



MATRIX UNDERWRITING



PROPERTY OWNERS POLICY WORDING

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About Your Policy

This Policy has been prepared in accordance with Your instructions. It is a legal contract. Please read it carefully to ensure that it is in accordance with Your requirements and that You understand its limits, terms, conditions and exclusions. The insurance broker or other intermediary who arranged this Insurance should be contacted immediately if any correction is necessary.

This Policy consists of:

- the [General Insuring Clause](#) which explains the basis on which cover is provided;
- the [Schedule / Risk Details](#) which states who the Insured is, what is being covered and other terms, such as the Period of Insurance, details of which Sections of the Policy operate, the types of losses insured, Limits of Liability and matters and amounts for which You are responsible;
- [Definitions](#) which define particular words and expressions applying to the whole of this Policy or, where specifically stated, applying to a particular Section;
- the [Sections](#) of the Policy which give precise details of the cover being provided;
- the [Extensions to all/ Specified Sections](#) of the Policy detail the extensions provided to the coverage under the Sections;
- the [General Conditions](#) and [General Exclusions](#) of cover applying to the whole of this Policy or, where specifically stated, applying to a particular Section;
- any [Endorsements](#) which might apply to the Policy or individual Sections and which incorporate Extensions, limitations, amendments and such like.

You should immediately notify the Insurer via Your insurance broker or other intermediary of any changes which may affect the insurance provided by this Policy.

Alterations to the cover required after issue of the Policy will be confirmed by separate Schedules and/or Endorsements which You should file with the Policy. You should refer to these Schedules and/or Endorsements and the Policy to ascertain precise details of cover currently in force.

Cancellation

This Policy may be cancelled by You on the terms detailed in the General Conditions.

Making a Claim

If You need to make a claim, please check the relevant section of the Policy for the cover that is being provided, then refer to the claims notification instructions. Please note that any fraudulent or deliberately misleading statement will invalidate Your claim and may affect Your insurance cover.

Making a Complaint

If You are not happy with Our service, please see the Complaint Procedure documentation provided along with Your Insurance documents for full details on how to get in touch with Us.

Property Owners Insurance

Policy Document

General Insuring Clause

In return for the payment of premium, the Insurer agrees to provide You with the cover set out in this Property Owners' Insurance Policy, subject to all of its terms and conditions, during the Period of Insurance.

The Insurer has relied on the information provided by You or anyone else acting on Your behalf, including the accuracy of such information, in the application process for this insurance, which includes the proposal form and all written materials provided in support.

Where insurance is provided by more than one insurer, the insurers' obligations under this Policy in accordance with the terms and conditions contained herein or endorsed hereon, are several and not joint. This means that insurers are limited solely to the extent of their individual subscriptions and are not jointly liable for the proportion of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

This Policy wording, the Market Reform Contract/Schedule, Endorsements and any other attachments constitute one document containing the legal agreement between the Insured and the Insurer.

Words or expressions indicated in italics have a specific meaning attached to them, and that meaning applies wherever these words or expressions appear.

Definitions

These Definitions are applicable to the whole Policy unless otherwise stated.

These Definitions are subject to the terms, conditions, limits and exclusions of the Policy.

Wherever the following words appear in italics starting with a capital letter, they will have the same meaning as defined here.

Also, the following applies:

- a) words importing the singular shall include the plural and vice versa;
- b) references to persons include bodies corporate or unincorporated;
- c) words importing any gender shall include all genders;
- d) reference to any statute or statutory provision, orders or regulations shall include references to that provision, order or regulation as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this Policy; and
- e) reference to any statutory or other body shall include the successor to that body.

A

Accident / Accidental

means a single, sudden, external and unexpected event by violent and visible means, which occurs at an identifiable time and place.

Accidental Damage

means physical loss or physical destruction of or damage to tangible Property Insured as a result of a single, sudden, external and unexpected event by violent and visible means, which occurs at an identifiable time and place during the Period of Insurance.

Actual Value

means the amount it would cost to repair or replace Property Insured, on the date of Damage, with material of similar kind, condition and quality, with deduction for outdatedness and physical depreciation.

Act of Sabotage

means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

Act of Terrorism

solely for the purpose of Section 3- Terrorism, Act of Terrorism shall mean 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 in place. In respect of the rest of the Policy, an Act of Terrorism shall mean an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Additional Insured

Means the personal representatives of the Insured in respect of Legal Liability incurred by the Insured for which the Insured would have been entitled to indemnity under this Policy if the claim for which indemnity is sought had been made against the Insured.

Annual Rent Receivable

means rent receivable by the Insured during the 12 (twelve) months immediately before the date of the Damage.

Appointed Representative

means a solicitor, barrister or other appropriately qualified person appointed to act in the name of and on behalf of the Insured in accordance with the terms, conditions, limitations, provisos and exclusions of this Policy.

Authorised Resident

means the Insured, tenant(s) and any member of their family permanently residing with them at the premises, or any other person authorised by the Insured.

B

Building(s)

means:

1. the permanent fixed structures and permanent foundations below ground level, situated at the Insured Premises, constructed mainly of brick, stone or concrete and roofed mainly with slates, tiles, concrete, metal or asbestos unless otherwise agreed by the Insurer; and
2. including garages, annexes and extensions to the permanent fixed structures;
3. landlord's fixtures and fittings in or on such permanent fixed structures; which are the property of or have been leased to the Insured or for which the Insured is legally responsible.

Unless more specifically insured, the following property of the Insured or for which the Insured is legally responsible shall also be included in the definition of Building(s):

- A. annexes and outbuildings;
- B. tenants' improvements which the Insured is legally responsible for;
- C. conveyors, trunks, lines, wires, service pipes and similar property on the Insured Premises extending to the public mains;
- D. walls, gates and fences;
- E. landscaping, swimming pools, ponds, lakes, reservoirs, and other similar water features;
- F. car parks, yards, roadways, walking surfaces and similar surfaces at the Insured Premises;
- G. security lighting, security cameras and other security or fire protection devices, affixed receiving and communication aerials, their fittings and masts fixed to the buildings;
- H. Solar panels, wind turbines and other similar equipment used by the Insured for the generation of electricity.

Building(s), in no event, shall include Buildings in the course of construction or alteration.

C

Condition(s) Precedent

means that these clauses must be satisfied before the Insurer becomes liable to make any payment to the Insured under this Policy. In the event of the Insured's breach of any Condition Precedent, in respect of any claim arising or contributed to by such breach, the Insurer is entitled to decline liability and shall not be required to make any payment to the Insured for such claim.

D

Damage / Damaged

means physical loss or physical destruction of or damage to tangible Property Insured by an Insured Peril.

Debris Removal

means costs and expenses necessarily and reasonably incurred by the Insured with the prior consent of the Insurer to:

1. remove debris from;
2. dismantle and/or demolish;
3. shore-up or prop up,

the portion or portions of the Property Insured following Damage.

The Insurer will not pay for any costs or expenses:

- A. incurred in removing debris except from the site of the Property Insured and the area immediately adjacent to such site;
- B. arising from pollution or contamination of property not insured by this Policy.

Declared Value

means the Insured's assessment of the cost of reinstatement of the Property Insured arrived at in accordance with reinstatement valuations provided under the Basis of Settlement clause under Conditions to Section 1 at the

level of cost applying at the inception of the Period of Insurance (ignoring inflationary factors which may operate subsequently) together with allowance for, where applicable:

- A. the additional cost of reinstatement to comply with public authority requirements;
- B. Professional Fees;
- C. Debris Removal.

Denial of Service Attack

means 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. Denial of Service Attack includes, but is 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.

E

Excess

With respect to Sections 1, 2, and 5, Excess means the amounts as specified either in this Policy wording or in the Schedule, as applicable, that are to be deducted from any claim and which amount shall be borne by the Insured.

Under [Section 1 - Property Damage](#), this shall apply to each Loss or Damage at each Insured Premises separately after the application of the Average Condition.

Under [Section 3 - Property Owners' Liability](#) and [Section 4 – Employers' Liability](#), means the amounts as specified in the Schedule, which the Insured shall pay in respect of all Damages, compensation, claimant's costs, Legal Costs and expenses before the Insurer shall be liable to make any payment. The Excess shall apply to each Event other than Legal Liability arising out of Injury unless otherwise specified in the Schedule;

G

Glass

means:

1. Fixed glass and mirrors in or at the Insured Premises;
2. Frames or framework which require to be removed to replace the glass;
3. Window alarm foil, ornamental glass, lettering and silvering;
4. Fixed external signs including neon signs,

being the property of the Insured or for which the Insured is responsible.

H

Hacking

means unauthorised access to or unauthorised use of any computer or other equipment or component or system or item which processes, stores or retrieves data, whether or not the property of the Insured.

I

Incident

means any event directly causing Legal Liability insured under [Section 4 - Employers Liability](#), and [Section 5 - Property Owners' Liability](#). Incident shall include the continuous or repeated harmful exposure to substantially the same general conditions.

All Incidents or series of Incidents consequent upon or attributable to one source or original cause shall be regarded as a single Incident for the purposes of this Policy.

Indemnity Period

means the period beginning with the Damage and ending not later than the end of the Maximum Indemnity Period thereafter during which there is a Loss of Rent Receivable in consequence of the Damage.

Injury

means bodily injury, death, disease, illness, nervous shock, mental injury or mental anguish.

[Insured/ You/ Your/ Yours](#)

means the Insured as specified in the Schedule.

Insured Peril

means the following:

Fire; Lightning; Aircraft or other aerial devices or articles dropped or falling therefrom; Explosion; Earthquake; Accidental Damage but only to the extent specified in the Schedule); Storm; Flood; Escape of water from any tank, apparatus or pipe or escape of oil from a fixed oil-fired heating installation; Riot / Civil Commotion; Malicious Damage; Impact by any vehicle or animal; Theft; Subsidence, ground heave and landslip.

Insured Person

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

Insured Premises

means the location(s) as specified in the Schedule or in any Endorsement(s).
Insurer/ We/ Us/ Our means Brit Syndicate 2987 at Lloyd's

L

Landlord's Contents

means furniture, fixtures, fittings, decorations and other similar contents within the Buildings which are

1. owned by the Insured or for which the Insured is legally responsible; and
2. contained within the Insured Premises,

Provided that Landlord's Contents shall not include mobile phones, laptops or similar portable electronic equipment, documents, tenants' property, money or any articles of gold, silver or other precious materials, jewellery or other personal items.

Legal Costs

means:

1. costs of legal representation at:
 - A. any coroner's inquest or fatal accident inquiry in respect of any death;
 - B. proceedings in any court arising out of any alleged breach of statutory duty resulting in an Incident; which may be the subject of indemnity under [Section 4 - Employers' Liability](#), and [Section 5 - Property Owners' Liability](#) of this Policy;
2. all other legal costs and expenses in relation to any Incident which may form the subject of a claim for indemnity under [Section 4 - Employers' Liability](#), and [Section 5 - Property Owners' Liability](#) of this Policy; incurred with the written consent of the Insurer.

Legal Liability

means damages, awards, or settlements entered into with the Insurer's prior written consent, and claimants' costs, charges and expenses, excluding:

- A. punitive or exemplary damages;
- B. criminal or civil fines or penalties;
- C. taxes;
- D. matters deemed uninsurable under the laws of England and Wales or for Insureds domiciled in Scotland, the laws of Scotland.

Limit of Liability

means Limit of Liability specified in the Schedule.

Loss of Rent Receivable

means the loss of money paid or payable to the Insured for Rental Property provided in its capacity as a property owner.

M

Maximum Indemnity Period

means the number of months as specified in the Schedule which is the maximum period for which indemnity will be paid in accordance with the terms and provisions of Section 2- Loss of Rent Receivable.

