ireland the Isle of Man or the Channel Islands
- b) anywhere in the World except for the United States of America or Canada or their dependencies or trust territories unless specifically agreed by the **Insurer** caused by **Products Supplied** from or worked upon in the territories specified in a) above

Extensions to Section 4

1. Court Attendance Compensation

The **Insurer** will indemnify the **Insured** for the costs of attendance at court to help defend or act as a witness in connection with any claim for which the **Insured** is entitled to indemnity under this Section and with the **Insurer’s** agreement up to a maximum of £250 per day per person

2. Health and Safety at Work – Legal Defence Costs

The **Insurer** will indemnify the **Insured** and at the **Insured’s** request any director or partner of the **Insured** or any **Employee** against **Legal Costs** incurred in defending prosecutions for a breach of the Health and Safety at Work Act 1974 or similar legislation in Northern Ireland the Channel Islands or the Isle of Man committed or alleged to have been committed in the course of the **Business** during the Period of Insurance. The **Insurer** will also pay prosecution costs awarded and the costs incurred with its written consent in appealing against any judgment given

Provided that this indemnity shall not apply to the payment of fines or penalties

3. Indemnity to Other Parties

If the **Insured** so request the **Insurer** will indemnify the following parties

- a) any member of the **Insured’s** first aid provision (but excluding medical practitioners) against liability incurred in such capacity
- b) any partner director or **Employee** of the **Insured** against liability incurred in such capacity and in respect of which the **Insured** would have been entitled to indemnity under this Section if the claim had been made against the **Insured** as though each party was individually named as the **Insured** in this Section
- c) any **Principal** for whom the **Insured** have agreed to execute work under contract or agreement against liability arising out of the performance of such work by the **Insured** and in respect of which

SECTION 4 – EMPLOYERS’ LIABILITY CONTINUED

the **Insured** are legally liable and would have been entitled to indemnity under this Section if the claim had been made against the **Insured**

Provided that

- i. each such party shall observe fulfil and be subject to the terms and conditions of this Section insofar as they can apply
- ii. the **Insurer’s** liability to the **Insured** and all parties indemnified shall not exceed in total the Limit of Indemnity stated in the Schedule

4. Unsatisfied Court Judgments

In the event of a judgment for damages being obtained by any **Employee** or the personal representatives of any **Employee** in respect of **Injury** caused to the **Employee** during any Period of Insurance and occurring in connection with the **Business** against any person or company operating from premises in Great Britain Northern Ireland the Channel Islands or the Isle of Man in any court situate in these territories and remaining unsatisfied in whole or in part six months after the date of such judgment the **Insurer** will at the **Insured’s** request pay to the **Employee** or the personal representatives of the **Employee** the amount of such damages and any awarded costs to the extent that they remain unsatisfied

Provided that

- a) there is no appeal outstanding
- b) if any payment is made under the terms of this Extension the **Employee** or the personal representatives of the **Employee** shall assign the judgment to the **Insurer**

5. Corporate Manslaughter and Corporate Homicide – Legal Defence Costs

The **Insurer** will indemnify the **Insured** against **Legal Costs** incurred with the **Insurer’s** written consent in defending prosecutions under the Corporate Manslaughter and Corporate Homicide Act 2007 committed or alleged to have been committed in the course of the **Business** during the Period of Insurance. The **Insurer** will also pay prosecution costs awarded and the costs incurred with its written consent in appealing against any judgment given provided that this indemnity shall not apply to the payment of fines or penalties or the costs of remedial orders or publicity orders

Exclusions

The **Insurer** shall not be liable for

1. liability in respect of **Injury** to any **Employee** arising out of the ownership possession or use by or on behalf of the **Insured** of any mechanically propelled vehicle or trailer attached thereto if such liability is required by any road traffic legislation to be the subject of compulsory insurance or other security
2. liability in respect of **Injury** to any **Employee** who is working in or on any **Offshore Installation** or any support vessel for any **Offshore Installation** or whilst in transit to or from any **Offshore Installation** or support vessel
3. liability in respect of **Injury** to any **Employee** who is working in or on a sling or cradle

Conditions

1. Certificate of Employers’ Liability Insurance

If this Policy or Section is cancelled any Certificate of Employers’ Liability Insurance is similarly cancelled from the same date

2. Compulsory Insurance Legislation

The indemnity granted by this Section is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to **Employees** in the **Territorial Limits** but the **Insured** shall

