

PUB INSURANCE

A guide to your cover
and how to make a claim



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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.

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

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PUB 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



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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

Business

The Business specified in the Schedule conducted solely from within the **Territorial Limits** including

- a) the ownership repair and maintenance of the **Premises**
- b) the provision of first aid but excluding any first aid provided by any qualified medical practitioner or nurse
- c) private work undertaken by the **Insured's Employees** with the consent of the **Insured** for any director partner or senior official of the **Insured**
- d) the provision and management of canteen sports social and welfare organisations by the **Insured** for the benefit of the **Insured's Employees**

Business Hours

The period during which the **Premises** are actually occupied by the **Insured** and/or their **Employees** for **Business** purposes

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

Consequential Loss

Loss resulting from interruption or interference with the **Business** carried on by the **Insured** at the **Premises** in consequence of **Damage**

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

- a) patterns models moulds plans and designs
- b) documents manuscripts and business books for their value as stationery and materials and the cost of labour expended in writing up and/or reinstatement thereof or restoration if more economical subject to a maximum of £5000
- c) paintings or other works of art subject to a maximum of £500 for any one loss
- d) directors' partners' or **Employees'** personal effects clothing pedal cycles and tools unless otherwise insured subject to a maximum of £500 per person for any one loss

but excluding any other **Property** more specifically insured

DEFINITIONS CONTINUED

Damage

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

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

Employee (not applicable to Section 7 – Legal Expenses)

- 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

Gross Profit

The amount by which the sum of the **Turnover** and the amount of the closing **Stock** shall exceed the sum of the amount of the opening **Stock** and the amount of the **Specified Working Expenses**

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

In Transit

Whilst the **Property** is being

- a) loaded on or in a **Vehicle**
- b) carried by a **Vehicle**
- c) temporarily contained on or in a **Vehicle** whilst parked or stationary or within a secure storage location for a continuous period of no more than 48 hours
- d) unloaded off or from a **Vehicle** but excluding positioning installation commissioning or erection once it has been unloaded

Increased Cost of Working

The additional expenditure necessarily and reasonably incurred with the prior written consent of the **Insurer** for the sole purpose of avoiding or diminishing the reduction in **Turnover** which but for that expenditure would have taken place during the **Indemnity Period**

Indemnity Period

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

DEFINITIONS CONTINUED

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

Insured's Personal Effects

Household contents at the **Premises** comprising household goods works of art collections audio and visual equipment clothing luggage sports equipment gold and silver articles watches jewellery cups trophies furs (excluding pedal cycles) belonging to the **Insured** or their resident manager or any of their family permanently residing with them excluding any article collection or set with a value in excess of £1,500 unless specifically mentioned in the Schedule

Insurer

Liverpool Victoria Insurance Company Limited

Intruder Alarm System

All the component parts of the alarm and including devices used to transmit or receive signals

Keyholder

The **Insured** or any person or company authorized by the **Insured** who has been fully trained in the operation of the **Intruder Alarm System** including but not limited to the setting and unsetting of the system and is available at all times to accept notification of faults or alarm signals relating to the **Intruder Alarm System** and to attend and allow access to the **Premises**

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

Licence

Granted under Part 3 Premises Licences of the Licensing Act 2003 or any subsequent amendment to the Act in respect of **Premises** which have been licensed for the sale by retail of alcohol

Loss of Limbs or Eyes

Physical Injury which solely and directly results in

- a) total loss or permanent and total loss of use of one or more limbs or
- b) total and irrecoverable loss of all sight in one or both eyes

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

DEFINITIONS CONTINUED

Notifiable Human Disease

An illness sustained by any person caused by

- a) food or drink poisoning
- b) any human infectious or contagious disease

an outbreak of which the competent local authority has stipulated shall be notified to them

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

Outstanding Debit Balances

The total amount of the Outstanding Debit Balances in customers' credit accounts including hire purchase and credit sales accounts at the date of the **Damage** adjusted for bad debts

Permanent Total Disablement

Physical Injury not resulting in death or **Loss of Limbs or Eyes** which results in the permanent inability of the **Insured** or **Employee** to engage in any gainful employment

Physical Injury

Bodily injury by external violent and visible means sustained by the **Insured** or **Employee** in the course of the **Business** where such injury arises directly from assault

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**

DEFINITIONS CONTINUED

Property

- a) **Buildings Tenants' Improvements Contents Computers Computer Records Stock Insured's Personal Effects** 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 or
- b) in respect of Section 3 of the Policy **Covered Equipment Computer Equipment** and such other items to which cover is expressly extended in Section 3 of the Policy
- c) in respect of Section 7 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**

Rate of Gross Profit

For the purpose of a new business that has not yet been trading 12 months

The Rate of Gross Profit earned on the **Turnover** during the period between the date of commencement of the **Business** and the date of the **Damage**

For all other businesses

The Rate of Gross Profit earned on the **Turnover** during the financial year immediately before the date of the **Damage**

Rent

The money paid or payable by the **Insured** for accommodation and services provided (including service charges unless excluded by Endorsement) 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 4 and 5

Specified Working Expenses

The total of

- a) purchases less discounts received
- b) discounts allowed
- c) carriage freight and packaging and
- d) bad debts

Standard Turnover

For the purpose of a new business that has not yet been trading 12 months

The proportional equivalent for a period equal to the **Indemnity Period** of the **Turnover** realised during the period between the commencement of the **Business** and the date of the **Damage**

For all other businesses

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

Stock

Stock and materials in trade including raw materials work in progress finished goods the property of the **Insured** and goods in trust for which the **Insured** is responsible

DEFINITIONS CONTINUED

Temporary Total Disablement

Physical Injury which results in the temporary inability of the **Insured** or **Employee** to engage in any gainful employment

Tenants' Improvements

All improvements alterations and decorations effected by or on behalf of the **Insured** as occupier of the **Premises**

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

Turnover

The money paid or payable to the **Insured** for **Products Supplied** and services rendered in the course of the **Business**

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 30 consecutive days

Vehicle

A mechanically driven conveyance with or without attached trailers for conveying the **Property** being carried

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 installment 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

GENERAL CONDITIONS CONTINUED

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

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 either at

- a) inception of this policy or
- b) subsequent renewal of this policy

has been granted subject to the completion of a survey

- i. pending completion of such survey the terms conditions exclusions and Limits as specified in the Policy and Schedule shall apply
- ii. 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
- iii. 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 time frame 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

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**

SECTION 1 – MATERIAL DAMAGE

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

In addition the **Insurer** will indemnify the **Insured** in respect of loss of **Rent** as a result of **Damage** to the **Premises** from an **Insured Peril** during the Period of Insurance rendering the **Buildings** uninhabitable provided that the liability of the **Insurer** shall not exceed the lesser of

- a) the **Rent** Sum Insured stated in the Schedule at the time of **Damage**
- b) the **Rent** payable for the period the **Buildings** are uninhabitable

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**

SECTION 1 – MATERIAL DAMAGE CONTINUED

7. Theft or attempted theft involving entry to or exit from the **Buildings** at the **Premises** by forcible and 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. in respect of **Stock** at exhibitions that is not contained in an indoor exhibition hall which is locked and/or guarded outside business hours

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**

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 or leakage of beverages from storage containers or connected apparatus

Excluding **Damage**

- a) by water discharged or leaking from any automatic sprinkler installation
- b) whilst any **Building** is **Unoccupied**
- c) by leakage of bottled **Stock** or the cost of replacing the beverages

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

SECTION 1 – MATERIAL DAMAGE CONTINUED

13. Accidental damage

Excluding **Damage**

- a) caused by
 - i. any other Insurable Peril
 - ii. the causes expressly excluded from the Insurable Peril
- b) to a **Building** or structure caused by its own collapse or cracking
- c) to **Property** insured caused by **Pollution or Contamination** other than **Damage** caused by
 - i. **Pollution or Contamination** which itself results from an **Insured Peril**
 - ii. an **Insured Peril** which itself results from **Pollution or Contamination**
- d) to
 - i. vehicles licensed for road use (including accessories on them) caravans trailers railway locomotives rolling stock watercraft or aircraft
 - ii. 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
 - iii. land road pavements piers jetties bridges culverts or excavations
 - iv. livestock growing crops or trees
- e) to **Property** resulting from its undergoing any process of production packing treatment testing commissioning servicing adjustment or repair
- f) to **Property** insured caused by or consisting of
 - i. inherent vice latent defect gradual deterioration wear and tear frost or change in water table level
 - ii. its own faulty or defective design or materials
 - iii. 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
- g) caused by
 - i. corrosion rust wet or dry rot shrinkage evaporation loss of weight dampness dryness marring scratching vermin or insects
 - ii. change in temperature colour flavour texture or finish
 - iii. joint leakage failure of welds cracking fracturing collapse or overheating of boilers economisers superheaters pressure vessels or any range of steam and feed piping connected to them
 - iv. mechanical or electrical breakdown or derangement in respect of the particular machines apparatus or equipment in which the breakdown or derangement originatesbut 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
- h) caused by disappearance unexplained or inventory shortage misfiling or misplacing of information
- i) caused by acts of fraud or dishonesty
- j) in respect of jewellery precious stones precious metals bullion or furs
- k) occasioned by delay embargo nationalisation confiscation requisition seizure or destruction by the government or any public authority
- l) caused by electrical or magnetic disturbance or erasure of electronic records