N

Nuisance

means nuisance, trespass or interference with any easement, right of air, right of light, right of water or right of way.

O

Occurrence

means any loss, losses, or series of losses consequent upon or attributable to one source or original cause.

Overall Limit of Liability

means the total maximum amount payable by the Insurer in respect of all Sections of this Policy, as specified in the Schedule.

P

Period of Insurance

means the period as specified in the Schedule.

Person Employed

means:

- A. Persons under a contract of service or apprenticeship with the Insured;
- B. Labour master or labour only sub-contractor or person supplied by any of them;
- C. Self-employed person;
- D. Persons hired to or borrowed by the Insured;
- E. Persons supplied to the Insured under a contract or agreement, the terms of which deem such a person to be in the employment of the Insured;
- F. Voluntary worker or temporary worker, while working under the control of the Insured in connection with the provision of Rental Property.

Pollution or Contamination

means actual discharge, seepage, migration, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste materials at any time on to buildings and structures, atmosphere, surface water or groundwater, as a direct result of the Insured's provision of Rental Property. Pollution or Contamination shall include all Damage or Injury directly or indirectly caused by such by such Pollution or Contamination.

Premium

means the amount specified in the Schedule.

Professional Fees

means architects', surveyors', consulting engineers' and legal fees necessarily and reasonably incurred with the Insurer's consent in the reinstatement of the Property Insured directly consequent upon its Damage by an Insured Peril but not for the preparation of any claim.

Property Insured

means the subject matter insured as specified under the 'Property Insured' heading in the Schedule, but not the intellectual property pertaining thereto.

R

Rental Operations

Means the business activities carried out by the Insured in its capacity as a provider of Rental Property.

Rental Property

means the Insured Premises which are rented out by the Insured as part of its Rental Operations.

Rent Receivable

means money paid or payable to the Insured in respect of any Rental Property.

S

Sanitary Fittings

means fixed items of sanitary ware, the property of the Insured, or for which the Insured is responsible, situated within the Insured Premises.

Schedule

means the document titled 'Schedule' attaching to and forming part of this Policy or, alternatively, the document titled 'Risk Details'.

Sub-Limit

means the Sub-Limit as specified in the Schedule which limit shall be part of and not in addition to the Sum Insured.

Subsidiary

means any entity of which the Insured either owns more than 50% of the voting rights or owns more than 50% of total issued share capital.

Sum Insured

means the Sum Insured as stated in the Schedule applicable to the particular item or the limit per location in accordance with the information provided by You.

T

Territorial Limits

In respect of Section 4 - Employers Liability, and Section 5 - Property Owners' Liability cover is extended to include member states of the European Union and EFTA and including Iceland, Norway, Switzerland and Liechtenstein. In respect to the rest of the Policy, means United Kingdom.

U

United Kingdom

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

Unoccupied

1. For the purpose of residential Insured Premises, means where the whole or part of the property is not lived in by the tenant, or a person authorised by the Insured for any period of more than 30 (thirty) consecutive days
2. For the purposes of non-residential Insured Premises, means closed for business or not occupied for its usual business purposes, for any period of more than 30 (thirty) consecutive days.

V

Virus or Similar Mechanism

means any programme code, programming instruction or any set of instructions intentionally constructed with the ability to Damage, interfere with or otherwise adversely affect any computer programme(s), data files or operations, whether involving self-replication or not. Virus or Similar Mechanism includes but is not limited to Trojan horses, worms and logic bombs.

W

War

means war, invasion, acts of foreign enemies, hostile or warlike operations (whether war be declared or not), civil war, mutiny, revolution, rebellion, insurrection, uprising, military or usurped power or confiscation by order of any public authority or government de jure or de facto or martial law.

This Section shall not apply to the policy unless specified as INSURED in the Schedule.

Section 1

Property Damage

Insuring Clause

The Insurer will indemnify the Insured against Damage to the Property Insured detailed below, provided that such Damage:

1. occurs during the Period of Insurance; and
2. is caused by an Insured Peril; and
3. occurs to property of the Insured or for which the Insured is legally responsible whilst at the Insured Premises;

subject always to the Excess(es) and the limits, terms, conditions and exclusions of this Section and the Policy.

Property Insured

1. Building(s);
2. Landlord's Contents;
3. Tenant's Improvements, being improvements, alterations and interior decorations made to the Insured Premises by the tenant with the Insured's written consent;
4. Any other property specified in Section 1 - Property Damage in the Schedule.

Limit of Liability

The liability of the Insurer under this Section including the Extensions to the Section shall not exceed the Sum Insured or, in respect of any individual Extensions, the Sub-Limit, subject to any other limit of liability as specified herein or in the Schedule.

Extensions to Section 1

Unless otherwise specified in the Schedule the following Extensions shall apply, subject always to the limits, conditions and exclusions of this Section and the Policy.

1. Additional Costs

This Section extends to include cover for reasonable additional costs necessarily incurred by the Insured to protect and make habitable the Insured Premises, following Damage insured under this Section, provided that the Insurer's liability under this Extension shall not exceed the Sub-limit specified in the Schedule in respect of the Insured Premises at which the Damage occurred.

2. Alterations and Improvements

The insurance of Building(s) and Landlord's Contents extends to include cover for alterations, improvements and newly acquired and/or newly erected Building(s) provided that:

- A. the Insured declares to the Insurer at intervals of not more than 6 (six) months, the date the Insured becomes liable for and value of such alterations and improvements;
- B. the Insurer shall be entitled to charge an appropriate additional premium from the date of acquisition of the newly acquired property, alterations, improvements and the Insured shall pay such additional premium on demand from the Insurer; and
- C. the maximum additional cover granted by this Extension shall not exceed the lesser of
 - i) 10% (ten percent) of the Sum Insured for Building(s) or Landlord's Contents depending on the item of Property Insured under which the new acquisition is categorised; or
 - ii) the amount specified in the Schedule;
- D. this Extension does not include cover for appreciation in value.

3. Alternative Residential Accommodation

In respect of Insured Premises occupied totally or partially for residential purposes, in the event of Damage to such Insured Premises that renders it unfit to live in or to which all access is prevented, the Insurer will indemnify the Insured up to the SubLimit specified in the Schedule in respect of any expenditure necessarily and reasonably incurred in the provision of comparable accommodation for the benefit of any lessee to comply with the requirements of the lease until the Insured Premises is fit again for habitation.

This Clause shall also include the costs of:

- A. temporary storage of residents' furniture; and
- B. kennelling or boarding domestic pets if they are not allowed in the alternative accommodation.

4. Architects', surveyors' and other fees

In the event of Damage insured under this Section, the Insurer agrees to indemnify the Insured for the fees of architects, surveyors consulting engineers and other Professional fees incurred for estimates, plans, specifications, quantities, tenders and supervision necessarily incurred in the process of reinstatement of the Buildings, provided that:

- A. the Insured shall obtain the Insurer written consent prior to the incurrence of any such fees and costs;
- B. the Insurer will not be liable for fees incurred in preparing any claim made under this policy;
- C. the Insurer shall not be liable for more than those authorised under the scales of the professional institutions and/or bodies regulating such charges prevailing at the time of the Damage; and
- D. the Insurer's maximum liability under this Extension shall not exceed the limit the Sub-Limit specified in the Schedule.

5. Automatic Reinstatement of Sums Insured

It is hereby mutually agreed that, in the event of payment of a claim under this Section, the Sum Insured with respect to the claimed Property Insured shall be reinstated to the full amount from the date of the claim until expiry of this Policy in consideration of the additional premium paid or payable by the Insured.

6. Clearing of Drains

If, in consequence of Damage caused by an Insured Peril, drains gutters and sewers, for which the Insured is responsible, need to be cleared cleaned or repaired, the Insurer agrees to pay the cost reasonably and necessarily incurred for such clearing, cleaning or repair provided that the Insurer's liability under this clause shall not exceed the Sub-Limit specified in the Schedule.

7. Landlord's Contents within Common Parts

The Buildings definition is extended to include Landlord's Contents held within common parts of the Property Insured up to the limit shown within the Schedule.

8. Debris Removal

The Insurer agrees to insure the reasonable and necessary costs incurred in Debris Removal from an Insured Premises that remains as a direct result of Damage caused by an Insured Peril insured by this Policy provided that this Extension shall not

cover for costs of decontamination or the removal of:

- A. contaminated uninsured property; or
- B. the contaminant in or on uninsured property,

irrespective of whether or not such contamination, including but not limited to the presence of pollution or any other substance that has been declared to be hazardous to health by a governmental agency, results from an insured physical loss or Damage.

9. Decontamination and / or decommissioning

In the event of Damage that is insured by this Section, the Insurer will indemnify the Insured for expenses necessarily incurred by the Insured with the prior consent of the Insurer, in decontamination of Property Insured following Damage except that the Insurer will not be liable for:

- A. any costs and expenses incurred in removing debris; or
- B. any costs and expenses arising from Pollution or Contamination of property;

The Insurer's liability for such costs and expenses shall not exceed the Sub-Limit shown in the Schedule during the Period of Insurance.

10. Public Authorities

The Insurer agrees to pay the additional cost of reinstatement of the Damaged Property Insured incurred by the Insured solely to comply with mandatory building or other Regulations arising out of any Act of Parliament or with Bye Laws of any municipal or local authority or other Codes of Practice in respect of the

Damaged Property Insured and undamaged portions thereof, provided always that the amount recoverable under this Extension shall not include:

- i) the cost incurred in complying with such Regulations, Bye Laws and Directives:
 - a) in respect of Damage occurring prior to inception of this Policy;
 - b) in respect of Damage not insured under this Policy;
 - c) under which notice has been served upon the Insured prior to the happening of the Damage;
 - d) for which there is an existing requirement which must be implemented within a given period;
 - e) which are not in force at the time of the Damage.
- ii) the additional cost that would have been required to make good the property Damaged to a condition equal to its condition when new had the necessity to comply with any of the aforesaid Regulations, Bye Laws and Directives not arisen; or
- iii) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid such Regulations, Bye Laws and Directives.

Provided that:

1. the work of reinstatement must be commenced and carried out within a reasonable time and in any case must be completed within 12 (twelve) months after the Damage, or within such further time as the Insurer may (during the said 12 (twelve) months) in writing allow and may be carried out wholly or partially upon another site (if necessary) subject to the liability of the Insurer under this Extension not being thereby increased;
2. if the liability of the Insurer under any item of Property Insured in the Schedule, apart from this Extension, is reduced by the application of any of the terms and conditions of this Policy then, the liability of the Insurer under this Extension in respect of any such item of Property Insured shall be reduced in like proportion;
3. the total amount recoverable under any item of the Property Insured shall not exceed:
 - A. in respect of the Damaged Property Insured – its Sum Insured;
 - B. in respect of undamaged portions of Property Insured (other than foundations) – 15% (fifteen percent) of the total amount for which the Insurer would have been liable for with respect to that item of Property Insured, had the Insured Premises where the Damage occurred, been wholly destroyed; or
 - C. the indemnity provided by this clause shall be part of and not in addition to the Sum Insured specified in the Schedule;
4. all the terms, limits, exclusions and conditions of this Section and the Policy, except to the extent that they have been expressly varied, shall apply as if they had been incorporated herein.

11. Glass and Sanitary Fittings

The Insurer shall, at the Insurer's option, repair, replace, reinstate or pay the costs of repair or replacement of Glass or Sanitary Fittings in the event of its breakage as a direct result of an Insured Peril and the consequent cost of necessary boarding-up and the provision of a temporary door. For the purposes of this Extension, breakage shall mean the Accidental fracture of the Glass extending through the entire thickness of thereof.