SECTION 4 – EMPLOYERS’ LIABILITY CONTINUED

repay to the **Insurer** all sums paid by the **Insurer** which the **Insurer** would not have been liable to pay but for the provisions of such law

3. Discharge of Liability

The **Insurer** may at any time pay to the **Insured** in connection with any claim or series of claims

- a) the amount of the Limit of Indemnity or
- b) any lesser amount for which such claim or claims can be settled less any sum or sums already paid as compensation claimant’s costs and expenses **Legal Costs** and **Solicitors’ Fees** recoverable prior to the date of such payment

On payment the **Insurer** shall relinquish the conduct and control of and be under no further liability in connection with such claim or claims except or the payment of costs and expenses incurred prior to the date of such payment

4. Other Insurances

If any claim under this Section is also covered in whole or in part by any other existing insurance or by an indemnity from any other source the liability of the **Insurer** shall be limited to any excess beyond the amount which would have been payable under such other insurance or from such other source had this Section not been effected

SECTION 5 – TERRORISM

This Section of the Policy is operative only if stated in the Schedule

In consideration of the payment of the premium in respect of the Period of Insurance the insurance provided by the Policy is extended to include **Damage** in England Scotland and Wales (but this shall not include the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987) occasioned by or happening through or in consequence of **Terrorism** and loss consequent on interruption to or interference with the **Business** (but only where such loss is insured by this Policy) resulting from such **Damage**

Provided always that

1. the insurance provided under this Section is not subject to any of the exclusions of the Policy other than
 - a) war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
 - b) nationalisation confiscation requisition seizure or destruction by the government or any public authority
 - c) riot or civil commotion
 - d) losses directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from
 - i. damage to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property of the **Insured** or not where such damage is caused by **Virus or Similar Mechanism** or **Hacking** or **Denial of Service Attack**
 - ii. consequential loss directly or indirectly caused by or arising from **Virus or Similar Mechanism** or **Hacking** or **Denial of Service Attack**
2. the **Insurer's** liability in respect of all losses arising out of any one occurrence and in the aggregate in any one Period of Insurance shall not exceed the Limits as otherwise specified under this Policy

SECTION 6 – LEGAL EXPENSES

The **Insurer** will only indemnify the **Insured** for **Claims** where the dispute and/or legal proceedings and/or **Inland Revenue Investigation** are or would be within the **Territorial Limits** and the **Claim** is notified to the **Insurer's Representative** during the Period of Insurance

Section Definitions

Acts of Parliament

All Acts of Parliament referred to in the Policy shall include any subsequent amendments re-enactments or regulations and equivalent legislation enforceable within the **Territorial Limits**

Any One Claim

All **Claims** consequent upon the same original cause event or circumstance

Appointed Representative

A consultant solicitor barrister or other appropriately qualified person appointed to act for the **Insured** in accordance with the terms of the Policy

Claim

A claim under the Policy for **Legal Expenses** or **Professional Expenses**

Contracting Party

A person firm or company domiciled within the **Territorial Limits** with whom the **Insured** has a direct contractual relationship

Increased Excess

The amount for which the **Insured** is responsible for each and every **Claim** or loss as specified in the Schedule if the **Insured** instructs an alternative **Appointed Representative** to the one chosen by the **Insurer's Representative**

Inland Revenue Investigation

The investigation which takes place when an officer of Her Majesty's Revenue & Customs (HMRC) makes a request to examine all of the **Insured's** business books and records and issues a formal notice under S9A or 12AC of the Taxes Management Act 1970 or under Paragraph 24 (1) Schedule 18 Finance Act 1988

Insurer's Representative

Abbey Legal Protection a trading division of Abbey Protection Group Limited who administers and manages Section 6 – Legal Expenses – of the Policy on behalf of the **Insurer**

SECTION 6 – LEGAL EXPENSES CONTINUED

Legal Expenses

- a) Fees
 - i. Any professional fees expenses and other disbursements reasonably incurred by the **Appointed Representative** with the consent of the **Insurer's Representative** and
 - ii. any costs incurred by other parties insofar as the **Insured** is held liable in court or tribunal proceedings to pay such costs or becomes liable to pay such costs under a settlement made with another party with the consent of the **Insurer's Representative** but excluding any costs which the **Insured** may be ordered to pay by a court of criminal jurisdiction
- b) Witness Attendance Allowance
The amount of money the **Insured** is liable to pay an **Employee** each day they are required by the **Appointed Representative** to attend as a witness at a court or tribunal hearing. This indemnity is limited to £100 per day and a maximum of £1,000 for **Any One Claim**