SECTION 1 – MATERIAL DAMAGE CONTINUED

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 Covers

Glass Blinds and Signs

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

Following **Damage** to fixed 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) **Damage** to framework and goods on display in windows caused by the impact of falling glass

The **Insurer** will also indemnify the **Insured** for **Damage** at the **Premises** to

- d) neon and illuminated signs and electric light fittings
- e) external blinds and signs
- f) sanitaryware (fixed baths wash basins pedestals bidets shower trays sinks lavatory pans and cisterns) where such **Damage** renders such article completely unserviceable
- g) lettering or other ornamental work and alarm foil on fixed glass

The liability of the **Insurer** under c) or d) e) f) and g) shall be restricted to £2,500 for any loss

Exclusions

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

- a) to glass
 - i. caused by repairs or alterations to the **Premises**
 - ii. caused by alteration installation or removal
 - iii. in any **Building** which is **Unoccupied**
- b) to neon and illuminated signs and electric light fittings
 - i. caused by or traceable to wear and tear or gradual deterioration mechanical or electrical breakdown or removal from the fixed position other than by theft or attempted theft
 - ii. of bulbs or tubes unless consequent upon **Damage** to signs or fittings
- c) caused by or arising from
 - i. superficial **Damage** or scratching or cracking which does not result in the complete breakage of the glass
 - ii. inherent or latent defect its own faulty or defective design or materials
 - iii. gradual deterioration or gradually operating cause wear and tear change in colour or finish
 - iv. changes in temperature or atmospheric or climatic conditions
 - v. defects in frames framework or any fitting

SECTION 1 – MATERIAL DAMAGE CONTINUED

Money

The **Insurer** will indemnify the **Insured** in respect of loss of or damage to **Money** held in connection with the **Business** as detailed below occurring during the Period of Insurance

- a) in the **Building** during **Business Hours** or whilst in a bank night safe
- b) in transit to and from the **Premises** whilst in the custody of the **Insured** or an authorised person acting on behalf of the **Insured**
- c) in the **Insured's** or any authorised person's private dwelling house or in that part of the **Building** occupied by the **Insured** or their resident manager for residential purposes
- d) in the **Building** whilst left unattended or outside **Business Hours** and not secured in a locked safe
- e) in the **Building** whilst left unattended or outside **Business Hours** and secured in a locked unspecified safe
- f) in the **Building** whilst left unattended or outside **Business Hours** and secured in a specified safe if stated in the Schedule
- g) non-negotiable currency

The liability of the **Insurer** under this additional cover shall be restricted to the Limits stated in the Schedule for any one loss

The **Insurer** will also indemnify the **Insured** in respect of **Damage** to

- a) any strongroom safe till or postal franking machine belonging to the **Insured** or for which the **Insured** is legally responsible up to an amount not exceeding the cost of repair or replacement
- b) clothing and personal effects belonging to the **Insured** or any partner director or **Employee** of the **Insured** resulting from theft or attempted theft of **Money** subject to a maximum of £500 for any one loss

Exclusions

The **Insurer** shall not be liable for loss from

- a) shortage due to error or omission
- b) an unattended vehicle
- c) the use of counterfeit **Money**
- d) **Damage** not within the **Territorial Limits**

Conditions

1. It is a condition precedent to the **Insurer's** liability under this additional cover that the **Insured** shall maintain the following minimum standards of precaution for the safety of **Money** in transit (other than by specialist security carrier) at all times
 - a) the times of transits routes and conveyances used shall be varied as far as is possible
 - b) all persons engaged in the transit of **Money** shall be at least 18 years of age
 - c) transits of amounts of
 - i. up to £3,000 shall be accompanied by at least one person
 - ii. £3,001 to £6,000 shall be accompanied by at least two people
 - iii. £6,001 to £10,000 shall be accompanied by at least three people or two people travelling by motor car or using an approved security case
 - iv. amounts exceeding £10,000 shall be transported by specialist security carrier
2. It is a condition precedent to the **Insurer's** liability that when the **Building** or any room in which **Money** is kept is left unattended
 - a) all locks bolts and other protective devices are in full operation
 - b) all keys must be held in the personal custody of an authorised person and removed from the unattended **Building** or such room

SECTION 1 – MATERIAL DAMAGE CONTINUED

Theft by Employees

The **Insurer** will indemnify the **Insured** for direct loss of **Money** or **Property** belonging to the **Insured** or for which they are legally responsible caused by any act of fraud or dishonesty committed during the Period of Insurance by any **Employee** with the clear intention of making or which results in improper financial gain for themselves or for any other person or organisation and which is discovered by the **Insured** and notified to the **Insurer** within 14 days of the loss

The liability of the **Insurer** under this additional cover shall be restricted to £5,000 for any one loss

The **Insurer** will pay the value of the **Money** or **Property** at the time of the loss or at its option replace or reinstate the **Property**

Personal Accident (Assault)

The **Insurer** will indemnify the **Insured** and any **Employee** for compensation in accordance with the Schedule of Benefits in respect of **Physical Injury**

Schedule of Benefits

- 1 Death occurring within 2 years of sustaining the **Physical Injury**
- 2 **Loss of Limbs or Eyes** occurring within 2 years of sustaining the **Physical Injury**
- 3 **Permanent Total Disablement**
- 4 **Temporary Total Disablement**

The liability of the **Insurer** under this additional cover shall be restricted to the Limits stated in the Schedule for any one loss

Exclusions

The **Insurer** shall not be liable for

- a) more than one of the Benefits 1 to 3 inclusive in respect of any one person arising out of the same **Physical Injury**
- b) Benefits 1 to 4 inclusive in respect of any person under 16 years of age at the time of sustaining the **Physical Injury**
- c) Benefits 1 to 4 inclusive consequent upon any pre-existing physical or mental defect or infirmity

Conditions

1. All sums paid under Benefit 4 shall be deducted from any sum which may subsequently be paid under any of Benefits 1 to 3 inclusive in respect of the same **Physical Injury**
2. Payment under Benefit 3 is not payable before 104 weeks from the date of the **Physical Injury**
3. Benefit 4 is payable for a maximum of 104 weeks from the date of the **Physical Injury**

SECTION 1 – MATERIAL DAMAGE CONTINUED

All Risks on Portable Property

This additional cover is operative only if stated in the Schedule

The **Insurer** will indemnify the **Insured** against **Damage** from the **Insured Perils** to the portable property specified in the Schedule within the Geographical Areas specified in the Schedule

The liability of the **Insurer** under this additional cover shall be restricted to the Sums Insured stated in the Schedule for any one loss

Exclusions

The **Insurer** shall not be liable for

- a) **Damage** to portable property left unattended unless contained in
 - i. a securely locked building or
 - ii. a vehicle which has been securely locked at all points of access and any security alarms and immobilisers fitted to the vehicle are in full operation and the portable property is concealed from view in a locked boot or covered luggage compartment in the vehicle
- b) depreciation or electrical or mechanical breakdown
- c) **Damage** arising from wear and tear or from any process of cleaning restoring adjusting or repairing
- d) **Damage** by official confiscation or detention

Goods in Transit

The **Insurer** will indemnify the **Insured** for **Damage** to **Property In Transit** within the **Territorial Limits** during the Period of Insurance whilst being

- a) carried on any **Vehicle** owned or operated by the **Insured**
- b) transported by a carrier other than the **Insured** by means of road rail or inland air freight

The liability of the **Insurer** under this additional cover shall be restricted to the Limits stated in the Schedule for any one loss

Whilst **Property** is being carried on any **Vehicle** owned or operated by the **Insured** the **Insurer** will also indemnify the **Insured** for

- a) **Damage** to packing materials protective sheeting ropes chains and toggles belonging to the **Insured** while being carried on the **Vehicle** subject to a maximum of £2,500 for any one loss
- b) **Damage** to personal effects belonging to the driver or attendant while carried by any **Vehicle** in the course of the employment of the driver or attendant with the **Insured** subject to a maximum of £500 for any one loss
- c) the removal of debris and site clearance of **Property** damaged whilst **In Transit** from the immediate area of the site where the **Damage** occurred subject to a maximum of £2,500 for any one loss
- d) the additional costs incurred in transferring **Property** to any other vehicle following fire collision overturning or impact of the **Vehicle** including carrying the **Property** to the original destination or place of collection subject to a maximum of £2,500 for any one loss
- e) reloading onto the **Vehicle** any **Property** which has fallen from the **Vehicle** subject to a maximum of £2,500 for any one loss
- f) resecuring the **Property** where there is dangerous movement of the load **In Transit** subject to a maximum of £2,500 for any one loss

SECTION 1 – MATERIAL DAMAGE CONTINUED

Exclusions

The **Insurer** shall not be liable under this additional cover for **Damage** to any **Property In Transit** arising out of or attributable to

- a) defective or inadequate packing or insufficient addressing
- b) breakdown of refrigeration or insufficient insulation
- c) spillage leakage evaporation loss of weight or shrinkage
- d) depreciation loss of market delay or inadequate documentation
- e) any erection dismantling or installation
- f) loss of sheets ropes chains toggles or packing materials as a result of disappearance or shortage unless such loss is the result of an incident recorded by the **Insured**