Provided that the Insurer shall not be liable for:

- i) any breakage of Glass or Sanitary Fittings in respect of any Unoccupied Building; or
- ii) the Excess specified in the Schedule in respect of each and every Occurrence; or
- iii) any amount in excess of the Sub-Limit shown in the Schedule.

12. Illegal cultivation of drugs

- A. To the extent of the Sub-Limit indicated in the Schedule, the Insurer will indemnify the Insured in respect of Damage caused by use of the Buildings or part thereof, for the manufacture, cultivation, harvest or processing by any other method, of drugs classed as a controlled substance under the Misuse of Drugs Act (1971) by the Insured's tenants.
- B. The Insured will lose their right to indemnity under this clause if the Insured or anyone acting on the Insured's behalf does not:-
 - i. carry out internal and external inspections of the Buildings at least once every three months and:
 - a) maintains a log of such inspections and retains such log for at least 36 (thirty-six) months from such inspections; and
 - b) carries out six monthly checks of the inspections log;
 - ii. obtain and record written formal identification of any prospective tenant;
 - iii. obtain and record details of the tenant's bank account and verify those details by receiving at least one payment from such account; or

- iv. obtain and retain the following tenant references prior to agreeing or accepting any new or prospective tenants:
 - a) a written employer's reference for any new tenant; and
 - b) a written reference from any previous landlords; or where iv) a) or b) are not available, then a professional tenant referencing company must be used to obtain suitable tenant references.
- C. The Insured will also lose their right to indemnity under this clause if the Insured or anyone acting on the Insured's behalf:
 - i. sub-lets any part of the property or allows the property to be sub-let in anyway without the prior written permission of the Insurer; or
 - ii. lets or continues to let the property to the tenant irrespective of negative features contained in the tenancy checks or revealed during the inspections.

13. Index Linking

The Sums Insured will be increased automatically throughout the Period of Insurance in line with a mutually agreed indexation in respect of Property Insured under this Section.

In the event of Damage to Property Insured under this Section, the Sums Insured will continue to be adjusted in accordance with the agreed indices during the period necessary for completion of repair or reinstatement provided that repair or reinstatement is carried out without unreasonable delay.

At each renewal the Premium will be calculated on the revised Sum Insured.

14. Inadvertent omission to insure

If stated as 'INSURED' in the Schedule, the Insurer agrees to indemnify Buildings anywhere in the Territorial Limits which the Insured is responsible to insure whether such Buildings are owned by or on lease to them or in which they are interested as mortgagees but which have inadvertently been left uninsured provided always that:

- A. the Insurer's liability under this clause will be in addition to the Sums Insured, but the Insurer's total liability for such amount payable under this clause will not exceed the Sub-Limit as shown in the Schedule;
- B. the Insured will give notice in writing to the Insurer immediately they become aware of an omission to insure and will pay the appropriate premium from the date upon which the insurance of the property became the Insured's responsibility;
- C. the Insured will carry out at not less than annual intervals a check of all properties owned by them or leased by them and for which they are responsible to ensure that effective insurance is in force for such properties; and
- D. the Insurer is the sole provider of Building insurance in respect of all of the Insured's Rental Property and where the Insured has an obligation to arrange such insurance.

15. Interim Protection and Repairs

This Section extends to include cover for the cost actually incurred by the Insured in making temporary repairs to or boarding up of any of the insured Buildings and erecting temporary buildings in place of any of the insured Buildings following Damage insured caused by the Insured Peril provided that the Insurer's liability under this Extension is limited to the Sub-Limit specified in the Schedule. No amount shall be payable under this Extension for any cost which is covered under Extension 11 – Glass and Sanitary Fittings.

16. Landscaped Grounds

It is agreed that the insurance by this Section extends to include the costs necessarily and reasonably incurred by the Insured in making good the landscaped grounds of the Insured Premises Damaged by the fire brigade or any other emergency service in consequence of Damage to Property Insured. The Insurer's liability under this Extension is limited to the Sub-Limit specified in the Schedule.

17. Loss of Metered Water, Gas, and Electricity Charges, and Accidental loss of heating oil

This Section extends to include cover for additional metered utility charges and additional heating oil charges incurred by the Insured, following Damage insured hereby, at the Insured Premises during the Period of Insurance. The Insurer shall not be liable for any such charges incurred by the Insured in respect of any Unoccupied Building(s).

The basis upon which the amount payable is to be calculated shall be the amount of the utility or heating oil charges for the period during which Damage occurs, less the charge made to the Insured for the corresponding period in the preceding year, adjusted for changes in suppliers' charges and for variations affecting the utility and/or heating oil consumption of the Insured during the intervening period. The Insurer's liability under this Extension is limited to the Sub-Limit specified in the Schedule.

18. Mortgagees Freeholders and Lessors

It is agreed that mortgagees, freeholders and lessors shall not be prejudiced by any increase in the risk of Damage resulting from any act of negligence of any mortgagor, leaseholder, lessee or occupier of any Building(s) insured by this Section, provided such increase in risk is without their prior knowledge or authority and that the Insurer are notified immediately they become aware of such increase in risk.

19. Other Interests

In the event of the Insured having property under the terms of any hire purchase or similar form of agreement, then the interest of such parties and the nature and extent of such interest shall be noted in this insurance, subject to prior notification to the Insurer.

20. Replacement of Locks

This Section extends to include costs incurred by the Insured as a result of the necessary replacement of locks or changing of alarm codes, if any of the keys to or access codes of the Insured Premises are accidentally lost or stolen from the Insured Premises or from the homes of principals, partners, directors or authorised Persons Employed provided that:

- A. the keys or the access codes are capable of being easily identified as keys/access codes to the Insured Premises; and
- B. if such keys relate to a safe or strong-room, they shall not be left on the Insured Premises outside the Insured's normal business hours.

The liability of the Insurer under this Extension shall not exceed the Sub-Limit specified in the Schedule.

21. Temporary Removal

This Section extends to cover Landlord's Contents whilst temporarily removed elsewhere on the same or to any other premises within the Territorial Limits (including the private homes of directors, partners and authorised Persons Employed) for storage, cleaning, renovation, repair or similar reasons and in transit thereto and therefrom by road, rail or inland waterway provided always that:

- A. the Insurer's liability shall not exceed the Sub-Limit as specified in the Schedule; and
- B. the Insurer shall not be liable for losses insured under any other policy or recoverable under other parts of this Policy.

22. Theft of fabric of Building

The Insurer will indemnify the Insured for Damage to the Building during the Period of Insurance, arising from:

- A. theft or attempted theft involving forcible and violent entry to or exit from Buildings at the Insured Premises; or
- B. theft of any part of the fabric of the Buildings whether or not there has been forcible and violent entry.

Provided that:

- i) The liability of the Insurer under this Extension shall not exceed the Sum Insured for Buildings specified in the Schedule, arising out of any one Occurrence; and
- ii) if such Damage is insured elsewhere, no liability shall be admitted by the Insurer under this Extension.

23. Trace and Access

In the event of Damage during the Period of Insurance arising from escape of water or fuel oil from any tank, apparatus or pipe, the Insurer agree to indemnify the Insured in respect of:

- A. costs necessarily and reasonably incurred by the Insured in locating the source of such Damage;
- B. in making good Damage caused as a consequence of locating such source; and
- C. the replacement of any fuel oil lost as a consequence of locating such source;

Provided that the Insurer's liability under this Extension is limited to the Sub-Limit specified in the Schedule.

24. Tree Removal

This Section is extended to include the cost of lopping, felling or clearance of fallen trees or branches which affect the Insured's Premises or the safety of or access to the Insured Premises provided the Insurer's liability under this Extension is limited to the Sub-Limit specified in the Schedule.

25. Unauthorised Use of Electricity, Gas or Water

This Section is extended to include the cost of metered electricity, gas or water for which the Insured is legally responsible arising from its unauthorised use by persons taking possession of or occupying the Insured Premises without the Insured's authority.

Provided that:

- A. the Insurer's maximum liability under this Extension shall not exceed the limit the Sub-Limit specified in the Schedule; and
- B. the Insured shall take all practical steps to terminate such unauthorised use as soon as it is discovered.

26. Unrecoverable VAT

This Section is extended to include Value Added Tax paid by the Insured in respect of Buildings (including self supply Value Added Tax), which is not subsequently recoverable. Provided that:

- A. the Insured's liability for such tax arises solely as a result of reinstatement of Buildings following Damage and the Insurer shall have paid or shall have agreed to pay for such Damage;
- B. if any payment made by the Insurer in respect of the reinstatement of such Damage should be less than the actual costs of reinstatement any payment under this Extension resulting from Damage shall be reduced in like proportion;
- C. the Insured's liability for such tax does not arise from the replacement Building having a greater floor area than or being better or more extensive than the Building suffering Damage;
- D. where an option to reinstate on another site is exercised the Insurer's liability under this Extension shall not exceed the amount of tax that would have been payable had the Building been rebuilt on its original site; and
- E. the Insurer's liability under this Extension shall not include amounts payable by the Insured as penalties or interest for non-payment or late payment of tax.

Conditions to Sections 1

1. Average

- A. The Sums Insured declared in respect of Building(s) and Landlord's Contents specified in the Schedule, are separately subject to the following condition of Average:
If at the time of reinstatement the sum representing 85% (eighty five percent) of the cost which would have been incurred by the Insured in reinstatement if the whole of that item of Property Insured had been destroyed, exceeds the Sum Insured with respect to that item, at the commencement of the Damage, then the Insured shall be considered as being their own Insurer for the difference between the Sum Insured and the sum representing the cost of reinstatement of the whole of that item of the Property Insured and shall bear a rateable proportion of the loss accordingly.
- B. With respect to each item of the Property Insured for which Day One Basis (Non-Adjustable) is applicable and the premium is calculated on the basis of the Declared Values provided by the Insured at the inception of the Period of Insurance, the following condition of Average shall apply:
If at the time of Damage the Declared Value of the item of Property Insured covered is less than the cost of reinstatement (as defined under the 'Basis of Settlement' clause) at the inception of the Period of Insurance then the Insurer's liability for any Damage hereby insured shall be limited to that proportion thereof which the Declared Value bears to the cost of reinstatement.
- C. Where the item of Property Insured has the Actual Value applied, then the following condition of Average shall apply: If, at the time of Damage, the Actual Value of the item of Property Insured exceeds the Sum Insured, then the Insured shall be considered as being their own insurer for the difference between the Sum Insured and the sum representing the cost of reinstatement of the whole of the Property Insured and shall bear a rateable proportion of the loss accordingly.

2. Basis of Settlement

In the event of Damage insured under this Section, the basis of reinstatement of the Property Insured shall be as follows:

- A. where the Property Insured is destroyed
 - i. in case of a Building(s), the cost of rebuilding of the Building; or
 - ii. in the case of other property, cost of replacement with property of similar kind and quality; and
- B. where the Property Insured is Damaged, the cost of repair or restoration of the Damaged property or part thereof.

The repair, rebuilding or replacement should be to a condition and quality equal to but not better or more extensive than its condition when new.

3. Basis of Settlement Conditions

- A. Where the Insurer agrees or is required to reinstate or replace any Property Insured, the Insured will, at its own expense, produce and give to the Insurer all such plans, documents, books and information as the Insurer may require for the reinstatement or replacement.

- B. If the Insured requests, and the Insurer agrees in writing not to repair or reinstate any Property Insured, then the Insurer's liability shall be limited to the lesser of:
 - i. the Actual Value of the Damaged Property Insured; or
 - ii. the difference between the market value of the Damaged Property Insured immediately prior to the Damage and the market value of the Damaged Property Insured immediately after the Damage.