Professional Expenses

Any fees expenses and other disbursements reasonably incurred by the **Appointed Representative** with the consent of the **Insurer's Representative** but excluding any tax or VAT additional tax or VAT interest or penalties demanded assessed or required by the relevant authorities or other penalties imposed by a court of criminal jurisdiction

Tenancy Agreement

An agreement between the **Insured** and the **Tenant** for the use and occupation of the **Property**

Territorial Limits

- a) Great Britain Northern Ireland the Isle of Man or the Channel Islands
- b) anywhere in the World except for the United States of America or Canada or their dependencies or trust territories unless specifically agreed by the **Insurer** caused by Products Supplied from or worked upon in the territories specified in a) above

Sub-Section A – Property Disputes

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in any dispute or legal proceedings made by or brought against the **Insured**

- a) over the physical possession of the **Property** provided that where appropriate all statutory and contractual notices have been correctly served by the **Insured** on the **Tenant**
- b) over the terms of the **Tenancy Agreement** relating to the use or maintenance of the **Property** excluding dilapidations
- c) other than with a **Tenant** to pursue for damages or other remedy for the actual or alleged physical damage to the **Property** subject to the amount in dispute being in excess of £1,000 and any **Legal Expenses** being limited to 75% of the amount in dispute
- d) over the actual or alleged dilapidations to the **Property** subject to the amount in dispute being in excess of £1,000 and any **Legal Expenses** being limited to 75% of the amount in dispute
- e) to defend allegations of nuisance emanating from the **Property** provided the **Property** is used solely for residential purposes

Provided that the **Insured** will suffer financial loss if the **Insured** fails to pursue or defend the dispute or legal proceedings

SECTION 6 – LEGAL EXPENSES CONTINUED

Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** in respect of **Claims** arising out of or in connection with

- a) pursuing or defending the payment or non-payment of any tax rent and/or mesne profits or service charge or any review of rent or service charge
- b) a dispute relating to rent tax planning or building regulations or decisions or compulsory purchase orders or any actual planned or proposed works by or under the order of any government or public or local authority
- c) any dispute arising from the negotiation review or renewal of a **Tenancy Agreement** or the subsequent purchase of the **Property** whether or not such purchase is completed
- d) any actual or alleged harassment of a **Tenant** or the **Insured**
- e) any dispute where the **Insured** has failed to maintain in full force and effect during the **Tenancy Agreement** buildings insurance covering the standard range of perils
- f) a dispute over subsidence or heave howsoever caused
- g) a contract dispute other than where the contract is a **Tenancy Agreement**
- h) any planning application review or decision

Sub-Section B – Repair and Renovation Disputes

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in the pursuit or defence of any dispute or legal proceedings made by or brought against the **Insured** in a contractual dispute with a **Contracting Party** over the repair or renovation to a **Property** provided that

- a) the **Legal Expenses** indemnified shall be limited to 75% of the sum in dispute
- b) the amount in dispute exceeds £1,000 and the contract value is less than £100,000
- c) the work is commenced after inception of the Period of Insurance

Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** in respect of **Claims** arising out of

- a) contracts that provide or arrange credit insurance securities or guarantees
- b) contracts where the liability or right of recovery of the **Insured** is incurred through their agent or by assignment
- c) contracts governed by or alleged to be governed by the Consumer Credit Act 1974
- d) contracts of employment
- e) a **Tenancy Agreement** or a license to use **Property**

Sub-Section C – Health and Safety Prosecutions

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in

- a) defending a prosecution against the **Insured** brought under the Health and Safety at Work Act 1974 in a court of criminal jurisdiction
- b) an appeal by the **Insured** against the service of an Improvement or Prohibition Notice under the Health and Safety at Work Act 1974

provided that the breach or alleged breach of the Health and Safety at Work Act or the Improvement or Prohibition Notice relate to the **Property**

SECTION 6 – LEGAL EXPENSES CONTINUED

Sub-Section D – Tax Protection

The **Insurer** agrees to indemnify the **Insured** against **Professional Expenses** incurred in respect of representation of the **Insured** in an **Inland Revenue Investigation** including representation at an HMRC tribunal or Commissioners' hearing and at an appeal against a decision following such a hearing or tribunal

Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** in respect of

- a) technical or routine treatment of matters not connected with nor arising out of an expression of dissatisfaction with the **Insured's** affairs
- b) the defence of any criminal prosecution
- c) taxation proceedings which arise out of negligent mis-statements or omissions made by or on behalf of the **Insured** in respect of returns or accounts or where there has been a lack of reasonable care in the keeping of business books and records
- d) any **Inland Revenue Investigation** or proceedings which results solely from investigation of earlier accounts or records
- e) taxes fines interest or any other duties or penalties imposed upon the **Insured** by any Revenue authority or court or tribunal
- f) any **Claim** made where the tax return is submitted outside the statutory time limits and/or in a penalty position
- g) the preparation and/or correction of Self Assessment Returns accounts Income Tax Returns P11Ds P35s VAT returns or any other statutory returns
- h) any investigation undertaken by any of the Special Civil Investigations or Criminal Investigations office of HMRC or where notice 730 or Code of Practice 8 or 9 Notice has been issued by HMRC
- i) an enquiry into the validity of a claim for Working Families Tax Credit or a dispute concerning the payment of the Working Families Tax Credit by an employer
- j) any dispute in connection with the payment of the National Minimum Wage
- k) a dispute or enquiry in respect of IR35 legislation
- l) any **Claim** made where a return submitted at the final filing date contains provisional figures in respect of all of the trading income and expenditure items
- m) an investigation arising out of a voluntary disclosure made to HMRC in respect of omitted tax liabilities which become due as a result of the **Insured's** deliberate act
- n) an investigation by HMRC into a tax planning arrangement where the Anti Avoidance Intelligence Unit of HMRC has allocated a number for inclusion on the relevant Self Assessment Return

SECTION 6 – LEGAL EXPENSES CONTINUED

Exclusions to Section 6

The **Insurer** shall not be liable to indemnify the **Insured** in respect of

1. the defence of the **Insured** in civil legal proceedings arising from
 - a) injury or disease including psychiatric injury and/or stress
 - b) loss destruction or damage of or to property (other than as specified in Section 6 Sub-section A)
 - c) alleged breach of any professional duty
 - d) any tortious liability (other than as specified in Section 6 Sub-section A)
2. any dispute legal proceedings or **Inland Revenue Investigation** made brought or commenced outside the **Territorial Limits**
3. **Legal Expenses** or **Professional Expenses** incurred without the prior written consent of the **Insurer's Representative** or in excess of the **Insurer's Representative's** consent
4. any **Claim** relating to or arising from any cause event or circumstance occurring prior to or existing at inception of the Policy and which has or which the **Insured** knew or ought reasonably to have known may give rise to a dispute legal proceedings or **Inland Revenue Investigations** by or against the **Insured**
5. fines or other penalties imposed by a court or tribunal
6. any dispute legal proceedings or **Inland Revenue Investigations** in respect of which the **Insured** is or but for the existence of the Policy would be entitled to indemnity under any insurance policy whether a legal expenses insurance or not or under a legal aid certificate or representation order
7. any **Claim** arising out of the deliberate conscious intentional or negligent disregard by the **Insured** of the need to take all reasonable steps to avoid and prevent **Claims** disputes legal proceedings or **Inland Revenue Investigations**
8. any dispute or legal proceedings with Government or Local Authority departments concerning the imposition of statutory charges
9. disputes or legal proceedings between **Insureds** as specified in the Schedule or any endorsement thereto or with any parent company or subsidiary company or associated company or partner
10. any dispute between the **Insured** and the **Insurer** the **Insurer's Representative** the **Appointed Representative** or the mortgage lender
11. any dispute falling within the jurisdiction of the Rent Assessment Committee the Lands Tribunal or the Leasehold Valuation Tribunal
12. any dispute or legal proceedings where the **Insured** or his agent are in breach of Section 213 of the Housing Act 2004 (and/or any amending legislation) in relation to the deposit
13. any dispute or legal proceedings arising out of breach or alleged breach of confidentiality or passing off whether related to intellectual property or not or the use or alleged use of any intellectual property
14. any dispute or legal proceedings arising out of or in connection with actual or alleged defamation or malicious falsehood
15. any **Legal Expenses** or **Professional Expenses** incurred in respect of or in connection with a judicial review

SECTION 6 – LEGAL EXPENSES CONTINUED

16. appeals arising out of legal proceedings or **Inland Revenue Investigations** to which the **Insurer's Representative's** consent has not been granted
17. any **Claim** directly or indirectly caused by or contributed to by seepage pollution or contamination of any kind
18. any **Legal Expenses** or **Professional Expenses** which the **Insured** should or would have had to incur irrespective of any dispute or legal proceeding