Conditions

1. It is a condition precedent to the **Insurer's** liability that whenever a **Vehicle** operated by the **Insured** and carrying **Property** is unattended it shall be protected
 - a) in working hours by all doors and windows and other means of access being securely fastened and locked
 - b) out of working hours by all doors and windows and other means of access being securely fastened and locked and the alarm and/or immobiliser approved by the **Insurer** being switched on and made fully operational and either garaged in a securely locked building of substantial construction or placed in a compound which has secure walls and/or fences and securely locked gates or in a guarded security park
2. The valuation of **Stock** shall be at invoice cost. If an invoice has not been raised the basis of valuation shall be the value of the **Stock** at the time of the commencement of the transit

Insured's Personal Effects, Personal Money and Alternative Accommodation

This additional cover is operative only if stated in the Schedule

The **Insurer** will indemnify the **Insured** for **Damage** from the **Insured Perils** to

A) **Insured's Personal Effects** at the **Premises**

Provided that the **Insurer** shall not be liable for the cost of replacing any undamaged item or part of any item which forms part of a matching set or suite

Exclusions to A)

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

- a) to hearing aids contact or corneal lenses
- b) to motor vehicles
- c) to **Property** more specifically insured
- d) to sporting equipment while in use
- e) to **Property** used in connection with the **Business**
- f) depreciation or electrical or mechanical breakdown
- g) Damage arising from wear and tear or from any process of cleaning restoring adjusting or repairing

SECTION 1 – MATERIAL DAMAGE CONTINUED

Conditions to A)

It is a condition precedent to the **Insurer's** liability for **Damage** caused by the **Insured Perils** that the **Insured** shall have in place in full working order and in operation the following minimum level of security (or such level as specified in the Schedule) whenever any part of the **Buildings** occupied by the **Insured** for residential purposes are left unattended

- a) the final exit door is to be fitted with either
 - i. for timber or steel framed doors a mortice deadlock that has 5 or more levers and matching box striking plate which conform to BS 3621 or
 - ii. for timber or steel framed doors a rim latch deadlock that conforms to BS 3621
- b) all other external doors and internal doors giving access to any part of the **Building** are to be fitted with either
 - i. as described in a) i. and ii. above or
 - ii. 2 key-operated security bolts for doors fitted approximately 30cms from the top and bottom of the doors respectively
- c) aluminium or UPVC framed doors are to be fitted with integral cylinder key operated mortice deadlocks

B) **Insured's Personal Money**

In addition the **Insurer** will indemnify the **Insured**, or their resident manager or any of their family permanently residing with them at the **Premises** against:

- a) accidental loss of personal **Money**
 - b) liability under the terms of issue of the credit card for loss following fraudulent use thereof by any unauthorized person
- subject to a maximum any one Period of Insurance of £500

Exclusions to B)

The **Insurer** will not be liable for

- a) losses arising from unauthorised use of a credit card by any member of the **Insured's** family
- b) loss due to confiscation or detention
- c) losses caused by depreciation or shortages caused by errors or omissions
- d) **Money** held in connection with the **Business**

Conditions to B)

It is a condition precedent to liability under this extension that

- a) any loss of **Money** or credit cards has been reported to Police within 24 hours of discovering the loss
- b) any loss of credit cards has been reported to the issuing company immediately
- c) the Conditions of Issue of the Credit Card have been complied with

C) Alternative Accommodation

Following **Damage** from the **Insured Perils** resulting in the **Premises** becoming uninhabitable the **Insurer** will indemnify the **Insured** in respect of any reasonable expenditure incurred in the provision of comparable accommodation for the **Insured** or resident manager or any member of their family permanently residing at the **Premises** at the time of the **Damage** including any incidental removal costs and expenses excluding

- a) any costs agreed without the written consent of the **Insurer**
- b) any costs that will be incurred once the **Premises** become habitable again or a period of 24 months from the date of **Damage** whichever is the sooner

Subject to a maximum of £25,000 for any one loss

SECTION 1 – MATERIAL DAMAGE CONTINUED

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

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 £1,000 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. Theft Damage to Buildings

The **Insurer** will indemnify the **Insured** against the cost of repairing **Damage** to the **Buildings** for which the **Insured** is legally responsible and are not otherwise insured which directly results from **Insured Peril 7** provided that if the **Buildings** of the **Premises** are not insured by this Section the liability of the **Insurer** under this Extension shall not exceed an aggregate maximum of £25,000 in any one Period of Insurance

4. Temporary Removal

The **Insurer** will indemnify the **Insured** for **Damage to Contents** whilst temporarily removed for cleaning renovation repair or similar purposes and to documents whilst temporarily removed elsewhere and **In Transit** within the **Territorial Limits** from the **Insured Perils** subject to a maximum for any one loss of 10% of the Sum Insured shown for **Contents** in the Schedule or £100,000 whichever is the lesser amount

This Extension shall not apply to

- a) motor vehicles and motor chassis licensed for normal road use
- b) **Property** more specifically insured

5. Exhibitions

The **Insurer** will indemnify the **Insured** for **Damage to Contents** and **Stock** from the **Insured Perils** whilst in any buildings being used for an exhibition anywhere within the **Territorial Limits** and whilst **In Transit** to and from the exhibition premises subject to a maximum of £2,500 for any one loss

6. Other Locations

The **Insurer** will indemnify the **Insured** for **Damage to Contents** and **Stock** from the **Insured Perils** whilst at the homes of directors or **Employees** anywhere within the **Territorial Limits** and whilst **In Transit** to and from such buildings subject to a maximum of £2,500 for any one loss and an aggregate maximum of £10,000 in any one Period of Insurance

7. Third Party Storage Locations

The **Insurer** will indemnify the **Insured** for **Damage to Contents** or **Stock** from the **Insured Perils** whilst at third party storage locations within the **Territorial Limits** subject to aggregate maximums of £5,000 at any one location and £20,000 in any one Period of Insurance

SECTION 1 – MATERIAL DAMAGE CONTINUED

8. 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 the emergency services in the course of combating or reducing **Damage** from the **Insured Perils** at the **Premises** subject to an aggregate maximum of £5,000 in any one Period of Insurance

9. 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

10. 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

11. 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

12. 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

13. Guest Personal Effects

The **Insurer** will indemnify the **Insured** for **Damage** from the **Insured Perils** to guests personal effects at the **Premises** subject to a maximum of £1,000 any one guests personal effects and £50,000 any one loss

14. Property in the Open

Damage from the **Insured Perils** to property in the open within the boundaries of the **Premises** up to a maximum of £2,500 in any one Period of Insurance

15. Outside Catering

The **Insurer** will indemnify the **Insured** for **Damage** from the **Insured Perils** to **Contents** and **Stock** where the **Insured** is providing outside catering up to a maximum of £2,000 any one loss

SECTION 1 – MATERIAL DAMAGE CONTINUED

Clauses

1. Non-invalidation

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. Mortgagees

The interest of any mortgagee shall not be prejudiced by any act or neglect of the mortgagor or occupier which may increase the risk of **Damage** to any **Buildings** insured by the Policy provided the 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 other than Stock

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

In the event of **Damage** to **Computers** the basis of settlement shall be the cost of reinstatement meaning

- a) where any item suffers **Damage** beyond economic repair replacement by a new item of equal performance and/or capacity or if such be impossible replacement by an item having the nearest higher performance and/or capacity to the item damaged
- b) where the item suffers **Damage** the repair of the **Damage** and the restoration of the damaged portions to a working condition substantially the same as but not better or more extensive than its condition when new

SECTION 1 – MATERIAL DAMAGE CONTINUED

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
- 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. Stock

In respect of **Stock** the **Insurer** will pay the **Insured** the value of the **Stock** at the time of its **Damage** with adjustment for wear and tear

If at the time of any **Damage** the value of the **Stock** insured under any item is greater than its Sum Insured the **Insured** shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly

4. Index Linking

Where so indicated in the Schedule the Sums Insured 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 Insured

5. Seasonal Increases

During the months of November and December and for a period of 31 days immediately before Easter Day each year the **Stock** Sums Insured will be deemed to have been increased by 25%

6. European Union 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**

for 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 Bylaw 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
- 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

SECTION 1 – MATERIAL DAMAGE CONTINUED

7. 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

8. Capital Additions

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

- a) alterations additions and improvements to **Buildings Tenants' Improvements** and **Contents** but not appreciation of the value of the **Property**
- b) any newly erected or acquired **Buildings Tenants' Improvements** and **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 Tenants' Improvements** and **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

9. Professional Fees

The insurance by each item on **Buildings Tenants' Improvements** and **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

10. 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

11. Contract Price

In respect only of **Stock** sold but not delivered for which the **Insured** is responsible under the terms of a sale contract which following **Damage** is cancelled due to the contract conditions wholly or to the extent of the **Damage** the liability of the **Insurer** shall be based on the contract price

SECTION 1 – MATERIAL DAMAGE CONTINUED

12. 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 or lessee 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 or lessee

13. 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**

14. 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

Conditions

1. Stillage

It is a condition precedent to the **Insurer's** liability for **Damage** by **Insured Perils 8 9 and 11** that **Property** in the basement or sub basement of the **Premises** be kept at least 10cm above floor level

2. Intruder Alarm System

Where required by the **Insurer** as a condition of the insurance provided by Section 1 – Material Damage it is a condition precedent to the **Insurers** liability for **Damage** by **Insured Peril 7** under the policy in respect of any **Intruder Alarm System** installed at the **Premises** that