It is agreed that the option to not to repair or reinstate is at the sole discretion of the Insurer.
- C. Reinstatement may be carried out on another site and in any manner suitable to the requirements of the Insured provided that
 - i. the condition and quality of the reinstated property is equal to and not better or more extensive than its condition when new; and
 - ii. the liability of the Insurer is not being increased.
- D. The reinstatement must be commenced and carried out with reasonable despatch failing which no payment beyond the amount which would have been payable under this Policy if this clause had not been incorporated herein shall be made.
- E. When any Property Insured is partly Damaged or destroyed, the Insurer's liability shall not exceed the sum the Insurer would be required to pay for reinstatement if such property had been wholly destroyed.
- F. No payment beyond the amount which would have been payable by the Insurer under this Policy if this clause had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred by the Insured.
- G. Where any computer or data processing equipment is replaced any improvement in performance or capacity consequent upon the replacement of such equipment with modern items shall not be regarded as 'betterment' for the purposes of this clause.

4. Day One Basis (Non-Adjustable) Extension

If stated as 'Applicable' under Section 1 of the Schedule, Day One Basis (Non-Adjustable) shall apply to Building(s) and Landlord's Contents.

In the event of any claim payable under this clause, all the other terms and conditions of the policy shall apply, except that the Sum Insured shall be limited to 115% (one hundred and fifteen percent) of the Declared Values subject always to the provisions of this clause.

- A. The Insured having stated in writing the Declared Value of the Building(s) and Landlord's Contents, the Insurer agrees to calculate the premium on the stated Declared Value provided by the Insured.
- B. At the inception of the Period of Insurance and at every renewal thereafter, the Insured shall notify the Insurer of the Declared Value of each item of the Property Insured. Where such declaration is not provided by the Insured, or is unavailable, the last amount declared by the Insured shall be taken as the Declared Value for the ensuing Period of Insurance.

Provided always that nothing in this condition shall apply with respect to the provisions of the 'Alterations and Improvements' clause under 'Extensions to Section 1'.

5. Designation

For the purpose of determining the heading under which any property is insured, the Insurer agree to accept the designation under which such property has been entered into the Insured's books of accounts.

6. Fire Break Doors and Shutters

It is a Condition Precedent to the Insurer's liability under this Policy that all fire break doors and shutters shall be kept closed and shall be maintained in efficient working order.

7. Inspection

The Insurer may, at their option, arrange with the Insured to have access to the Insured Premises at any reasonable times for the purposes of inspection. If the inspection or survey results highlight any defects or concerns which are likely increase the risk covered by this Policy, the Insurer reserves the right to cancel, suspend or alter any terms of this Policy. If the Insurer opts to suspend cover, such cover will only be reinstated after the defects have been remedied and the remedied situation is approved by the Insurer.

8. Maintenance of fire extinguishers

It is agreed as a Condition Precedent to the Insurer's liability under this Section that the Insured will:

- A. inspect the appliances regularly for the purposes of ascertaining that they are maintained in proper working order and keep a written record thereof; and
- B. remedy any defect promptly, whether disclosed by any such inspection or otherwise.

9. Non-invalidity

The insurance under this Section shall not be invalidated by any act or omission or by any alteration whereby the risk of Damage is increased unknown to or beyond the control of the Insured, provided that the Insured gives notice to the Insurer as soon as reasonably practicable after such act or omission or alteration comes to the notice of the Insured and pays any additional premium required by the Insurer.

10. Roof Maintenance

It is a Condition Precedent to the liability of the Insurer under this Section(s) that:

- A. All areas of flat felted roofs are inspected at least every year by a qualified builder or property surveyor and all defects; and
- B. a record of all inspections is made and retained by the Insured and is to be available for inspection by the Insurer if they so require.

All losses to the flat roof area or resulting from or attributed to the flat roof area are subject to a policy excess of £500 in respect of each and every loss.

11. Seventy-Two Hours Clause

In the event of Damage caused by storm, tempest, flood, earthquake or storm during any one Period of Insurance, an Occurrence with regard to such Damage shall be limited to seventy-two (72) consecutive hours for the purposes of this Section. If the duration of the Occurrence extends to beyond seventy-two (72) consecutive hours, then the Insured may decide to divide that Occurrence into two (2) or more Occurrences. The Insured may choose when of the periods commence provided that:

- A. no period commences prior to the inception date and the date of the Occurrence;
- B. no two (2) periods overlap; and
- C. should any such period extend beyond the expiry or cancellation date, the Insurer shall be liable as if such period had fallen entirely within the Period of Insurance of this Policy.

12. Statutory requirements and maintenance

The Insured shall, at their own expense:

- A. cease any activity which may give rise to liability under this Policy;
- B. maintain all Buildings, furnishings, ways, works machinery, car/vans and vehicles in sound condition;
- C. exercise care in selection and supervision of Persons Employed;
- D. remedy defects or danger as soon as possible after discovery and in the meantime, take such additional precautions as the circumstances may require; and
- E. comply with statutory requirement and other safety regulations imposed by any authority.

13. Subrogation Waiver

In the event of a claim arising under this Policy, the Insurer agrees to waive any rights, remedies or relief which they might become entitled to by subrogation against:

- A. a Company standing in the relation of parent to Subsidiary (or subsidiary to parent) of the Insured; or
- B. a Company which is a subsidiary of a parent Company of which the Insured themselves are a subsidiary; in each case within the meaning of the Companies Act(s).
- C. any tenant of the Insured Premises provided that:
 - i) the Damage did not result from a criminal, fraudulent, malicious act, gross negligence or breach of statutory duty by the tenant; and
 - ii) the tenant contributes to the cost of insuring the property insured against the event which caused Damage;
- D. Managing agents employed or engaged to collect rent on behalf of the Insured.

14. Unoccupancy of Buildings

If any Building or any portions thereof becomes Unoccupied, the Insurer shall be liable for Damage solely caused by or resulting from fire, lighting, explosion, aircraft or other aerial devices or articles dropped therefrom, unless otherwise agreed in writing by the Insurer.

- A. When any Building(s) or any portions thereof become(s) Unoccupied, it is a Condition Precedent that the Insured must ensure that:
 - i. the Building and any surrounding premises are secured against illegal entry, with all windows firmly secured so as to prevent unauthorised entry;
 - ii. all mains services are disconnected and all water pipes and tanks are drained down unless such services are necessary for the operation of any heating or security or sprinkler systems that are to be kept in normal operation;
 - iii. if the mains services are required to remain connected or water pipes and tanks not drained for operation of any heating or security or sprinkler systems, the heating must be maintained in the Insured Premises at a minimum temperature of 5 (five) degrees centigrade;

- iv. the Insured or appointed agent of the Insured inspects the Building and area around it at least once each week and:
 - a) all defects in maintenance or security are rectified immediately;
 - b) records of these inspections are kept and are available for inspection by the Insurer; and
 - v. there is no refurbishment or renovation work unless previously agreed by the Insurer.
- B. In addition to the Conditions Precedent stated under A of this clause:
 - i. If any non-residential Buildings or part thereof become(s) Unoccupied, the Insured must;
 - a) immediately give notice to the Insurer and the Insurer shall have the right to impose additional conditions, exclusions and charge a suitable additional premium as the Insurer may require; and
 - b) ensure that all letterboxes are sealed or fitted with internal cages and the Building and area around it is kept clear of all moveable combustible material;
 - ii. If any residential Buildings or part thereof become(s) Unoccupied, the Insured must take all reasonable precautions to prevent the accumulation of mail.

15. Workmen

The Insurer agrees that workmen shall be allowed on the Insured Premises for the purpose of carrying out minor repairs, decorations or alterations without prejudice to this insurance.

This Section shall not apply to the policy unless specified as INSURED in the Schedule.

Section 2

Loss of Rent Receivable

Insuring Clause

1. In the event of Damage to the Property Insured caused by an Insured Peril, which results in the interruption of or interference with Rent Receivable, the Insurer will indemnify the Insured for the Loss of Rent Receivable arising from such interruption or interference occurring during the Period of Insurance which is not otherwise excluded, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

Provided that at the time of the happening of the Damage giving rise to the Loss of Rent Receivable:

- A. A the Damage to property is insured under Section 1 - Property Damage of this Policy or under any other Policy covering the Insured's interest in property whilst at the Insured Premises; and
 - B. payment is made or liability admitted or would have been made or admitted in respect of such physical loss or Damage but for the operation of a proviso in such insurance excluding liability for losses below a specified amount.
2. The Insurer's liability in respect of the Loss of Rent Receivable is restricted to:
 - A. the difference between the reduced Rent Receivable during the Indemnity Period as a direct consequence of the Damage and the normal Rent Receivable during the corresponding period in the 12 months prior to the Damage;
 - B. the additional expenditure necessarily and reasonably incurred by the Insured for the sole purpose of avoiding or mitigating the Loss of Rent Receivable which but for that expenditure would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of the reduction in Rent Receivable thereby avoided; or
 - C. the cost of re-letting which shall comprise of the cost necessarily and reasonably incurred from the date of the Damage until the expiry of the Indemnity Period in re-letting the Buildings (including legal fees in connection with the reletting) solely in consequence of the Damage; less any sum saved during the Indemnity Period in respect of such of the charges and expenses payable out of Rent Receivable as may cease or be reduced in consequence of the Damage.

Limit of Liability

The liability of the Insurer under this Section including the Extensions to the Section shall not exceed:

- A. the Sum Insured or, in respect of any individual Items, the Sub-Limit specified in the Schedule; and
- B. the Maximum Indemnity Period specified in the Schedule.

Extensions to Section 2

1. Alterations and Improvements

This Section is extended to include Loss of Rent Receivable in respect of:

- A. alterations, extensions and/or improvements to the Buildings under Property Insured;
- B. newly acquired and/or newly erected Buildings provided that they are not otherwise insured.

Provided that:

- i. the Insurer's liability under this Sections shall not exceed the Sub-Limit specified in the Schedule;
- ii. the Insured shall inform the Insurer every six months of any alterations, extensions or improvements and with respect to any such newly acquired and/or newly erected property, as soon as practicable and in any event within six (6) months of the date of acquisition; and
- iii. the Insured agree to pay the appropriate additional premium required from the from the date of acquisition of the newly acquired property, alterations or improvements and such additional cover shall be evidenced in this Policy by adding an endorsement containing the sum insured.

2. Alternative Residential Accommodation

In respect of Insured Premises occupied totally or partially for residential purposes, in the event of Damage to such Insured Premises, that renders it unfit to live in or to which all access is prevented, the Insurer will indemnify the Insured in respect of any expenditure necessarily and reasonably incurred in the provision of comparable accommodation for the benefit of any lessee to comply with the requirements of the lease until the Insured Premises is fit again for habitation.

This clause shall also include the costs of:

- A. A temporary storage of residents' furniture; and
- B. Kennelling or boarding domestic pets if they are not allowed in the alternative accommodation.

The Insurer's liability under this Extension shall not exceed the Sub-Limit specified in the Schedule.

3. Auditor's Fees

This Section extends to indemnify the Insured for the necessary and reasonable fees payable to the Insured's auditors or professional accountants for producing such particulars or details contained in the Insured's books of account or other business documents, or such other proofs, information or evidence as may be required by the Insurer provided that the Insurer's liability in respect of this Extension shall not exceed the Sub-Limit specified in the Schedule.

4. Denial of Access

The Section extends to include interruption of or interference with Rent Receivable in consequence of Damage caused by an Insured Peril to any property within 250 (two hundred and fifty) metres of the Insured Premises which prevents the use of or access to the Property Insured irrespective of whether or not the Property Insured suffers similar Damage, provided that the Insurer shall not be liable for any claim in excess of the Sub-Limit specified in the Schedule.