Legal Expenses Claims Conditions

1. Notification of Claims

It is a condition precedent to the liability of the **Insurer** that the **Insurer's Representative** is notified in writing during the Period of Insurance immediately the **Insured** is aware of any cause event or circumstance which has given or may give rise to a **Claim** dispute legal proceedings or **Inland Revenue Investigation** involving the **Insured**

Where such notification has been given the **Insurer** agrees to treat any subsequent **Claim** in respect of the cause event or circumstance notified as though the **Claim** had been notified during the Period of Insurance

The **Insurer's Representative** will forward to the **Insured** a claim form that must be completed and returned immediately

2. Insurer's Representative's Consent

It is a condition precedent to the liability of the **Insurer** that their consent to incur **Legal Expenses** or **Professional Expenses** must firstly be obtained in writing. This consent will be given by the **Insurer's Representative** on behalf of the **Insurer** if the **Insured** can satisfy the **Insurer's Representative** that

- a) it is reasonable to incur **Legal Expenses** or **Professional Expenses** having regard to the proportionality between the remedy claimed and the **Legal Expenses** or **Professional Expenses** to be incurred and
- b)
 - i. where the **Insured** is pursuing there are reasonable prospects of proving the other party's legal liability and of recovering the damages claimed or other legal remedy soughtor
 - ii. where the **Insured** is defending the other party does not have reasonable prospects of proving the **Insured's** legal liabilityor
 - iii. in respect of a Health and Safety prosecution and where the **Insured** pleads guilty there is a reasonable prospect of a significant mitigation of the **Insured's** sentence or fine

If during the course of a **Claim** the **Insured** ceases to satisfy the **Insurer's Representative** in respect of a) or b) above indemnity will be withdrawn in respect of **Legal Expenses** or **Professional Expenses**

The decision to grant consent or to withhold it will be taken on receipt of

- A) a fully completed claim form
- B) the information and documentation the **Insurer's Representative** reasonably requests
- C) a legal opinion from the **Appointed Representative** as to a) and b) above
- D) any advice the **Insurer's Representative** may deem it necessary to take

With the agreement of the **Insured** the **Insurer's Representative** may provide assistance in settling disputes the costs of which will be covered under the Policy subject to the payment of the **Excess** or **Increased Excess** within the Limits of Indemnity

SECTION 6 – LEGAL EXPENSES CONTINUED

The **Insurer's Representative** at its discretion may require the **Insured** to obtain an opinion from Counsel at the **Insured's** expense as to the merits of the subject matter of the **Claim** such opinion to have regard to the same issues that the **Insurer's Representative** has in assessing the merits of any legal action. If based upon such opinion the **Insurer's Representative** is satisfied in respect of a) and b) above the **Legal Expenses** and **Professional Expenses** incurred in obtaining that opinion will be paid by the **Insurer** within the Limits of Indemnity

In granting its consent the **Insurer** undertakes to provide indemnity to the **Insured** subject to the terms and conditions of the Policy and Schedule but such consent does not imply that all **Legal Expenses** or **Professional Expenses** will be paid. In particular **Legal Expenses** or **Professional Expenses** for matters that go beyond the immediate scope of the **Claim** shall be deemed by the **Insurer** to fall outside the indemnity provided by the Policy

The **Insurer's Representative** reserves the right to limit its consent by time and/or financial amount of **Legal Expenses** or **Professional Expenses** and/or stage of proceedings to allow for a review of their continued consent

If after consent has been granted it is shown that the **Claim** has not been brought within the terms and conditions of the Policy and Schedule the **Insurer's Representative's** consent will be withdrawn and no indemnity shall be provided. The **Insurer** shall be entitled to recover any **Legal Expenses** or **Professional Expenses** previously paid

If the **Insured** elects to proceed with the pursuit or defence of a dispute or legal proceedings to which the **Insurer's Representative's** consent has been refused through lack of reasonable prospects as required in b) i. and ii. above and if the **Insured** is successful in such pursuit or defence the **Insurer** will pay **Legal Expenses** or **Professional Expenses** incurred after such consent had been refused subject to the terms and conditions of the Policy

3. Instruction and Choice of Appointed Representative and Counsel

The **Insurer's Representative** will choose an **Appointed Representative** to act on behalf of the **Insured** in any **Claim** under certain Sub-sections as specified in the Schedule