- a) the **Intruder Alarm System** is maintained in full and effective working order under a contract to provide corrective and preventive maintenance with the installer or such other contractor agreed by the **Insurer** in writing
- b) the **Premises** are not left unattended
 - i. unless the **Intruder Alarm System** is tested and set in its entirety and is together with the means of communication used to transmit or receive signals in full and effective operation
 - ii. where the police have withdrawn their response to alarm activation
- c) where the **Intruder Alarm System** is required or approved by the **Insurer** as a condition of cover
 - i. it is installed in accordance with a specification agreed in writing by the **Insurer**
 - ii. the **Intruder Alarm System** must not be altered or amended in any way unless such amendment or alteration has been approved by the **Insurer**
 - iii. the **Intruder Alarm System** maintenance contract must not be altered or substituted without the written consent of the **Insurer**
 - iv. the procedures agreed by the **Insured** for the police or any other response to any activation of or other warning signal pertaining to the **Intruder Alarm System** must not be altered or substituted without the written consent of the **Insurer**

SECTION 1 – MATERIAL DAMAGE CONTINUED

- d) the **Insured** must
 - i. maintain secrecy codes for the operation of the **Intruder Alarm System** and no details of such codes shall be left on the **Premises** when the **Premises** are left unattended
 - ii. immediately notify the **Insurer** upon receipt of any communication giving notice that the level response to the **Intruder Alarm System** has been or will be reduced
 - iii. appoint at least 2 **Keyholders** and lodge written details with the police and the alarm company
 - e) in the event of notification of
 - i. any alarm fault
 - ii. activation of the **Intruder Alarm System**
 - iii. interruption of the means to transmit or receive signals to or from the **Intruder Alarm System** during the period that the **Intruder Alarm System** is set
- a **Keyholder** must attend the **Premises** as soon as possible

3. Security Precautions

It is a condition precedent to the **Insurer's** liability for **Damage** by **Insured Peril 7** under the Policy that whenever the **Premises** or any part of the **Buildings** not occupied by the **Insured** for the purpose of the **Business** are left unattended all locks bolts and other protective devices are in full and effective operation

4. Kitchen Duct Maintenance Condition

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

- a) hoods ducts fans extractors and plenums are cleaned at least once every twelve months by an independent cleaning service contractor
- b) filters are cleaned at least once a week by the **Insured**
- c) a record of all servicing tests and cleaning is made and retained by the **Insured** and provided to the **Insurer** upon request
- d) as a minimum requirement the **Premises** are fitted with
 - i. a foam fire extinguisher (minimum two gallons)
 - ii. a wet chemical extinguisher Class F or a fixed wet chemical installation fitted within the hood of the fryer
 - iii. a fire blanket
- e) no fryer hoods or ducting is within 300mm of any combustible partitions ceilings doors or floors unless suitably protected by fire resistant substances or materials
- f) all frying ranges are fitted with thermostats set to prevent the temperature of fats rising above 210 degrees centigrade (or the manufacturer's recommended temperature if this is less than 210 degrees centigrade) and with automatic cut-outs in the event of failure of the thermostats

5. Roof Maintenance Condition

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

- a) any flat felted roof is inspected at least once every two years by a qualified builder or property surveyor and any defect identified by that inspection is repaired immediately
- b) any roof valley guttering is checked annually for blockages or defects and any remedial action required is immediately implemented

6. Removal of Waste

It is a condition precedent to the **Insurer's** liability under Section 1 Material Damage that all waste and refuse is swept up daily and removed completely from the **Premises** at least once a week and a record of removal is kept

SECTION 2 – BUSINESS INTERRUPTION

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

- a) resulting in interruption or interference with the **Business** or
- b) which prevents the **Insured** from tracing or establishing customers' **Outstanding Debit Balances** in whole or in part as a result of the **Insured's** books of account at the **Premises** being damaged

the **Insurer** will indemnify the **Insured**

- i. in respect of a) the amount of loss resulting from such interruption or interference provided that at the time of the **Damage** there shall be in force an insurance covering the interest of the **Insured** in the **Property** at the **Premises** and that liability shall be admitted or payment made therefore or 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
- ii. in respect of b) the amount of loss resulting from the **Damage**

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. Gross Profit

The **Insurer** will pay as indemnity to the **Insured** the amount of their loss in respect of each item stated in the Schedule as a result of loss of **Gross Profit** due to reduction in **Turnover** and/or **Increased Cost of Working**

- a) the amount payable in respect of a reduction in **Turnover** shall be the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** shall fall short of the **Standard Turnover** during the **Indemnity Period** as a result of the **Damage**
- b) the amount payable in respect of the **Increased Cost of Working** as a result of the **Damage** not exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of the reduction in **Turnover** thereby avoided

less any sum saved during the **Indemnity Period** in respect of such charges and expenses of the **Business** payable out of **Gross Profit** that may cease or be reduced as a result of the **Damage**

Provided that adjustments shall be made as may be necessary to provide for the trend of the **Business** and for variations in or other circumstances affecting the **Business** either before or after the **Damage** or which would have affected the **Business** had the **Damage** not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the **Damage** would have been obtained during the relative period after the **Damage**

SECTION 2 – BUSINESS INTERRUPTION CONTINUED

2. Average

If the Sum Insured is less than the **Gross Profit** for the 24 months immediately prior to the occurrence of **Damage** the amount payable shall be proportionately reduced after due provision has been made for the trend or variation in or other circumstances affecting or which would have affected the **Business** either before or after the **Damage**

3. Alternative Trading

If during the **Indemnity Period** work is done or services rendered elsewhere than at the **Premises** for the benefit of the **Business** either by the **Insured** or by others on behalf of the **Insured** the amount paid or payable in respect of such work or services shall be accounted for in arriving at the **Turnover** during the **Indemnity Period**

4. Departmental

If the **Business** is conducted in departments the independent trading results of which are ascertainable the basis of **Gross Profit** shall apply separately for each department

5. 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

6. Current Cost Accounting

For the purpose of this Section any adjustment implemented in current cost accounting shall be disregarded

7. Outstanding Debit Balances

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

- a) the difference between the **Outstanding Debit Balances** and the total of the amounts received or traced in respect thereof
- b) the additional expenditure incurred with the written consent of the **Insurer** in tracing and establishing customers' debit balances after **Damage**

8. 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

9. 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**

SECTION 2 – BUSINESS INTERRUPTION CONTINUED

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. Premises Closure or Restrictions

- a) closure or restrictions placed on the **Premises** on the advice of or with the approval of the Medical Officer of Health for the Public Authority as a result of a **Notifiable Human Disease** occurring at the **Premises**
- b) injury or illness sustained by any person caused by or traceable to foreign or injurious matter in food or drink sold from the **Premises** by the **Insured**
- c) vermin and pests at the **Premises**
- d) closure of the whole or part of the **Premises** by order of the Public Authority consequent upon defects in the drains and other sanitation at the **Premises**
- e) murder or suicide occurring at the **Premises**
subject to a maximum of £25,000 for any one loss

The **Insurer** shall not be liable under this extension for costs incurred in cleaning repair replacement recall or checking of property

2. Suppliers

Damage from the **Insured Perils** at the premises of any of the **Insured's** suppliers manufacturers or processors within Great Britain Northern Ireland the Channel Islands or the Isle of Man but excluding the premises 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

3. Denial of Access

Damage from the **Insured Perils** to property within a one mile radius 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

4. 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 subject to a maximum of £100,000 for any one loss 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 excluding

- a) atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite
- b) total or partial failure of the public supply occasioned by strike or lock-out total or partial withdrawal of labour or total or partial cessation of work

5. Property in Transit

Damage to Property as insured by Section 1 and for which the **Insurer** has admitted liability whilst **In Transit** subject to a maximum of £25,000 for any one loss

SECTION 2 – BUSINESS INTERRUPTION CONTINUED

6. 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

7. Storage Sites

Damage from the **Insured Perils** at any premises in Great Britain Northern Ireland the Channel Islands or the Isle of Man not in the occupation of the **Insured** where **Property** of the **Insured** is stored subject to a maximum of £25,000 for any one loss

8. Contract Sites

Damage from the **Insured Perils** at any situation in Great Britain Northern Ireland the Channel Islands or the Isle of Man where the **Insured** is carrying out a contract subject to a maximum of £25,000 for any one loss

Exclusions

1. The **Insurer** shall not be liable for **Increased Cost of Working** due to
 - a) failure of any satellite prior to its obtaining its full operating function or while in or beyond the final year of its design life
 - b) atmospheric solar or lunar conditions causing temporary interference with transmission to or from any satellite
2. 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

Condition

Debit Recording and Storage

On a monthly basis the **Insured** shall record the total amount of **Outstanding Debit Balances** as set out in business books of account and such record shall be kept elsewhere than the **Insured's Premises**

SECTION 2 – BUSINESS INTERRUPTION CONTINUED

Additional Cover

Loss of Licence

This additional cover is operative only if stated in the Schedule

The **Insurer** will indemnify the **Insured** for loss of a granted **Licence** being revoked or for the refusal to renew the **Licence** after due and proper application for renewal due to a cause beyond control of the **Insured**