No amount shall be payable under this Extension which would otherwise be covered under Extension 7 – Loss of Attraction.

5. Infestation and Defective Sanitation

The Insurer shall indemnify the Insured for the Loss of Rent Receivable arising from interruption of or interference with the Rent

Receivable in consequence of the Occurrence at the Insured Premises of:

- A. murder, suicide or food or drink poisoning;
- B. vermin, pests or defective sanitation equipment; which causes restrictions on the use of the Insured Premises on the order or advice of the competent local authority; or
- C. Accidental Damage as insured by this Section, to the drains or sanitary apparatus at the Insured Premises which results in closure of the Insured Premises.

6. Legionella

This Section extends to include Loss of Rent Receivable arising from interruption of or interference with the Rent Receivable as a result of any outbreak of Legionellosis at the Insured Premises causing restrictions on the use of the Insured Premises on the order or advice of the competent authority. The Insurer shall not be liable under this Section for any amount in excess of the Sub-Limit specified in the Schedule.

7. Loss of Attraction

This Section extends to include Loss of Rent Receivable arising from interruption of or interference with the Rent Receivable due to Damage to property within 250 (two hundred and fifty) metres of the Insured Premises caused by an Insured Peril which discourages potential tenants to the Insured Premises, but the Insurer shall not be liable for any amount in excess of the Sub-Limit specified in the Schedule.

No amount will be payable under this Extension which would otherwise be covered under Extension 4 – Denial of Access.

8. Public Utilities

The Section extends to indemnify the Insured for Loss of Rent Receivable arising from interruption of or interference with the Rental Operations in consequence of Damage by an Insured Peril to property at the premises of the following public utilities in the Territorial Limits from which the Insured obtains supplies or services:

- A. any generating station or sub-station of the public electricity supply undertaking from which the Insured obtains electricity;
- B. any land-based premises of the public gas supply undertaking or of any natural gas producer linked directly therewith from which the Insured obtains gas; or

- C. any water works or pumping station of the public water supply undertaking from which the Insured obtains water;
- D. any land-based telecommunication services to the Insured Premises.

Provided that the Insurer shall not be liable

- i. for any claim in excess of the Sub-Limit specified in the Schedule;
- ii. for any loss arising from failures which do not involve the cessation of supply for at least sixty consecutive minutes; and
- iii. the total or partial failure occasioned by strike or lock-out, total or partial withdrawal of labour, or total or partial cessation of work.

9. Unauthorised Occupation

The Section extends to indemnify the Insured for Loss of Rent Receivable arising from interruption of or interference with the Rent Receivable as a result of the use of the Insured Premises or access thereto being hindered or prevented by

- A. the occupation of person not authorised by or on behalf of the Insured except in the course of a dispute between any employer and Person Employed or group of workers; or
- B. thought to contain or actually containing persons believed by the governmental authorities to be terrorists; provided that the police are immediately informed of the unauthorised occupation or possible terrorist occupation,

the Insurer shall not be liable for:

- i. losses arising from any cause within the control of the Insured; or
- ii. any event involving prevention of, hindrance of, access to or use of the Insured Premises for less than 48 (forty-eight) hours duration.

Conditions to Section 2

3. Adjustment

The Annual Rent Receivable and Rent Receivable are subject to such adjustments as may be necessary to provide for the trends and for variations in or other circumstances affecting the income derived from Rental Property 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 date of the Damage.

2. Average

If, at the time of Damage giving rise to Loss of Rent Receivable, the Sum Insured declared by the Insured in respect of Rent Receivable is less than the Annual Rent Receivable (or a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve (12) months), the Insurer's liability will be proportionately reduced.

3. Basis of Claims Settlement

The amount payable shall be the actual amount of the reduction in Rent Receivable incurred during the Indemnity Period in consequence of the Damage from the Rent Receivable estimated that would have been earned during that period had the Damage not occurred.

Where under the terms of the lease or leases, rent reviews would have taken place during the Indemnity Period the Basis of Claims Settlement shall take into account such rent reviews, provided that the Insurer's total liability shall not exceed 200% (two hundred percent) of the Sum Insured on Loss of Rent Receivable.

4. Cessation of Rental Operations

If, subsequent to the happening of Damage by an Insured Peril, any business owned or operated by the Insured for the purpose of its Rental Operations is wound up or carried on by a liquidator, receiver or administrator or permanently discontinued, this Section shall cease to have effect from the date of the decision to wind up or permanently discontinue the business or date of the decision to appoint a liquidator, receiver or administrator unless this Section's continuance is agreed in writing by the Insurer.

5. Due Diligence

In the event of Damage that may give rise to a claim under this Section, it is a Condition Precedent to the Insurer's liability under this Policy that the Insured shall with due diligence take all steps that are reasonably practicable to avoid or minimise any interruption of or interference with the Insured's operations as a provider of Rental Property.

6. Experience of the Rental Operations

In determining the amount of Loss of Rent Receivable, due consideration shall be given to the experience of the Insured's Rental Operations before the date of the Damage and the probable experience of its Rental Operations thereafter had no loss or Damage occurred to the Property Insured.

7. First Twelve Months' Rental Operations

In the event of a claim arising from Damage occurring before the completion of the first 12 (twelve) months of the carrying out of the Insured's Rental Operations, any terms in this Section referring to income and outgoings during a prior period of 12 (twelve) months shall be adjusted so as to apply to the income and outgoings during the period from commencement of the Insured's Rental Operations to the date of the Damage.

8. Insured's accounting definitions

For the purpose of any definitions applicable to this Section, any adjustment implemented in current cost accounting shall be disregarded. The undefined words in this Section shall have the meaning usually attached to them in the Insured's books and accounts.

9. Payments on Account

Payments on account shall be made by the Insurer to the Insured during the Indemnity Period if required.

10. Premium Payment

The premium paid for Loss of Rent Receivable may be adjusted on receipt by the Insurer of a declaration of the Rent Receivable earned during the financial year most nearly concurrent with the Period of Insurance, as reported by the Insured's auditors. If any Damage shall have occurred giving rise to Loss of Rent Receivable, the above-mentioned declaration shall be increased for the purpose of premium adjustment by the amount by which the Rent Receivable is reduced during the financial year solely in consequence of the Damage.

If the declaration (adjusted as provided for above and proportionately increased where the Maximum Indemnity Period exceeds 12 (twelve) months) is less than the Loss of Rent Receivable Sum Insured for the relative Period of Insurance, the Insurer shall allow a pro rata return premium not exceeding 50% (fifty percent) of the premium paid.

11. Reinstatement of Limit

It is hereby mutually agreed that, in the event of payment of a claim under this Section, the Sum Insured shall be reinstated to the full amount from the time of the Damage until expiry of this Policy, in consideration of the additional premium paid or payable by the Insured in respect of the amount of such reinstatement.

12. VAT

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.

Exclusions to Sections 1 and 2

The following Exclusions shall apply to these Sections of this Policy in addition to the General Exclusions of the Policy unless as stated otherwise.

1. The Insurer shall not be liable for any amount of the Excess as specified in the Schedule with respect to the Section or individual coverages under the Sections.
2. The Insurer shall not be liable for Damage:
 - A. arising from any other Insured Peril, whether shown as operative on the Schedule / Certificate of Insurance or not;
 - B. to Buildings or structures in course of construction or erection and materials or supplies connected with them;
 - C. the cost of maintenance or routine decoration; or
 - D. to garden landscaping and paving, garden furniture, trees and plants;

Provided that this exclusion shall not exclude subsequent Damage resulting from an ensuing cause which is not otherwise excluded.

3. With respect to subsidence, ground heave and landslip, the Insurer shall not be liable for Damage or the resulting interruption or interference
 - A. arising from:
 - i. collapse, cracking, shrinkage or settlement of new Building(s) or any part thereof;

- ii. coastal or river erosion;
 - iii. defective design or workmanship or the use of defective materials, including inadequate construction of foundations;
 - iv. settlement or movement of made up ground;
 - v. the normal settlement or bedding down of new structures;
 - vi. fire, subterranean fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe;
 - vii. demolition, construction, structural alteration or repair of any Building(s) at the same Insured Premises; or
 - viii. groundwork or excavation at the same Insured Premises.
- B. to forecourts, car parks, driveways, footpaths, walls, gates, hedges or fences at the same Insured Premises, unless specifically insured hereunder, provided such Damage also affects the structure of the Building(s) insured herein against such Damage;
- C. which occurs while the Building or any part thereof in the course of erection, demolition, structural alteration or structural repair; or
- D. which occurs at the same Insured Premises which originated prior to the inception of this cover.
4. With respect to storm, the Insurer shall not be liable for Damage or the resulting interruption or interference caused:
- A. by the change in water table levels or the failure of tanking within basements and cellars;
 - B. by flash flooding or flood arising from surface water run-off;
 - C. by water inundation from the coast, a water course, lake, reservoir, ditch, drain, sewer or culvert;
 - D. by spray, salt or contaminants from any source listed in C. above;
 - E. by subsidence, ground heave or landslip; or
 - F. to garden landscaping and paving, garden furniture, tree and plants.
5. With respect to flood the Insurer shall not be liable for Damage or the resulting interruption or interference caused:
- A. by the change in water table levels or the failure of tanking within basements and cellars;
 - B. by subsidence, ground heave or landslip; or
 - C. to garden landscaping and paving, garden furniture, tree and plants, gates and fences.
6. With respect to breakage or collapse of aerials, the Insurer shall not be liable for Damage to or the resulting interruption or interference caused by or arising from the erection, dismantling, repair or maintenance thereof.
7. With respect to Damage caused by malicious persons, the Insurer shall not be liable for Damage to or the resulting interruption or interference caused:
- A. by the Insured or the Insured's officers or Persons Employed;
 - B. by the Authorised Resident of the Insured's Building or part thereof; or
 - C. to garden landscaping and paving, garden furniture, tree and plants.
8. The Insurer shall not be liable for Damage or interruption or interference caused by theft or attempted theft:
- A. unless there has been forcible and violent entry to or exit from the Buildings or theft of any part of the fabric of the Buildings whether or not there has been forcible and violent entry;
 - B. by the Insured or the Insured's officers or Persons Employed;
 - C. by the Authorised Resident of the Insured's Building or part thereof;
 - D. to garden landscaping and paving, garden furniture, tree and plants;
 - E. to contents, belonging to or in the custody and control of the Insured, from common areas of the Buildings;
 - F. from yards, gardens, open spaces or outbuildings to Insured Premises; or
 - G. where such theft or attempted theft comprises the taking, or attempted taking, of goods by force during a catastrophe, such as war, natural disaster, riot, strike or civil commotion.
9. The Insurer shall not be liable for Damage or interruption or interference with caused by:
- A. explosion, failure or collapse of a boiler (but not a boiler used for domestic purposes only) economiser or other vessel, machine, apparatus or pipe work at the Insured Premises in which internal pressure is due to steam only belonging to, or under the control of, the Insured;
 - B. leakage of electricity, self-ignition, over-running, excessive pressure, short circuiting, self-heating of the any equipment, electrical apparatus or fittings;