Where recourse is necessary to a lawyer and proceedings are issued the **Insured** is free to choose an **Appointed Representative** to act in the name of and on behalf of the **Insured** in any legal proceedings to which the **Insurer's Representative** has consented subject to the **Increased Excess**. The name and address of the **Appointed Representative** the **Insured** proposes to instruct must be notified to the **Insurer's Representative** in writing. The **Insurer's Representative** will accept such nomination provided the **Insurer's Representative** is satisfied the proposed **Appointed Representative** will co-operate and enable the **Insured** to comply with the terms and conditions of the Policy and provided the proposed **Appointed Representative's** charging rates are fair and reasonable in regard to the particular legal proceedings. In all other **Claims** the **Insurer's Representative** will choose the **Appointed Representative** subject to the **Excess**

The **Insured** must not without the written consent of the **Insurer's Representative** enter into any agreement with the **Appointed Representative** as to the basis of calculation of **Legal Expenses** or **Professional Expenses**. The **Insurer's Representative** may withdraw consent previously given at any time

In selecting the **Appointed Representative** the **Insured** shall have regard to its duty to minimise the cost of any **Claim** or legal proceedings. In all cases the **Appointed Representative** shall be appointed in the name of and on behalf of the **Insured**

SECTION 6 – LEGAL EXPENSES CONTINUED

If in the course of any **Claim** or legal proceedings the **Appointed Representative** wishes to instruct Counsel or an expert Counsel's or the expert's name and an explanation of the necessity for such instruction must be submitted to the **Insurer's Representative** for consent to the proposed instruction which will not be unreasonably withheld

4. Disclosure

It is a condition precedent to the **Insurer's** liability that

- a) the **Insured** must give the **Appointed Representative** and the **Insurer's Representative** all necessary help and information including a complete and truthful account of the facts of the case and all relevant documentary or other evidence in the **Insured's** possession. The **Insured** must provide obtain or execute all documents as necessary and attend meetings or conferences as requested
- b) the **Insurer's Representative** is entitled to receive from the **Appointed Representative** and **Insured** any information document or advice in connection with any **Claim** and the subject matter of any **Claim** even if privileged. In addition the **Insured** must instruct the **Appointed Representative** to provide the **Insurer's Representative** with regular updates on the progress of the subject matter of any **Claim** and inform the **Insurer's Representative** immediately if and when any circumstance adversely impacts the factors taken into account in granting the **Insurer's Representative's** consent. On request the **Insured** will give to the **Appointed Representative** any instructions necessary to secure the required access

Indemnity may be withdrawn if the **Insured** fails to co-operate at all or within a reasonable time with the **Insurer's Representative's** or the **Appointed Representative's** requests

5. Payment of Legal Expenses and Professional Expenses

All bills for **Legal Expenses** or **Professional Expenses** which the **Insured** receives from the **Appointed Representative** should be forwarded to the **Insurer's Representative** without delay. If the **Insurer's Representative** so requires the **Insured** must ask the **Appointed Representative** to submit the bill of costs for assessment or certification by the appropriate Law Society court or tribunal

The **Insured** is responsible for payment of all **Legal Expenses** or **Professional Expenses**. The **Insurer** may settle these direct if requested by the **Insured** to do so

The payment of some **Legal Expenses** or **Professional Expenses** does not imply that all **Legal Expenses** or **Professional Expenses** will be paid

6. Offer of Settlement

It is a condition precedent to the liability of the **Insurer** that the **Insured** must inform the **Insurer's Representative** in writing as soon as an offer to settle a **Claim** or legal proceedings is received and/or the **Insured** proposes to make an offer of settlement. In any settlement the **Insured** must have regard to **Legal Expenses** or **Professional Expenses** incurred or likely to be incurred by the **Insurer** and the recovery thereof

No indemnity will be provided if the **Insured** enters into any agreement to settle without the prior written consent of the **Insurer's Representative** (such consent not to be unreasonably withheld) and the **Insurer** shall be entitled to recover any **Legal Expenses** or **Professional Expenses** previously paid. If the **Insured** unreasonably rejects an offer of settlement which the **Insurer's Representative** recommends acceptance of or makes an offer which the **Insurer's Representative** does not agree no further indemnity shall be provided