The amount payable shall be

- a) the depreciation in value of the interest of the **Insured** in the **Premises** or the **Business**
- b) the loss of **Gross Profit** due to reduction in **Turnover** and **Increased Cost of Working**
 - i. the amount payable in respect of a reduction in **Turnover** shall be the sum produced by applying the **Rate of Gross Profit** to the amount by which the **Turnover** shall fall short of the **Standard Turnover** during the **Indemnity Period** as a result of the loss of **Licence**
 - ii. the amount payable in respect of the **Increased Cost of Working** as a result of the loss of **Licence** not exceeding the sum produced by applying the **Rate of Gross Profit** to the amount of any reduction in the **Turnover** thereby avoided

less any sum saved during the **Indemnity Period** in respect of such charges and expenses of the **Business** payable out of **Gross Profit** as may cease or be reduced as a result of the loss of **Licence**

The **Insurer** shall not be liable for

- a) any loss to the **Insured** by virtue of any legislation relating to the **Licence**
- b) any loss arising from the revoking of any extension to the normal opening hours
- c) any loss arising from the revoking of or refusal to renew the **Licence**
 - i. arising from any town or country planning improvement or redevelopment or compulsory purchase or the surrender reduction or redistribution of **Licences**
 - ii. by the misconduct neglect or connivance of the **Insured** or failure by them to take steps necessary for keeping the **Licence** in force
- d) any loss relating directly or indirectly to a personal **Licence** issued to the **Insured** or **Employee** of the **Insured**
- e) payment of whatever nature due to the licensing authority by the **Insured**

Conditions

It is a condition precedent to the **Insurer's** liability for any loss or payment under this additional cover that

- a) immediate notice must be given in writing to the **Insurer** by the **Insured** in the event of any
 - i. change in tenancy use or management of the **Premises**
 - ii. transfer or proposed transfer of the **Licence**
 - iii. complaint against the **Premises** or the control of the **Premises**
 - iv. proceedings against or conviction of the **Insured** manager tenant or occupier of the **Premises** for any breach of licensing laws or any other matter whereby the character or reputation of the person concerned is affected with respect to their honesty moral standing or sobriety
 - v. objection to renewal or other circumstances which might endanger the renewal of the **Licence**
- b) in the event of the revoking or refusal of renewal of the **Licence** the **Insured** must notify the **Insurer** in writing within 24 hours after the order by the authorities of the event which has resulted in forfeiture or refusal of renewal of the **Licence** and also state as far as the **Insured** is able the grounds upon which such order has been made or particulars of such event

SECTION 3 – EQUIPMENT BREAKDOWN

In the event of an **Accident** to **Covered Equipment** within the **Territorial Limits** owned by the **Insured** or for which the **Insured** is responsible during the Period of Insurance the **Insurer** will indemnify the **Insured** in respect of any loss resulting from such **Damage** or at its option replace or reinstate such **Covered Equipment** in accordance with the provisions of the Policy provided that during the Period of Insurance the liability of the **Insurer** under this Section shall not exceed the lesser of

- a) the Limit of Indemnity stated in the Schedule
- b) such Limit remaining after deduction for any other **Damage** in the same Period of Insurance unless the **Insurer** has agreed to reinstate such Limit

Section Definitions

Accident

Damage as a result of

- a) electrical or mechanical **Breakdown** including rupture or bursting caused by centrifugal force
- b) artificially generated electrical current including electric arcing that disturbs electrical devices appliances or wires
- c) **Explosion** or **Collapse** of steam boilers steam pipes steam engines or steam turbines owned or leased by the **Insured** or operated under the **Insured's** control
- d) loss or damage to steam boilers steam pipes steam engines or steam turbines caused by or resulting from any condition or event not otherwise excluded occurring inside such boilers or equipment
- e) loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event not otherwise excluded occurring inside such equipment
- f) operator error
- g) damage caused by materials being processed

If an initial **Accident** causes other **Accidents** all shall be considered one **Accident**. All **Accidents** that are the result of the same event shall be considered one **Accident**

Breakdown

The actual breaking failure distortion or burning out of any part of the **Covered Equipment** whilst in ordinary use arising from defects in the **Covered Equipment** causing its sudden stoppage and necessitating repair or replacement before it can resume work

Fracturing of any part of the **Covered Equipment** by frost when such fracture renders the **Covered Equipment** inoperative

The actual and complete severance of a rope but not breakage or abrasion of wires or strands even though replacement may be necessary

Collapse

The sudden and dangerous distortion whether or not attended by rupture of any part of the **Covered Equipment** caused by crushing stress by force of steam or other fluid pressure other than pressure of chemical action or ignited flue gases or ignition of the contents

Computer Equipment

Electronic computer or other data processing equipment including **Media** and peripherals used in conjunction with such equipment

SECTION 3 – EQUIPMENT BREAKDOWN CONTINUED

Covered Equipment

Equipment built to operate under vacuum or pressure other than weight of contents or used for the generation transmission or utilisation of energy

None of the following is **Covered Equipment**

- a) structure foundation masonry brickwork cabinet compartment or air supported structure or building
- b) insulating or refractory material
- c) sewer piping underground vessels or piping or piping forming a part of a sprinkler system
- d) water piping other than boiler feedwater piping boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system
- e) vehicles aircraft floating vessels or any equipment mounted thereon other than vehicle recovery cranes or equipment
- f) mobile plant and equipment (other than fork lift trucks used by the **Insured** at their **Premises**) dragline excavation or construction equipment
- g) equipment manufactured by the **Insured** for sale
- h) tools dies cutting edges crushing surfaces trailing cables non-metallic linings driving belts or bands or any part requiring periodic renewal
- i) any electronic equipment other than **Computer Equipment** used for research diagnostic treatment experimental or other medical or scientific purposes
- j) any **Manufacturing Production or Process Equipment**
- k) domestic laundry kitchen audio visual and home entertainment equipment when such equipment is used in private living quarters
- l) equipment owned by tenants of the **Insured**

Explosion

The sudden and violent rending of the **Covered Equipment** by force of internal steam or other fluid pressure other than pressure of chemical action or ignited flue gases or ignition of the contents causing bodily displacement of any part of the **Covered Equipment** together with forcible ejection of the contents

Manufacturing Production or Process Equipment

Any machine or apparatus which takes in processes forms cuts shapes grinds or conveys raw materials materials undergoing the process or the finished product including any equipment forming a part of the dedicated power supply driving or controlling mechanism for such machine or apparatus

Media

All forms of electronic magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment

Verified

Checked for accuracy and integrity to ensure a precise match with the source data and capable of restoration

SECTION 3 – EQUIPMENT BREAKDOWN CONTINUED

Extensions to Section 3

1. Hazardous Substances

The **Insurer** will indemnify the **Insured** for the additional cost to repair or replace **Covered Equipment** due to contamination or pollution by a hazardous substance. This includes the additional expenses to clean up or dispose of such **Covered Equipment**

Hazardous substance means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency

Additional costs mean those beyond what would have been required had no hazardous substance been involved

This Extension

- a) includes loss as described in Section 2 only if Section 2 is operative
- b) is provided subject to a maximum of £10,000 for any one loss

2. Computer Equipment Reinstatement of Data and Increased Costs of Working

- a) The **Insurer** will indemnify the **Insured** for **Damage** caused by or resulting from an **Accident** to **Computer Equipment** subject to an aggregate maximum of £250,000 in any one Period of Insurance
- b) In addition the **Insurer** will indemnify the **Insured** for costs incurred in reinstating data lost or damaged in consequence of an **Accident** to **Computer Equipment** provided that
 - i. liability is limited solely to the cost of reinstating data onto **Media**
 - ii. the **Insurer** shall not be liable for any losses discovered later than six months after the loss was initiated
 - iii. the liability of the **Insurer** shall be subject to an aggregate maximum of £25,000 in any one Period of Insurance
 - iv. the **Insurer** shall not be liable for loss of or damage to software
 - v. the **Insurer** shall not be liable under this Extension for costs more specifically described in c) below
- c) In addition the **Insurer** will indemnify the **Insured** for reasonable costs necessarily incurred in minimising or preventing the resulting interruption or interference to the computer operations of the **Insured** subject to an aggregate maximum of £25,000 in any one Period of Insurance

3. Business Interruption

If Section 2 is operative the **Insurer** will indemnify the **Insured** for loss as described in Section 2 caused by an **Accident** to **Covered Equipment** or **Computer Equipment** subject to an aggregate maximum of £30,000 in any one Period of Insurance

4. Public Authorities/Law or Ordinance

If an **Accident** to **Covered Equipment** damages **Buildings** and the loss is increased by enforcement of any public authority ordinance or law in force at the time of the **Accident** that regulates the construction or repair of buildings or establishes zoning or land use requirements the **Insurer** will indemnify the **Insured** for the following additional costs to comply with such ordinance or law

- a) the **Insured's** actual expenditures for the cost to demolish and clear the site of undamaged parts
- b) the **Insured's** actual expenditures for increased costs to repair rebuild or construct the **Buildings**. If the **Buildings** are repaired or rebuilt it must be intended for similar use or occupancy as the current **Buildings** unless otherwise required by zoning or land use ordinance or law
- c) loss as described in Section 2 as a result of a) or b) above only if Section 2 is operative

SECTION 3 – EQUIPMENT BREAKDOWN CONTINUED

The **Insurer** shall not be liable for

- a) any fine
- b) any liability to a third party
- c) any increase in loss due to a hazardous substance other than as specifically insured under Extension 1
- d) increased construction costs until the **Buildings** are actually repaired or replaced

This Extension is within and does not increase the Sum Insured for such **Buildings** stated in Section 1 of the Schedule