- C. joint leakage failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels of any range of steam, and feed piping in connection therewith;
 - D. inherent vice, latent defect, gradual deterioration, wear and tear, frost, its own faulty or defective design or materials;
 - E. faulty or defective workmanship, operational error or omission on the part of the Insured or any of their Persons Employed where such error or omission is committed with the knowledge of or connived at by the Insured; or
 - F. the operation of machinery, plant, apparatus or equipment;
Provided that this exclusion shall not exclude subsequent Damage resulting from an ensuing cause which is not otherwise excluded.
10. The Insurer shall not be liable for Damage or interruption or interference caused by or consisting of:
- A. corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, humidity, action of light, marring, scratching, vermin or insects;
 - B. change in temperature, colour, flavour, texture or finish;
 - C. Pollution or Contamination;
 - D. mechanical or electrical breakdown, derangement or overloading; or
 - E. the item of Property Insured undergoing any process involving the application of heat; but this exclusion shall not apply to Damage resulting from or resulting in an Insured Peril.
11. The Insurer shall not be liable for Damage, or interruption or interference caused by or consisting of:
- A. acts of fraud or dishonesty on the part of the Insured or any partner, director or employee of the Insured, members of their families or any other person to whom Property Insured has been entrusted;
 - B. unexplained disappearance, unexplained or inventory shortage, misfiling or misplacing of information;
 - C. impact with any Property Insured by any waterborne vessel or craft; or
 - D. Mould, fungi, spores, bacteria, or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health except in respect of insurance provide by the Infestation and Defective Sanitation under Section 2 – Loss of Rent Receivable.
12. The Insurer shall not be liable for Damage or interruption or interference caused directly by or consisting of or occasioned by the voluntary parting with title or possession of any property or rights to property.
13. The Insurer shall not be liable for any Damage to property in transit covered or which should have been covered under a marine policy or policies.
14. The Insurer shall not be liable for Damage or the resulting interruption or interference caused directly by the Property Insured's own collapse or cracking unless such Damage results from an Insured Peril and is not otherwise excluded.
15. The Insurer shall not be liable for Damage or interruption or interference caused directly by or consisting of or resulting from cessation of work.
16. The Insurer shall not be liable for Damage or interruption or interference caused directly by loss of market, loss of use of Property Insured or consequential loss or Damage of any kind not specifically insured under this Policy.
17. The Insurer shall not be liable for Damage or interruption or interference attributable solely to change in the water table level.
18. The Insurer shall not be liable for Damage or interruption or interference attributable to Damage to the following property:
- A. glass (other than Glass), china, earthenware, marble, statuary or other fragile or brittle objects but this exclusion shall not apply in respect of Damage caused by an Insured Peril and not otherwise excluded;
 - B. mobile phones, laptops, tablets or similar portable electronic equipment, documents, tenants' property, money or any articles of gold, silver or other precious materials, jewellery or other personal items;
 - C. property in transit except as provided for under the individual Extension clauses;

- D. vehicles licensed for road use, caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft;
 - E. property or structures in course of construction or erection and materials or supplies in connection with all such property in course of construction or erection;
 - F. land, roads, pavements, piers, jetties, bridges, culverts, underground shafts, mines or excavations; or
 - G. livestock, animals, growing crops or trees;
- unless specified in the Schedule as insured by this Section.

This Section shall not apply to the policy unless specified as INSURED in the Schedule.

Section 3 Terrorism

Insuring Clause

The Insurer agrees to indemnify the Insured for Damage to Property Insured and resulting Loss of Rent Receivable occurring during the Period of Insurance solely in so far as and to the extent of coverage and Sub-limits provided under Section 1 and 2 of this Policy, in the event that:

- A. such Damage to Property Insured and resulting Loss of Rent Receivable is caused by and arises from an Act of Terrorism;
- B. such act is certified as an act of terrorism by Her Majesty's Government or Her Majesty's Treasury or any successor or other relevant authority or in the event such certification is refused, the refusal is reversed by the decision of a validly constituted tribunal; and
- C. the Damage to Property Insured and resulting Loss of Rent Receivable occurs in England, Wales and/or Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987 or any subsequent amending legislation and not the Isle of Man or the Channel Islands).

Limit of Liability

The liability of the Insurer under this Section in respect of any one Occurrence and in the aggregate during the Period of Insurance shall not exceed the Sum Insured as specified in the Schedule and shall be subject to all terms and conditions and Sub-Limits under [Section 1](#) and [2](#) of this Policy, unless stated otherwise.

Exclusions to Section 3

The following Exclusions shall apply to this Section unless stated otherwise. Where there is any conflict between these and the

General Exclusions of the Policy, the following Exclusions will take precedence:

1. The Insurer shall not be liable for any amount of the Excess as specified with respect to the [Sections 1](#) and [2](#) or individual coverages under the Sections.
2. The Insurer shall not be liable for any claim of whatsoever nature directly or indirectly caused by or occasioned by or happening through or in consequence of:
 - A. riot, civil commotion, vandals or other persons acting maliciously or by way of protest or strikes, labour unrest;
 - B. looting, being the theft of or taking of goods by force during a catastrophe, such as war, natural disaster, riot, strike or civil commotion; or
 - C. War, invasion or warlike operations, hostile acts of sovereign or local government entities, rebellion, revolution, insurrection or military or usurped power.
3. This Section does not cover any claim of whatsoever nature, directly or indirectly, covered under any marine, aviation, transit and motor certificates or policies.
4. This Section does not cover any claim of whatsoever nature, directly or indirectly, in respect of:
 - A. residential property, houses and other dwellings insured in the name of a private individual unless such property is insured in the private individual's commercial capacity as the landlord of the property;
 - B. any property specifically excluded in this Policy;
 - C. any Damage to any property at a nuclear installation or nuclear reactor and all fixtures and fitting attached thereto which serve, in anyway, such nuclear installations or nuclear reactors; or
 - D. any property located outside England, Wales and Scotland.
5. The insurance by this Section is subject otherwise to all the terms and conditions of this policy except that any:
 - A. long term undertaking applying to this Policy; or

- B. terms which provide for adjustments of premium based upon declarations on expiry or during the Period of Insurance; will not apply to losses covered under this Section.

Conditions to Section 3

1. Average

If at the time of any Damage the Sum Insured is less than the cost of reinstatement of such property, then the Insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly.

2. Burden of Proof

In any action, suit or other proceedings where the Insurer alleges that any claim is not covered by this Section of this Policy or makes any other contested allegations with regards to the cover provided under this Section, the burden of proving that such claim is covered hereunder or other allegations shall be upon the Insured.

3. Seventy-Two Hours Clause

In the event of Damage caused by an Act of Terrorism during any one Period of Insurance, an Occurrence with regard to such Damage shall be limited to 72 (seventy-two) consecutive hours for the purposes of this Section. If the duration of the Occurrence extends to beyond 72 (seventy-two) consecutive hours, then the Insured may decide to divide that Occurrence into two (2) or more Occurrences. The Insured may choose when of the periods commence provided that:

- A. no period commences prior to the inception date and the date of the Occurrence;
- B. no two (2) periods overlap; and
- C. should any such period extend beyond the expiry or cancellation date, the Insurer shall be liable as if such period had fallen entirely within the Period of Insurance of the Policy.

This Section shall not apply to the policy unless specified as INSURED in the Schedule.

Section 4

Property Owners' Liability

Insuring Clause

The Insurer will indemnify the Insured and any Additional Insured:

1. against Legal Liability in respect of:
 - A. Injury to any person;
 - B. Damage to Property; and
 - C. Nuisance,
occurring during the Period of Insurance within the Territorial Limits in connection with the Rental Operations.
2. in respect of Legal Costs incurred with the written consent of the Insurer in connection with any Incident which is or may be the subject of indemnity under 1 above.

Limit of Liability and Legal Costs

1. Irrespective of:
 - A. the number of parties and/or entities entitled to indemnity; or
 - B. the number of claimants; the total amount payable by the Insurer under this Section and all Extensions in respect of any one Incident shall not exceed the Limit of Liability specified in the Schedule.
2. Legal Costs payable by the Insurer shall be paid in addition to the Limit of Liability unless otherwise stated provided always that:
 - A. if a payment of damages and/or claimant's costs and expenses exceeding the Limit of Liability has to be made to dispose of any claim; and
 - B. the Insurer are liable to pay Legal Costs in addition to the Limit of Liability;the liability of the Insurer for such Legal Costs shall be limited to such proportion as the Limit of Liability bears to the amount paid to dispose of such claim. Nothing contained in this clause shall be construed to vary or override Claims Condition 2 of this Policy.

This Section provides cover against Legal Liability and Legal Costs in respect of Injury sustained by any person, other than a Person Employed, and Damage to Property directly or indirectly caused by, or contributed to by, or arising from an Act of Terrorism occurring during the Period of Insurance within the Territorial Limits up to a limit of GBP 5,000,000 in respect of any one Incident or the amount of the Limit of Liability as specified in the Schedule, whichever is the lower.

Extensions to Section 4

1. Defective Premises Act

The Insurer will indemnify the Insured against their Legal Liability, in respect of Injury or Damage to Property, incurred by virtue of defective premises legislation in connection with premises disposed of by the Insured.

This Extension will not apply to Legal Liability:

- A. for the costs of remedying any defect or alleged defect in premises disposed of by the Insured; or
- B. in respect of which the Insured is entitled to indemnity under any other insurance.

2. Legionellosis

The Insurer will indemnify the Insured:

- A. against Legal Liability in respect of Injury caused by legionellosis arising out of the Rental Operations and for which:
 - i. a claim first made in writing to the Insured during the Period of Insurance; or
 - ii. the first notification of any circumstance which caused or is alleged to have caused Injury or can reasonably be expected to give rise to a claim under the Policy;

- is made to the Insurer during or within thirty days of the expiry of the Period of Insurance; or
- B. in respect of Legal Costs incurred with the written consent of the Insurer in connection with any Injury caused by legionellosis covered under this Extension; Provided that the maximum amount the Insurer will pay in respect of the cover under this Extension shall not exceed the Limit of Liability specified in the Schedule.

3. Pollution or Contamination

- A. Notwithstanding [Exclusion 5 Pollution or Contamination of Section 4](#), the Insurer will indemnify the Insured and any Additional Insured, up to the Sub-Limit shown in the Schedule, for:
- i. statutory costs that the Insured is legally liable to pay, or legally obliged to incur under an environmental protection directive, statute or statutory instrument, for remediation of environmental damage, arising out of or from Pollution and Contamination occurring during the Period of Insurance, within the Republic of Ireland, Great Britain, Northern Ireland, the Channel Islands or the Isle of Man or member state of the European Union in connection with the Rental Operations provided that the Pollution and Contamination is caused by an Accident taking place during the Period of Insurance; or
 - ii. damages and compensation, including claimants costs recoverable from the Insured arising from Injury, Damage to Property and Nuisance arising out of or from Pollution and Contamination occurring during the Period of Insurance within the Republic of Ireland, Great Britain, Northern Ireland, the Channel Islands or the Isle of Man or member state of the European Union in connection with the Rental Operations provided that the Pollution and Contamination is caused by an Accident that takes place during the Period of Insurance.
- B. This extension excludes and does not cover any sum incurred in respect of:
- i. activities commenced by or on behalf of the Insured prior to inception of the Period of Insurance or any period of continuous insurance prior to inception of the Period of Insurance where each policy making up that continuous insurance is underwritten by the Insurer or by an affiliate; or
 - ii. prevention of Pollution and Contamination to or on third party property or the Insured's land, premises, watercourse or body of water, whether owned, leased, hired, tenanted or otherwise in the Insured's care custody or control.

4. Subrogation Waiver

It is a condition precedent to cover that the Insured does not, without specific prior written agreement by the Insurer agrees to any term of any contract or agreement which restricts, reduces or waives the Insured's or the Insurer's right of recovery from any other party. When such prior written agreement is requested by the Insured, the Insurer shall be entitled to:

- A. charge an additional premium;
- B. request that Insured seek to renegotiate its contract to omit entirely such term(s);
- C. exclude from cover liability for any amounts which would have been recoverable from another party in the absence of such term(s); and/or
- D. apply a net contribution limit to the Insurer's indemnity in respect of the relevant project.