SECTION 6 – LEGAL EXPENSES CONTINUED

The **Insurer** may at its absolute discretion decide to pay the **Insured** the amount of damages that the **Insured** is claiming or is being claimed against the **Insured** instead of indemnifying the **Insured** for **Legal Expenses** or **Professional Expenses**. Where the **Insurer** exercises this discretion the **Insurer** will cease to be liable for any further **Legal Expenses** or **Professional Expenses**

7. Recovery of Costs

Whenever the **Insured** is awarded costs or under the terms of any settlement where costs are included those costs are to be repaid to the **Insurer**

The **Insured** and their **Appointed Representative** must make every effort to make a full recovery of costs. Where a settlement purports to be a global or a without costs settlement or where costs are awarded but not recovered the **Insured** agrees that a fair and reasonable proportion of that settlement will be deemed costs and due to the **Insurer**

Where such a settlement is paid in instalments all costs to the **Insurer** shall be paid first

8. Appeal Procedure

If following legal proceedings to which the **Insurer's Representative** has consented the **Insured** wishes to appeal against the judgment or decision of a court or tribunal the grounds for such appeal must be submitted to the **Insurer's Representative** through the **Appointed Representative** immediately or as soon as practicable so that the **Insurer's Representative** may consider whether to consent to such further action. If an appeal is lodged against a judgment or decision of a court or tribunal made in favour of the **Insured** following legal proceedings to which the **Insurer's Representative** has consented the **Insured** must notify the **Insurer's Representative** immediately in order that cover shall continue. The **Insurer's Representative** will inform the **Appointed Representative** of its decision. If the **Insurer's Representative** so requires it the **Insured** must co-operate in an appeal against the judgment or decision of a court or tribunal

9. Duty to Minimise

The **Insured** must take all reasonable precautions to avoid and prevent **Claims Inland Revenue Investigations** legal proceedings and disputes. The **Insured** must use every endeavour and take all reasonable measures to minimise the cost and effect of any **Claim**

10. Insolvency or Liquidation of the Insured

If the **Insured** becomes insolvent or is placed in liquidation receivership administration or bankruptcy or enters into a voluntary arrangement or deed of arrangement or if any application is made to the court or meeting convened for any such purpose the **Insurer** has the right to immediately cease to provide indemnity for **Legal Expenses** or **Professional Expenses** notwithstanding any previous consent the **Insurer's Representative** may have granted

11. Value Added Tax

If the **Insured** is registered for VAT the **Insurer** will not pay the VAT element of any **Legal Expenses** or **Professional Expenses**

CLAIMS CONDITIONS

1. Action by the Insured (not applicable to Section 6 – Legal Expenses)

On the happening of any event or circumstance which could give rise to a claim by the **Insured** under the Policy or on receiving verbal or written notice of any claim the **Insured** shall

- a) as soon as reasonably possible give notice to the **Insurer**
- b) immediately notify the Police in respect of any **Damage** caused by thieves or malicious persons
- c) immediately forward to the **Insurer** any writ or summons issued against the **Insured** by a third party
- d) take action to minimise the loss destruction or damage and to avoid interruption or interference with the **Business** and to prevent further loss destruction damage or injury
- e) at their own expense supply full details of the claim in writing to the **Insurer** together with any evidence and information that may be reasonably required by the **Insurer** for the purpose of investigating or verifying the claim and if demanded a statutory declaration of the truth of the claim and any matter connected with it within
 - i. 7 days of **Damage** caused by riot civil commotion strikers locked out workers or persons taking part in labour disturbances or malicious persons
 - ii. 30 days of expiry of the **Indemnity Period** in respect of Loss of Rent claims
 - iii. 30 days of the event or circumstance in the case of any other claim or of a request from the **Insurer**

No settlement admission of liability payment or promise of payment shall be made to a third party without the prior written consent of the **Insurer**

No claim under the Policy shall be payable unless the terms of this Condition have been complied with

2. Rights of the Insurer

The **Insurer** shall

- a) be entitled at any stage to take over the defence or settlement of any claim made upon the **Insured** by any other party and to prosecute for its own benefit any claim for indemnity or compensation against any other persons in respect of any event insured by the Policy and at no cost to the **Insurer** the **Insured** shall give all assistance as may be reasonably required by the **Insurer**
- b) have the right to enter the **Premises** where the **Damage** has occurred and to keep possession of any **Property** insured without thereby incurring any liability or diminishing any of the **Insurer's** rights under the Policy and to deal with the salvage in a reasonable manner but the **Insured** shall not be entitled to abandon any **Property** to the **Insurer**
- c) at its option indemnify the **Insured** by payment reinstatement replacement or repair in respect of any **Property** lost or damaged or part thereof. If the **Insurer** elects to reinstate or replace any **Property** they shall not be bound to reinstate or replace exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the items insured more than the Sum Insured thereon