5. Expediting Expenses

With respect to damaged **Covered Equipment** or **Computer Equipment** the **Insurer** will indemnify the **Insured** for the reasonable extra cost to make temporary repairs and expedite permanent repairs or permanent replacement subject to an aggregate maximum of £20,000 in any one Period of Insurance

6. Hire of Substitute Item

If **Covered Equipment** is damaged as a result of an **Accident** the **Insurer** will indemnify the **Insured** against the cost of hire charges actually incurred by the **Insured** during the Period of Insurance for the necessary hire of a substitute item of similar type and capacity during the period of repair or until permanent replacement of the item damaged subject to an aggregate maximum of £5,000 in any one Period of Insurance

7. Contents of Oil Storage Tanks

The **Insurer** will indemnify the **Insured** for loss of the contents of oil storage tanks belonging to the **Insured** or for which the **Insured** is responsible at the **Premises** by

- a) escape of contents – leakage discharge or overflow from the oil storage tanks caused by or resulting from an **Accident**
- b) contamination – contamination of the contents of the oil storage tanks caused by or resulting from an **Accident** including cleaning costs incurred as a result of such loss

This Extension excludes

- a) loss caused by fire howsoever the fire may have been caused
- b) loss resulting from corrosion erosion or wasting
- c) contamination of the contents resulting from
 - i. the natural settling separation or accumulation of fluids or materials constituting the normal contents
 - ii. the deliberate use of fluids or materials in the oil storage tanks for cleaning flushing or similar purposes
- d) loss sustained whilst oil storage tanks are in transit
- e) costs or expenses arising from pollution or contamination of property not covered by this Extension

This Extension is provided subject to a maximum of £5,000 in respect of any one **Accident** or series of **Accidents** arising out of one occurrence

SECTION 3 – EQUIPMENT BREAKDOWN CONTINUED

8. Loss Avoidance Measures

The **Insurer** will indemnify the **Insured** for reasonable costs necessarily incurred to take exceptional measures to prevent or mitigate impending **Damage** to **Covered Equipment** or **Computer Equipment** as a result of an **Accident** provided that

- a) **Damage** would reasonably be expected if such measures were not implemented
- b) the **Insurer** is satisfied that **Damage** has been avoided or mitigated by means of the exceptional measures
- c) the amount payable shall be limited to the cost of **Damage** which would have otherwise occurred
- d) the terms conditions and exclusions of this Section and the Policy apply as if **Damage** had occurred
- e) if **Damage** had occurred it would have resulted in a claim that would have been accepted by the **Insurer** under this Section of the Policy

This Extension is provided subject to an aggregate maximum of £5,000 in any one Period of Insurance

9. Refrigerator Contents

The **Insurer** will indemnify the **Insured** for **Damage** to frozen or chilled foodstuffs drugs or medicines owned by the **Insured** or for which the **Insured** is responsible in any frozen food cabinet deep freezer cold room cold store or refrigerator which is owned by the **Insured** or for which the **Insured** is responsible by or due to a change in temperature caused by an **Accident** or failure of the electricity supply

The **Insurer** shall not be liable for **Damage** caused by

- a) the deliberate act of any electricity undertaking in terminating disconnecting restricting or withholding the supply of electricity
- b) neglect or misuse
- c) wear tear deterioration of the cabinet or other gradually operating cause
- d) arising as a result of incorrect setting of thermostats or automatic controlling devices

This Extension is provided subject to an aggregate maximum of £15,000 in any one Period of Insurance however the **Insurer** shall not be liable for 20% of any loss where the frozen food cabinet deep freezer cold room cold store or refrigerator is over 10 years old

10. Damage to own surrounding property

The **Insurer** will indemnify the **Insured** for **Damage** to property belonging to or in the custody and control of the **Insured** and for which they are responsible directly resulting from the **Explosion** or **Collapse** of any steam boiler steam generator economiser superheater steam pipework or steam vessel for an amount of up to £1,000,000

Basis of Settlement Clause

Subject to the following Special Conditions the basis upon which the amount payable in respect of **Covered Equipment** is to be calculated shall be the reinstatement of the **Covered Equipment** the subject of an **Accident**

For this purpose reinstatement means

- a) the replacement of **Covered Equipment** the subject of an **Accident** which provided the liability of the **Insurer** is not increased may be carried out
 - i. in any manner suitable to the requirements of the **Insured**
 - ii. upon another site
- b) the repair or restoration of **Covered Equipment** the subject of an **Accident** in the case of a) or b) to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new

SECTION 3 – EQUIPMENT BREAKDOWN CONTINUED

Special Conditions

1. The **Insurer's** liability for the repair or restoration of **Covered Equipment** the subject of an **Accident** shall not exceed the amount payable for replacement of the **Covered Equipment**
2. No payment beyond the amount which would have been payable in the absence of this clause shall be made
 - a) unless reinstatement commences and proceeds without unreasonable delay
 - b) until the cost of reinstatement shall have been actually incurred
3. All the terms and conditions of the Policy shall apply in respect of any claim payable under this clause except insofar as they are varied hereby

Conditions

1. Precautions

The **Insured** shall exercise due diligence in

- a) complying with any statute or order
- b) ensuring that insured items are properly maintained and used in accordance with manufacturers' recommendations and in taking reasonable precautions to prevent loss or damage

2. Back-up Records

The **Insured** shall maintain a minimum of two generations of **Verified** back-up **Computer Records** taken at intervals no less frequently than 48 hours (one copy as a minimum being held off-site) and take all reasonable precautions to store and maintain records in accordance with the manufacturers' recommendations

Exclusions

The **Insurer** shall not be liable for

1. **Damage** caused by or resulting from

- a) any Insurable Peril described under Section 1
- b) a hydrostatic pneumatic or gas pressure test of any boiler or pressure vessel or an insulation breakdown test of any type of electrical equipment
- c) mould fungus mildew or yeast whether or not such matter is living including any spores toxins vapour gas emissions or substances produced by or emanating from such mould fungus mildew or yeast
- d) any defect programming error programming limitation **Virus or Similar Mechanism** loss of data other than as specifically provided for under Extension 2 loss of access loss of use loss of functionality or other condition within or involving data or **Media** of any kind
- e) depletion deterioration corrosion erosion wear and tear or other gradually developing conditions but if loss or damage from an **Accident** results the **Insurer** shall be liable for that resulting loss or damage
- f) loss due to solidification biological activity or spontaneous chemical reaction in the contents of tanks

2. loss or damage recoverable under the maintenance agreement or any warranty or guarantee or which would be recoverable but for breach of the **Insured's** obligations under the agreement

3. loss as a result of delay in resuming operations due to the need to reconstruct or re-input data or programs on **Media**

SECTION 4 – EMPLOYERS’ LIABILITY

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 Definition

Territorial Limits

- a) Great Britain Northern Ireland the Isle of Man or the Channel Islands
- b) elsewhere in the world in respect of **Injury** sustained by any **Employee** resident within the territories specified in a) above and caused whilst such **Employee** is temporarily outside these territories provided that any action for compensation in respect of such **Injury** is brought in a court of law within the territories specified in a) above or any other member country of the European Union

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 officer or committee member or other member of the **Insured’s** canteen social sports or welfare organisations or ambulance first aid fire medical or security services (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

SECTION 4 – EMPLOYERS’ LIABILITY CONTINUED

- 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

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

SECTION 4 – EMPLOYERS’ LIABILITY CONTINUED

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 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 for 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 – PUBLIC AND PRODUCTS LIABILITY

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

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** or in the course of the **Business** within the **Territorial Limits** 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 **Injury** and damage occurring during any one Period of Insurance in respect of **Products Supplied**
- c) 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

Costs inclusive in USA and Canada

Where indemnity is provided by this Section for liability in respect of occurrences in the United States of America or Canada or their dependencies or trust territories the Limit of Indemnity stated in the Schedule shall be the maximum amount payable and due by the **Insurer** inclusive of all costs and expenses

Section Definition

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 5

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

SECTION 5 – PUBLIC AND PRODUCTS LIABILITY CONTINUED

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

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 officer or committee member or other member of the **Insured's** canteen social sports or welfare organisations or ambulance first aid fire medical or security services (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

SECTION 5 – PUBLIC AND PRODUCTS LIABILITY CONTINUED

- 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

8. Motor Contingent Liability

The **Insurer** will indemnify the **Insured** against legal liability arising out of the use of any motor vehicle in the course of the **Business** anywhere in Great Britain Northern Ireland the Channel Islands or the Isle of Man

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

- a) any vehicle owned or provided by the **Insured** or any **Principal** for whom the **Insured** is working or any sub-contractor acting for or on behalf of the **Insured**
- b) damage to such vehicle or to goods conveyed in or on it
- c) any vehicle being driven by the **Insured**
- d) any vehicle being driven by any person who to the knowledge of the **Insured** or of the **Insured's** representative does not hold a licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence
- e) in respect of which the **Insured** is entitled to indemnity under any other insurance

9. Overseas Personal Liability

The **Insurer** will indemnify the **Insured** and if the **Insured** so request any director or partner of the **Insured** or any **Employee** or spouse of such person against legal liability incurred in a personal capacity whilst temporarily outside Great Britain Northern Ireland the Channel Islands or the Isle of Man in connection with the **Business**

The indemnity shall not apply to legal liability

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

10. Liability for Guests' Property

The **Insurer** will indemnify the **Insured** against legal liability arising out of the