5. Wrongful Arrest

This Section is extended to include the Insured's liability arising out of wrongful detention, false or malicious arrest, malicious prosecution or false imprisonment arising out of any accusation of shoplifting, theft, dishonesty or other improper conduct by any person and occurring on or about the Insured Premises.

Exclusions to Section 4

The following Exclusions shall apply to this Section in addition to the General Exclusions of the Policy unless as stated otherwise.

The Insurer shall not be liable for the following Legal Liability:

1. Advertising Injury

to a third party arising out of the Insured's advertising activities, but only if such injury arises out of:

- A. misappropriation of advertising ideas or style of doing business;
- B. infringement of copyrighted advertising materials, titles or slogans; or
- C. incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised.

2. Contractual Liability

owed by the Insured to a party or liabilities retained by the Insured, such as hold harmless clauses or waiver of rights of recovery, under the terms of any contract or agreement which would not have attached to or been retained by the Insured in the absence of such contract or agreement, except where the Insurer gives its prior written agreement.

3. Injury sustained by Persons Employed

for Injury sustained by any Person Employed arising out of and in the course of employment by the Insured in the course of its Rental Operations.

4. Property in the Insured's Care, Custody or Control

in respect of loss of or Damage to any Property which, at the time of the Incident giving rise to such liability, is owned by or held

in trust by or in the care, custody or control of the Insured or any Person Employed, other than:

- A. personal effects including vehicles and their contents of any Person Employed or any director or partner of or visitor to the Insured;
- B. premises including their contents, not owned by or leased or rented to the Insured but temporarily occupied by the Insured for the purposes of undertaking work in connection with the Rental Operations, provided that this paragraph shall not include any property to which A directly above applies; or
- C. premises and their fixtures and fittings leased or rented to the Insured, excluding liability:
 - i. which attaches by way of any contract or agreement and that would not have attached in absence of such agreement;
 - ii. Damage caused by fire or explosion.

5. Pollution or Contamination

directly or indirectly caused by, arising from or in connection with Pollution or Contamination.

6. Vehicles

arising out of the ownership or possession or use of any mechanically propelled vehicle by or on behalf of the Insured in circumstances where insurance or security is required under the provisions of any road traffic legislation, but this Exclusion will not apply to:

- A. A mechanical plant while operating as a tool of trade;
 - B. the loading or unloading of any vehicle;
- except in respect of Legal Liability for which:
- i. insurance or security is required by law; or
 - ii. indemnity is provided by any motor insurance contract.

7. Vessels and Craft

arising out of the 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.

This Section shall not apply to the policy unless specified as INSURED in the Schedule.

Section 5 Employers' Liability

Insuring Clause

The Insurer will indemnify the Insured and any Additional Insured:

1. against Legal Liability in respect of Injury caused to any Person Employed during the Period of Insurance within the Territorial Limits and arising out of and in the course of employment by the Insured in connection with the Rental Operations; and
2. in respect of Legal Costs incurred with the written consent of the Insurer in connection with any Incident which is or may be the subject of indemnity under 1 above.

Provided always that no indemnity will be afforded by the Insurer in respect of any judgment, award or settlement made in any country or territory outside the Territorial Limits or in respect of any order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part, unless the Insured has requested that there shall be no such limitation and has accepted the terms offered by the Insurer in granting such cover, which offer and acceptance must be signified by an Endorsement attaching to this Policy.

Limit of Liability

Irrespective of:

1. the number of parties and/or entities entitled to indemnity; or
2. the number of claimants;

the total amount payable by the Insurer under this Section including all Extensions in respect of or arising from any one claim or series of claims against the Insured arising out of one Incident shall not exceed the Limit of Liability specified in the Schedule for Employers' Liability.

This Section provides cover against Legal Liability and Legal Costs in respect of Injury sustained by Persons Employed caused as a result of an Act of Terrorism during the Period of Insurance within the Territorial Limits up to a limit of GBP 5,000,000 in respect of any one Incident.

The Overall Limit of Liability will not apply to the extent that claims or losses under any other Section would otherwise erode the Limit of Liability in respect of this Section.

Extensions to Section 5

The following Extensions shall apply, subject always to the limits, terms, conditions and exclusions of this Section and the Policy.

1. Contractual Liability

This Section will indemnify the Insured against liability, of the nature covered under this Section, assumed by the Insured under terms of a contract or agreement, which would not have attached in the absence of such contract or agreement, provided that such term(s) does not indemnify a party for or relieve a party from liability for its own negligence or breach of statutory duty.

2. Temporary Overseas Visits

The Insurer will indemnify the Insured and/or Additional Insured against Legal Liability in respect of Injury sustained in connection with the Rental Operations while temporarily outside the Territorial Limits during the Period of Insurance provided that:

- A. such temporary business trips outside the Territorial Limits do not exceed a period of three (3) months; and
- B. the Insured and/or Additional Insured is domiciled within the Territorial Limits.

This Extension shall not apply directly or indirectly with respect to liability:

- i. arising out of, from or in connection with any country or territory which operates under the laws of the United States of America or of Canada; or
- ii. manual work carried out outside the Territorial Limits.

3. Unsatisfied Court Judgments

If a judgment for damages is obtained in any court within in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man:

- A. A by any Person Employed or the personal representatives of any Person Employed in respect of Injury caused to that Person Employed during the Period of Insurance and arising out of and in the course of employment by the Insured in connection with the Rental Operations;
- B. against any individual or company, not insured under this Section, operating from premises in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man; and
- C. which remains unsatisfied in whole or in part 6 (six) months after the date of such judgment;

then, at the request of the Insured, the Insurer will pay to the Person Employed or the personal representatives of the Person Employed, the amount of such damages and awarded costs that remain unsatisfied, provided that:

- i. any payment made by the Insurer shall only be in respect of liability for which the company or individual, under 3.B above, would have been entitled to indemnity had such company or individual been insured under this Section; and
- ii. there is no appeal outstanding; and
- iii. if any payment is made under the terms of this Extension, the Person Employed or the personal representatives of the Person Employed shall assign the judgment to the Insurer.

Exclusions to Section 5

The following Exclusions shall apply to this Section in addition to the General Exclusions of the Policy unless as stated otherwise.

The Insurer shall not be liable for the Insured's Legal Liability in respect of:

1. 1 Medical and Repatriation Costs

- A. A medical costs or medical expenses; or
- B. repatriation costs or repatriation expenses; incurred by any Person Employed whilst outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

2. 2 Road Traffic Legislation

Injury for which the Insured is required to arrange motor insurance or security in accordance with any road traffic legislation.

Extensions to Sections 4 and 5

The following Extensions shall apply, subject always to the limits, terms, conditions and exclusions of Sections 4 and 5 and this Policy.

1. Cross Liabilities

If the Insured comprises more than one entity the Insurer will indemnify each entity in the same manner and to the same extent as if a separate Policy had been issued to each provided that the total amount of indemnity afforded by the Insurer shall not exceed the Limit of Liability regardless of the number of entities entitled to indemnity.

2. Compensation for Court Attendance

If at the request of the Insurer any Person Employed or director or partner of the Insured shall attend court as a witness in connection with a claim in respect of which the Insured is entitled to indemnity under these Sections, the Insurer will provide compensation to the Insured at the following rates per day for each day on which attendance is required:

- A. any director or partner of the Insured GBP 500; and
- B. any other Person Employed GBP 250.

3. Corporate Manslaughter Legal Defence Costs

This Policy is extended to indemnify the Insured and if the Insured so requests any Person Employed or director or partner of the Insured in respect of Legal Costs incurred in the defence of any criminal proceedings brought or

in an appeal against conviction arising from such proceedings in respect of manslaughter or culpable homicide or alleged manslaughter or culpable homicide, including a breach of the Corporate Manslaughter and Corporate Homicide Act 2007 and any amending and/or subsequent legislation, provided that an offence is alleged to have been committed during the Period of Insurance in the course of the Rental Operations.

The Insurer shall be entitled, but not obliged, to assume the conduct of the defence of any criminal proceedings in respect of which an indemnity is provided under this Extension.

The indemnity provided under this Extension shall not exceed GBP 5,000,000 any one claim and in the aggregate for all claims during any one Period of Insurance.

However, the total liability of the Insurer under Sections 4 and 5 of this Policy, inclusive of this Extension, shall not exceed the Limits of Liability as specified in the Schedule.

This Extension shall not apply:

- A. to fines or penalties of any kind; or
- B. where indemnity is provided by any other insurance.

4. Health and Safety at Work Legal Defence Costs

Subject to the terms of the Insurer's written consent and the Insurer's control, the Insurer will indemnify the Insured and if the Insured so requests, any Person Employed or director or partner of the Insured, in respect of Legal Costs incurred in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach of the Health and Safety at Work etc Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978, and any amending and/or subsequent legislation (together the Health and Safety Legislation), provided that an offence is alleged to have been committed during the Period of Insurance in the course of the Rental Operations.

This Extension will not apply:

- A. to fines or penalties of any kind;
- B. to proceedings consequent upon any deliberate act or omission by:
 - i. the Insured;
 - ii. any partner or director of the Insured;which could reasonably have been expected to constitute a breach of the Health and Safety Legislation having regard to the nature and circumstances of such act or omission; or
- C. where indemnity is provided by any other insurance.

Exclusions to Section 4 and 5

The following Exclusions shall apply to these Sections in addition to the General Exclusions of the Policy unless as stated otherwise.

The Insurer shall not be liable for any Legal Liability:

1. Contractual Liability

owed by the Insured to a party or liabilities retained by the Insured, such as hold harmless clauses or waiver of rights of recovery, under the terms of any contract or agreement which would not have attached to or been retained by the Insured in the absence of such contract or agreement, except where the Insurer gives its prior written agreement.

2. Defamation

in respect of any form of defamation, libel or slander.

3. Deliberate act

in respect of Injury, Damage, or Nuisance and any costs and expenses, arising from any deliberate act or a failure to act by the Insured or Additional Insured which constitutes an offence under legislation or a breach under this contract but this exclusion shall not apply with respect to Injury resulting from the use of reasonable force to protect persons or property.

4. Employment Practice Liability

directly or indirectly occasioned by, happening through or in consequence of any claim for breach of employment contract, defamation, discrimination and/or harassment and/or in relation to the hiring,

supervision, retention and/or personal development of any director and/or partner of the Insured and/or Person Employed however arising.

5. **Excess**
for the amount of the Excess specified in the Schedule for each operative Section.
6. **Fees for intervention**
any payments raised under the Health and Safety (Fees) Regulations 2012 relating to 'Fees for intervention'.
7. **Financial loss**
directly or indirectly, for pure economic loss not ensuing from Injury, Damage, or Nuisance covered in this Policy.
8. **Fines, Liquidated Damages, Penalty Clauses and Performance Warranties**
for fines, liquidated damages clauses, penalty clauses or performance warranties.
9. **Inhalation of Asbestos**
directly or indirectly caused by, or contributed to by, or arising from work involving the manufacture, processing, mining, use, storage, installation, handling, removal, stripping out, demolition, transportation or disposal of asbestos, asbestos dust, asbestos fibres or materials containing asbestos fibre.
However, where such activities do not form any part of the Insured's normal activities this Exclusion shall not apply to Legal Liability arising from:
 - A. A the accidental discovery of materials known or suspected to be asbestos or to contain asbestos fibre; and
 - B. the investigation of any such suspect materials;
provided always that:
 - i. immediately upon discovery as defined in A above, all work ceases until the composition of all such materials is established; and
 - ii. any subsequent handling, removal, stripping out, demolition, transportation or disposal of asbestos or materials containing asbestos fibre requiring license is carried out by qualified licensed subcontractors on terms which indemnify the Insured for liability arising out of such work;

other than in respect of **Section 5 Employers' Liability** where the total amount payable by the Insurer under **Section 5** including all Extensions in respect of or arising from any one claim or series of claims against Legal Liability incurred by the Insured arising out of one asbestos Incident shall not exceed 50% of the overall Limit of Indemnity.
10. **Loss of Use**
for loss or reduction of use to property without Damage to such property.
11. **North American Jurisdiction**
in respect of
 - A. Any loss occurring in United States of America or Canada which gives rise to a claim under this Policy;
 - B. any claim made or brought in the United States of America or Canada; or
 - C. Any judgment, award or settlement made in any country or territory which operates under the laws of the United States of America or of Canada or in respect of any order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part.
12. **Professional Services**
arising from or in connection with:
 - A. A advice;
 - B. design; or
 - C. specification,provided for a fee.
13. **Punitive and Exemplary Damages**
for punitive or exemplary damages or any damages resulting from the multiplication of compensatory damages.
14. **Radioactive Contamination**
directly or indirectly caused by, or contributed to by, or arising from:

- A. A ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- B. the radioactive, toxic, explosive or other Hazardous properties of any explosive nuclear assembly or nuclear component thereof.