3. Fraud

If any claim submitted under the Policy is in any respect fraudulent or if fraudulent means are used by the **Insured** or anyone acting on behalf of the **Insured** to obtain any benefit under the Policy or if any loss destruction or damage be occasioned by the wilful act or with the connivance of the **Insured** all benefit under the Policy shall be forfeited and all claims paid by the **Insurer** shall be repaid by the **Insured**

CLAIMS CONDITIONS CONTINUED

4. Warranties

Every warranty to which the Policy or any part thereof is or may be subject shall from the time the warranty attaches apply and continue to be in force during the whole currency of the Policy and non-compliance with any such warranty insofar as it increases the risk of loss destruction or damage shall be a bar to any claim in respect of such loss destruction or damage provided that whenever the Policy is renewed a claim in respect of loss destruction or damage occurring during the renewal period shall not be barred by reason of a warranty not having been complied with any time before the commencement of such period

5. Contribution in respect of Sections 1 and 2

If in the event of **Damage** or liability under the Policy there shall be in force any other insurance effected by or on behalf of the **Insured** providing cover against such a claim

- a) the liability of the **Insurer** shall be limited to its rateable proportion of such a claim
- b) but which is subject to any provision excluding it from ranking concurrently with the Policy either in whole or in part or from contributing rateably to the claim then the liability of the **Insurer** shall be limited to such proportion of the claim as the Sum Insured bears to the value of the **Property**

6. Arbitration

If any difference shall arise as to the amounts to be paid under the Policy such difference may at the **Insurer's** option be referred to an arbitrator to be appointed by the parties in accordance with statutory provisions. Where any difference is by this Condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the **Insurer**

Any other difference shall be subject to the exclusive jurisdiction of the courts of England and Wales

USEFUL INFORMATION

Cancellation

If this cover does not meet your requirements you have the right to cancel the Policy from inception. Please return all your documents and any certificate to the Broker Intermediary or Agent who arranged the Policy within 14 days of receipt. We shall return any premium paid in full within 30 days of receipt of your request to cancel

Termination

If you wish to terminate the contract at any other time please contact the Broker Intermediary or Agent who arranged the Policy

How to make a claim

Please contact in the first instance the Broker Intermediary or Agent who arranged the Policy. Alternatively telephone the Claims Helpline on **0845 640 5170**. Please quote your Policy Number

If you need to notify a possible Claim under Section 6 – Legal Expenses please immediately write to the **Insurer's Representative** (Claims Department, Abbey Legal Protection, Minorities House, 2-5 Minorities, London, EC3N 1BJ) or Fax **0870 600 1481**. If you have any queries please contact Abbey Legal Protection, telephone **0870 600 1480**

How to complain

If you have an enquiry or complaint arising from your Policy please contact the Broker Intermediary or Agent who arranged the Policy for you quoting the Policy Number in all cases. If you are not satisfied with the way in which a complaint has been dealt with please write to

Managing Director
Liverpool Victoria Insurance Company Limited
County Gates,
Bournemouth,
BH1 2NF

A copy of LV's complaints handling procedure is available upon request.

If we cannot resolve the differences between us you may, within 6 months of receiving our final response letter, refer your complaint to

Financial Ombudsman Service (FOS)
South Quay Plaza, 183 Marsh Wall, London, E14 9SR
Telephone **0845 080 1800**

Making a complaint does not affect your right to take legal action

USEFUL INFORMATION CONTINUED

Details about our Regulator

Liverpool Victoria Insurance Company Limited is authorised and regulated by the Financial Services Authority. The Financial Services Authority website which includes a register of all regulated firms can be visited at www.fsa.gov.uk/register or the Financial Services Authority can be contacted on **0845 606 1234**

Compensation

If we are unable to meet our liabilities to policyholders, you may be able to claim compensation from the Financial Services Compensation Scheme. The level of compensation differs depending on the type of cover:

Compulsory Insurance	Non-compulsory Insurance
100% of claim	90% of the Claim

Further information can be obtained from:

Financial Services Compensation Scheme,
7th Floor, Lloyds Chambers,
Portsoken Street,
London E1 8BN

Telephone **020 7892 7300**
enquiries@fscs.org.uk
www.fscs.org.uk