- Hotel Proprietors Act 1956
- Hotel Proprietors Act (Northern Ireland) 1958
- Tourism (Liability of Proprietors of Registered Premises) (Jersey) Law 1964
- Hotel and Guest House Proprietors Liability (Bailiwick of Guernsey) Law 1964
- Hotel Keepers Liability Act 1964

Subject to

- a) the **Insurer's** liability under this extension not exceeding £25,000 in respect of all events happening during any Period of Insurance
- b) the **Insured** displaying notices where required by and in accordance with the provisions of either the Hotel Proprietors Act 1956 Hotel Proprietors Act (Northern Ireland) 1958 Tourism (Liability of Proprietors of Registered Premises) (Jersey) Law 1964 Hotel and Guest House Proprietors Liability (Bailiwick of Guernsey) Law 1964 or Hotel Keepers Liability Act 1964 as appropriate
- c) any guest's property deposited with the **Insured** for safe keeping being kept in a locked safe or strongroom

SECTION 5 – PUBLIC AND PRODUCTS LIABILITY CONTINUED

11. Car Park Liability

The **Insurer** will indemnify the **Insured** against legal liability arising from damage to the vehicles of visitors or guests whilst in the **Insured's** car park at the **Premises**

provided always that

- a) the **Insurer's** liability in respect of any one occurrence or series of occurrences consequent upon or attributable to any one single event shall not exceed £10,000 nor £50,000 in the aggregate for the Period of Insurance
- b) a disclaimer notice to the effect that vehicles are left at owners' risk and that the **Insured** accept no liability for loss or damage to any vehicle or its contents is displayed in a prominent position in the car park

12. Cloakrooms

The **Insurer** will indemnify the **Insured** against legal liability arising from damage to property (excluding gold and silver articles jewellery watches and the like) belonging to guests caused by theft or accidental means whilst such property is deposited in the cloakrooms in the **Premises**

Provided that

- a) this extension shall not insure against damage caused by or due to fire and/or explosion
- b) the liability of the **Insurer** shall not exceed £100 any one article and £1,000 any one incident
- c) the cloakroom shall be locked-up whenever it is left unattended when guests property is deposited therein
- d) the **Insured** shall issue numbered tickets to each guest in respect of property deposited in the cloakroom and shall prominently display in each cloakroom disclaimer notices to the effect that property is left at the owners' risk and that the **Insured** accept no liability for loss or damage to contents left therein

13. Personal Liability

This additional cover applies only if cover for **Insured's Personal Effects** is operative in the Schedule

The **Insurer** will indemnify the **Insured** in respect of legal liability incurred in a personal capacity by the **Insured** or their resident manager or any of their family permanently residing in the **Premises** for **Injury** or damage to property occurring anywhere within the **Territorial Limits** provided that this Extension shall not apply to liability

- a) excluded under this Section
- b) arising from any profession or business
- c) arising out of the ownership or occupation of land or buildings other than the **Premises**
- d) arising out of injury to the **Insured's** spouse or partner or any member of **Insured's** family permanently residing with the **Insured**
- e) tree felling or lopping operations
- f) the ownership possession or use of any animal (other than cats dogs or horses)
- g) where indemnity is provided by any other insurance

14. 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

SECTION 5 – PUBLIC AND PRODUCTS 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 **Products Supplied** other than

- a) office machinery surplus to the **Insured's** requirements
- b) food or drink supplied as a service to guests and visitors
- c) proprietary branded goods other than medicines

4. Safety Critical Products and Exports to USA and Canada

Liability in respect of

- a) any **Products Supplied** which to the knowledge of the **Insured** are to be used as a critical part in connection with aircraft hovercraft aerial devices watercraft drilling platforms or rigs motor vehicles railways railway locomotives or carriages operational areas of gas chemical nuclear petrochemical or power generation plants or mines
- b) any **Products Supplied** knowingly exported directly or indirectly to the United States of America or Canada or their dependencies or trust territories

5. Fines

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

6. 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**

7. 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

SECTION 5 – PUBLIC AND PRODUCTS LIABILITY CONTINUED

8. 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

9. 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

10. Vessels or Craft

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

11. Work on Offshore Installations

Liability in respect of **Injury** loss or damage 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

12. 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 outis contracted if legally required to make safe the area in which the discovery is made as soon as is practicable

SECTION 5 – PUBLIC AND PRODUCTS LIABILITY CONTINUED

13. 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

14. Manual Work Away

Liability arising from manual work undertaken away from the **Insured's Premises** other than collection or delivery

15. Sporting Activities

Liability arising from **Injury** to any person who is participating practising or training in any sporting activity other than billiards darts pool snooker or table tennis

16. Belligerent and Malicious Acts

Liability arising from damage or **Injury** caused by any belligerent or malicious acts of the **Insured** or their **Employees**

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

SECTION 5 – PUBLIC AND PRODUCTS LIABILITY CONTINUED

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 carried out on behalf of the **Insured** by bona fide subcontractors commencing during the Period of Insurance 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 insurance 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 of not less than the Limit stated in the Schedule

This condition shall 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 that the **Insured** shall obtain verbal confirmation and confirm such confirmation in writing and retain a copy as written record property with a Limit of Indemnity not less than the Limit stated in the Schedule

SECTION 6 – 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 7 – LEGAL EXPENSES

The **Insurer** will only indemnify the **Insured** for **Claims** where the dispute and/or legal proceedings and/or **HMRC 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

LV= Legal Line

As specified in the Schedule

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

Awards of Compensation

Basic and Compensatory Awards and compensation for unlawful discrimination made against the **Insured** by an Employment Tribunal or settlement thereof subject to the consent of the **Insurer's Representative** but not including Additional Awards Protective Awards Interim Relief Arrears of Pay or Awards of Damages under the Equal Pay Act or arising out of failure to comply with awards in respect of reinstatement or re-engagement. The **Insurer** will not pay any fine award or damages incurred by deliberately avoiding a payment or liability under statutory requirements. The **Insurer** will not pay any redundancy payment or any monies due or properly payable arising under or from a contract of employment service agreement or related document or from any related implied or incorporated terms of a contract of service

Claim

A claim under the Policy for **Legal Expenses Professional Expenses Awards of Compensation** or **Jury Service Allowance**

Contracting Party

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

Debt Collection Service

The debt collection service nominated by the **Insurer's Representative**

Due Date

The date monies owed to the **Insured** first become due and payable

Employee

Any person under a contract of service with the **Insured**

SECTION 7 – LEGAL EXPENSES CONTINUED

HMRC Investigation

Inland Revenue Investigations and VAT Disputes

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

- a) Business Self Assessment Full Enquiry
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 S12AC of the Taxes Management Act 1970 or under Paragraph 24(1) Schedule 18 Finance Act 1998
- b) Employer Compliance Dispute
The enquiries which take place following an expression of dissatisfaction with the **Insured's** PAYE and/or NIC affairs following an employer compliance visit by HMRC or following an expression of dissatisfaction with the **Insured's** P11Ds or P9Ds
- c) Business Self Assessment Aspect Enquiry
The enquiry which takes place when an officer of HMRC issues a formal notice under Paragraph 24(1) Schedule 18 Finance Act 1998 or S9A or S12AC of the Taxes Management Act 1970 in order to make an Aspect Enquiry into only certain boxes on the **Insured's** Self Assessment Return

Insurer's Representative

Abbey Legal Protection a trading division of Abbey Protection Group Limited who administers and manages Section 7 – Legal Expenses – of the Policy on behalf of the **Insurer**

Jury Service Allowance

The amount of money the **Insured** is liable to pay an **Employee** each day they attend on jury service less any recovery from the court

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

SECTION 7 – LEGAL EXPENSES CONTINUED

Statutory Licence

A licence or certificate of registration issued under statute statutory instrument or by a Government or local authority to the **Insured** provided that such licence or certificate is necessary to engage in the **Business** of the **Insured** and the licence or certificate has been declared to the **Insurer**

VAT Disputes

The enquiries which take place following a written decision assessment or statement of alleged arrears made by HMRC into the **Insured's** Value Added Tax Return and/or any related Value Added Tax default surcharges and misdeclaration penalties

Sub-Section A – Contract 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 a contract for the sale of goods or a contract for the hire of goods or a contract for the supply of a service within the meaning laid down in the Sale of Goods Act 1979 and/or the Supply of Goods and Services Act 1982

Provided that

- a) **Legal Expenses** incurred in the pursuit of any dispute or legal proceedings shall be limited to 75% of the amount in dispute
- b) the amount in dispute exceeds £1,000
- c) where the contract is a construction contract as defined by the Housing Grants Construction and Regeneration Act 1996 the construction operations are carried out or are to be carried out by the **Contracting Party** on property owned by the **Insured** and the contract is incidental to the **Insured's Business**
- d) where the dispute relates to monies owed to the **Insured** and such liability is not contested the **Insured** refers the debt to the **Debt Collection Service** within 30 days of the **Due Date** and agrees use of the service shall be paid for by the **Insured** and not indemnified by the **Insurer**. If the **Debt Collection Service** exhausts its normal recovery procedure and recommends to the **Insurer's Representative** that legal proceedings are necessary the **Insured** shall immediately notify a **Claim** under this Sub-Section of Cover

Exclusions

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

- 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) franchise contracts
- d) contracts governed by or alleged to be governed by the Consumer Credit Act 1974
- e) contracts of employment
- f) contracts for the use of property

SECTION 7 – LEGAL EXPENSES CONTINUED

Sub-Section B – Criminal Prosecution

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

- a) defending a prosecution against the **Insured** in a court of criminal jurisdiction
- b) an appeal by the **Insured** against the service of an Improvement or Prohibition Notice under the Health & Safety at Work Act 1974 or the Food Safety Act 1990

Exclusions

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

- a) any prosecution relating to or arising from investigations by HMRC
- b) any prosecution for offences against the person including offences of a sexual nature
- c) any prosecution for criminal damage
- d) any prosecution alleging dishonesty
- e) any prosecution for non-endorsable road traffic offences except tachograph prosecutions and weight prosecutions
- f) an allegation of speeding or driving whilst under the influence of alcohol and/or drugs
- g) failure to insure a motor vehicle as required by law

Sub-Section C – Employment Disputes

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** and **Awards of Compensation** incurred by the **Insured** in defending legal proceedings brought against the **Insured** by an **Employee** ex-**Employee** or prospective **Employee** in respect of their contract of employment with the **Insured** or a breach of employment-related legislation

It is a condition precedent to the **Insurer's** liability that the **Insured** has sought and followed all the advice from the **LV= Legal Line** as to the procedure to be adopted and has received specific authorisation from the **LV= Legal Line**

- a) prior to carrying out any disciplinary procedure or action or suspension of an **Employee**
- b) prior to dismissal of an **Employee**
- c) prior to instituting a redundancy programme and prior to making an **Employee** redundant
- d) prior to notifying an **Employee** of their intended retirement date or retiring an **Employee**
- e) upon notification formally or informally of a grievance from an **Employee** or ex-**Employee**
- f) upon notification formally or informally of a complaint of sexual racial or religious discrimination or discrimination relating to disability age or sexual orientation
- g) prior to any adverse variation or any attempt to adversely vary the terms and conditions of employment (including altering the hours or time or place worked or demotion or deduction from or reduction in an **Employee's** remuneration)
- h) immediately an **Employee** walks out with or without written notice
- i) upon receipt of an appeal from an **Employee** or ex-**Employee** against a decision taken as a result of a disciplinary or grievance procedure or retirement procedure or a decision to dismiss

Sub-Section D – Tax Protection

Sub-Section D1 – Inland Revenue Investigations

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 provided that in the case of an Employer Compliance Dispute there is a reasonable prospect of reducing the liabilities alleged by HMRC

SECTION 7 – LEGAL EXPENSES CONTINUED

Sub-Section D2 – VAT Disputes

The **Insurer** agrees to indemnify the **Insured** against **Professional Expenses** incurred in representation of the **Insured** in a **VAT Dispute** in respect of

- a) the local review procedure in order to reach agreement with HMRC
 - b) a VAT and Duties Tribunal or other HMRC hearing or tribunal including an appeal
- provided that there is a reasonable prospect of reducing the liabilities alleged by HMRC

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 **HMRC Investigation** which results solely from investigation of earlier accounts or records
- e) any **Claim** where the tax return is submitted outside the statutory time limits and/or in a penalty position
- f) the preparation and/or correction of Self Assessment Returns accounts Income Tax Returns P11Ds P35s VAT returns or any other statutory returns
- g) any investigation undertaken by the Special Civil Investigations or Criminal Investigations offices of HMRC or where a Notice 730 or Code of Practice 8 or 9 Notice has been issued by HMRC
- h) 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
- i) any dispute in connection with the payment of the National Minimum Wage
- j) a dispute or enquiry in respect of IR35 legislation
- k) 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
- l) an investigation arising out of a voluntary disclosure made to HMRC in respect of omitted tax NIC or VAT liabilities which become due as a result of the **Insured's** deliberate act
- m) 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

Sub-Section E – 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**
- b) over the terms of a tenancy agreement between the **Insured** and a **Contracting Party** relating to the use or maintenance of the **Property** including dilapidations
- c) over the actual or alleged negligence damage or nuisance caused to the **Property** by anyone other than the tenant

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

SECTION 7 – LEGAL EXPENSES CONTINUED

Exclusions

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

- a) the payment or non-payment or review of any tax rent or service charge
- b) a dispute relating to 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 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 if the **Insured** was contractually obligated to have such insurance in force
- e) a dispute over subsidence or heave howsoever caused
- f) a contract dispute other than where the contract is a tenancy agreement with a **Contracting Party**

Sub-Section F – Data Protection

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in defending any dispute or legal proceedings brought against the **Insured** arising out of the Data Protection Act 1998 including an appeal by the **Insured** against a refusal of an application for registration or alteration of registered particulars or an appeal against an Enforcement Deregistration or Transfer Prohibition Notice. The **Insurer** further agrees to indemnify the **Insured** against compensation awards which the **Insured** is ordered to pay consequent upon the holding loss or unauthorised disclosure of data as defined in Section 13 of the Data Protection Act 1998 provided that any compensation award follows the unsuccessful defence of an action arising out of the Data Protection Act 1998 to which the **Insurer's Representative's** consent has been granted and has not been withdrawn

Sub-Section G – Statutory Licence

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in an appeal by the **Insured** against the suspension revocation imposed alteration of or refusal to renew a **Statutory Licence**

Exclusions

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

- a) any disciplinary or internal procedures conducted by authorities charged with the regulation of the **Insured** in the performance of their **Business** or for any appeal following such procedures
- b) an alteration or refusal to renew a **Statutory Licence** which is imposed by Act of Parliament
- c) any costs incurred to comply with a notice or order
- d) driving licences

Sub-Section H – Personal Injury

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in the pursuit of any dispute or legal proceeding for damages for **Injury** to the **Insured** caused by the actual or alleged act or omission of a third party

SECTION 7 – LEGAL EXPENSES CONTINUED

Sub-Section I – Wrongful Arrest Defence

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in the defence of civil legal proceedings against the **Insured** in respect of allegations of wrongful arrest or malicious prosecution

Exclusion

The **Insurer** shall not be liable to indemnify the **Insured** in respect of any **Claim** arising out of or in connection with allegations made by or against or on behalf of an **Employee** or former **Employee** or any other person working for the **Insured** whether or not an **Employee**

Sub-Section J – Jury Service Allowance

The **Insurer** agrees to indemnify the **Insured** against **Jury Service Allowance** with such indemnity being limited to £100 per day and a maximum of £1,000 for **Any One Claim**

Sub-Section K – Pension Trustee Defence

The **Insurer** agrees to indemnify the **Insured** against **Legal Expenses** incurred in defending civil proceedings against the **Insured** in the **Insured's** capacity as a trustee of a pension fund set up for the benefit of the **Insured's Employees**

Exclusions to Section 7

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
 - c) alleged breach of any professional duty
 - d) any tortious liability (other than as specified in Sub-Sections E Property Disputes and K Pension Trustee Defence)
2. any dispute legal proceedings or **HMRC 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. **Awards of Compensation** where the **Insurer's Representative's** consent to incur **Legal Expenses** has not been granted or has been withdrawn
5. 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 **HMRC Investigation** by or against the **Insured**
6. fines or other penalties imposed by a court or tribunal
7. any dispute legal proceedings or **HMRC Investigation** 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
8. 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 **HMRC Investigations**
9. any dispute or legal proceedings with Government or Local Authority departments concerning the imposition of statutory charges
10. 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
11. any dispute between the **Insured** and the **Insurer** the **Insurer's Representative** the **Appointed Representative** or their insurance broker

SECTION 7 – LEGAL EXPENSES CONTINUED

12. 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
13. any dispute or legal proceedings arising out of or in connection with actual or alleged defamation or malicious falsehood
14. any **Legal Expenses** or **Professional Expenses** incurred in respect of or in connection with a judicial review
15. appeals arising out of legal proceedings or **HMRC Investigations** to which the **Insurer's Representative's** consent has not been granted
16. 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 **HMRC 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 sought
 - or
 - ii. where the **Insured** is defending the other party does not have reasonable prospects of proving the **Insured's** legal liability
 - or
 - iii. in respect of a criminal 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 Professional Expenses** or **Awards of Compensation**

SECTION 7 – LEGAL EXPENSES CONTINUED

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

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** **Professional Expenses** or **Awards of Compensation** 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** **Professional Expenses** **Awards of Compensation** or **Jury Service Allowance** 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**

SECTION 7 – LEGAL EXPENSES CONTINUED

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**

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 Professional Expenses and Awards of Compensation

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 Professional Expenses** or **Awards of Compensation**. 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 Professional Expenses** or **Awards of Compensation** will be paid

SECTION 7 – LEGAL EXPENSES CONTINUED

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 Professional Expenses** or **Awards of Compensation** 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 Professional Expenses** or **Awards of Compensation** 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

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 Professional Expenses** or **Awards of Compensation**. Where the **Insurer** exercises this discretion the **Insurer** will cease to be liable for any further **Legal Expenses Professional Expenses** or **Awards of Compensation**

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 HMRC 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**

SECTION 7 – LEGAL EXPENSES CONTINUED

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 Professional Expenses** or **Awards of Compensation** 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 7 – 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 Business Interruption 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, 2 and 3 (not applicable to Personal Accident (Assault))

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

7. Claims Co-operation

The **Insured** will provide all help and assistance and co-operation required by the **Insurer** in connection with any claim

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 7 – 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 a 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 **0800 0 234 567**

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

100% of the claim

Non-compulsory Insurance

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