Provided that in respect of claims arising out of Injury which fall under Section 5 – Employers Liability, this Exclusion shall only apply when the Insured under a contract or agreement has undertaken to indemnify any principal or has assumed liability for Injury caused to a Person Employed by contract or agreement and which liability would not have attached in the absence of such contract or agreement.

15. **Work Offshore**

arising from or in connection with any Injury or work undertaken offshore, meaning from the time of embarkation onto a conveyance at the point of final departure to any offshore installation, whilst on any offshore installation or support or accommodation vessel for an offshore installation, until disembarkation onto land upon return from such installation.

General Exclusions

The following General Exclusions shall apply to all Sections of this Policy unless as stated otherwise. In the event any portion of these Exclusions is found to be invalid or unenforceable the remainder shall remain in full force and effect.

The Insurer shall not be liable under this Policy for any:

1. **Chemical and Biological**

Loss, Damage, Loss of Rent Receivable or Legal Liability arising, directly or indirectly, from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind chemical and/or biological and/or radiological irritants, contaminants or pollutants.

2. **Cyber and Data**

A. Cyber

Loss, Damage, Loss of Rent Receivable, Legal Liability or any other loss, cost or expense arising out of or caused deliberately or accidentally by:

- i. the use of or inability to use any application, software, or programme;
- ii. any Virus or Similar Mechanism or Denial of Service Attack;
- iii. any computer related hoax relating to i and/or ii above.

B. Electronic Data

Loss or Damage to, or Loss of Rent Receivable, Legal Liability, cost or expense arising out of such loss or Damage to, any Electronic Data wherever it is stored, unless such loss or damage results from an Insured Peril and is not otherwise excluded.

For the purpose of this Exclusion, Electronic Data means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

3. **Excess**

for the amount of the Excess specified in the Schedule.

4. **Electronic Date Recognition**

Loss, Damage, Loss of Rent Receivable or consequential loss or Legal Liability directly or indirectly caused by or consisting of or arising from the failure of any computer, data processing equipment or media, microchip, integrated circuit or similar device or any computer software, whether the property of the Insured or not:

- A.** correctly to recognise any date as its true calendar date;
- B.** 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; or
- C.** to capture, save, retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save or retain or correctly to process such data on or after any date; but this shall not exclude subsequent Damage to the Insured's property including hired in plant and hired temporary buildings or consequential loss resulting therefrom not otherwise excluded under this Policy, which itself results from an Insured Peril.

For the purposes of this General Exclusion the words Insured Peril shall mean fire, lightning, explosion, aircraft or other aerial devices or articles dropped therefrom, riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances, malicious persons other than thieves, earthquake, storm, flood, escape of water from any apparatus or pipe, impact by any road vehicle or animal and theft.

5. **Infectious or Contagious Disease**

Loss, Damage, Loss of Rent Receivable, Legal Liability, claim, cost or expense, in any way caused by or resulting from:

- A.** infectious or contagious disease;
- B.** any fear or threat of a) above; or
- C.** any action taken to minimise or prevent the impact of a) above,

For the purposes of this General Exclusion, infectious or contagious disease means any disease capable of being transmitted from an infected person, animal or species to another person, animal or species by any means.

This General Exclusion shall not apply to [Section 5 – Employers Liability](#) to the extent that such cover is mandated by any applicable law or regulation.

6. [Law and Jurisdiction](#)

Judgments, awards, settlements or orders of courts outside the Territorial Limits as defined, or orders seeking to enforce such judgments, awards, settlements or orders, or any liability arising under the law of any place outside the Territorial Limits.

7. [Mould and Fungus](#)

Loss, Damage, Loss of Rent Receivable or Legal Liability arising, directly or indirectly, from mould, fungi, spores, bacteria, or any form of bacterial contamination except in respect of insurance provide by [the Infestation and Defective Sanitation Extension under Section 2 – Loss of Rent Receivable](#).

8. [Nationalisation and Confiscation](#)

Loss, Damage, Loss of Rent Receivable or Legal Liability arising, directly or indirectly, from loss or destruction of or Damage to any property or any consequential loss caused by or contributed to confiscation, nationalisation, requisition, seizure or destruction by or under the order of any government or any public or local authority.

9. [Northern Ireland](#)

Loss, Damage, Loss of Rent Receivable or Legal Liability arising, directly or indirectly, from Damage to any property in Northern Ireland or loss resulting therefrom caused by or happening through or in consequence of:

- A. civil commotion; or
- B. any unlawful, wanton or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any unlawful association, being an organisation which is engaged in Act of Terrorism and includes an organisation which at any time is a proscribed organisation within the meaning of the Northern Ireland (Emergency Provisions) Act 1973 or any amendment thereto.

In any action, suit or other proceedings where the Insurer alleges that by reason of this exclusion any loss, destruction or Damage or loss resulting from such loss, destruction or Damage is not covered by this Insurance (or is covered only up to a Limit of Liability as specified in the Schedule) the burden of proving such loss, destruction or Damage or loss resulting from such loss, destruction or Damage is covered (or is covered beyond that Limit of Liability) shall be upon the Insured.

10. [Other Insurance](#)

Any loss, Damage, Loss of Rent Receivable, consequential loss or Legal Liability arising, or cost and expenses, which are otherwise more specifically insured under any other Policy by or on behalf of the Insured.

11. [Punitive and Exemplary Damages](#)

for any fines or damages for breach of contract or any penalties of whatsoever nature.

12. [Radioactive Contamination](#)

Loss, Damage, Loss of Rent Receivable or Legal Liability arising, directly or indirectly, from:

- A. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- B. the radioactive, toxic, explosive or other Hazardous Substance or contaminating properties of any explosive nuclear installation, reactor or other nuclear assembly or nuclear component thereof; or
- C. any weapon of war or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

13. [Sonic Boom](#)

Loss, Damage, Loss of Rent Receivable or Legal Liability arising, directly or indirectly, from pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

14. [Terrorism or Act of Sabotage](#)

- A. Loss, Damage, Loss of Rent Receivable or Legal Liability arising, directly or indirectly, from any Act of Terrorism or Act of Sabotage including any action taken in controlling, preventing, suppressing or any Act of Terrorism;
- B. Loss, Damage, injury, cost or expense directly or indirectly arising out of:
 - i. any business interruption losses resulting from customers or suppliers' extensions or denial of access due to any Act of Terrorism or Act of Sabotage; or
 - ii. Loss, Damage, cost or expenses directly or indirectly arising out of any service interruption due to any Act of Terrorism or Act of Sabotage.

Provided that this exclusion shall not apply

- a. to the extent covered under [Section 3 - Terrorism](#), if specified as 'INSURED' under [Section 3 - Terrorism](#) in the Schedule; and
- b. to the extent of the Terrorism cover provided under [Section 4 – Property Owners Liability](#) and [Section 5 - Employers' Liability](#).

15. War

Loss, Damage, Loss of Rent Receivable or Legal Liability arising, directly or indirectly, from War, whether War be declared or not.

Claims Conditions

The following Claims Conditions shall apply to all Sections and Extensions of this Policy unless stated otherwise.

In respect of Section 1- Property Damage, Section 2 – Loss of Rent Receivable and Section 3 – Terrorism

1. In the event of a claim, or any circumstances which may give rise to a claim under this Policy the Insured shall notify the Insurer via the broker or intermediary or by contacting the Insurer directly via the Claims Notification details specified in the Schedule:
 - A. within seven (7) days in the case of Damage caused by riot, civil commotion, strikers, locked out workers or persons taking part in labour disturbances or malicious persons; or
 - B. as soon as practicable but in any event no later than 30 (thirty) days of the event giving rise to the loss or Damage caused by any other Insured Peril.
2. Additionally, in the event of any theft, attempted theft, riot, malicious damage or Act of Terrorism (if and to the extent that Act of Terrorism is insured by this Policy), the Insured shall immediately notify the police and any other relevant public or local authority.
3. The Insured shall supply at its own expense full details of the claim, in writing, together with any supporting information, receipts and proofs which the Insurer may reasonably require, and no claim shall be paid until the Insured has complied with this paragraph.

In respect of Section 4 – Property Owners' Liability and Section 5 – Employers' Liability

1. As a Condition Precedent to liability, the Insured shall notify the Insurer via the dedicated 24 (twentyfour) hour telephone number specified in the Schedule immediately the Insured is aware of any occurrence or circumstances which may give rise to a claim, regardless of any applicable Excess, which shall include any accident at work which results in seven (7) or more days' absence for any Person Employed.
2. In the event that the Insurer requires the completion of a 'Claim Form' following notification of any claim or circumstances which may give rise to a claim, it is a Condition Precedent to Insurer's liability that the Insured shall complete and sign the 'Claim Form' required by the Insurer as a Statement of Fact and return it to the address below within seven (7) days of receipt.
3. As a Condition Precedent to Insurer's liability, every letter, claim, writ, summons and/or process in connection with such claim or circumstances shall be forwarded to the Insurer at the address specified in the Schedule, immediately on receipt and in electronic format within seven (7) days (business) of the date and time of receipt.
4. As a Condition Precedent to liability, the Insured shall notify the Insurer via the Claims notification details specified in the Schedule immediately when the Insured has knowledge of any prosecution, inquiry or inquest in connection with any claim or circumstances which may give rise to liability under this Policy.
5. No admission, offer, promise, payment, Legal Cost or indemnity shall be made or given by or on behalf of the Insured without the Insurer's written consent.
6. The Insurer is entitled to take over and conduct in the name of the Insured the defence or settlement of any claim, or to prosecute any claim in the name of the Insured for their own benefit, and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. The Insured shall give all such information and assistance as the Insurer may require.
7. It is a Condition Precedent, that if the Insured receives any Claim Notification Form(s) or notification directly from an Person Employed or third party Claimant or their appointed representative, the Insured must acknowledge receipt of the Claim Notification Form(s) or notification to the Person Employed or third party Claimant or their appointed representative in;
 - A. An electronic format; and
 - B. Within 24 (twenty-four) hours from the date and time of receipt thereof; and
 - C. The acknowledgement of the Claim Notification Form(s) must state that the Claim Notification

8. It is also a Condition Precedent that the Claim Notification Form(s) must be sent within 24 (twenty-four) hours to the Insurer and any failure to comply with this condition may result in the Insurer refusing to indemnify, or the Insured being liable for any increased costs and/or damages to settle the claim, if such costs and damages would not have been incurred if the Insured had complied with this 'Acknowledgement of Claim Notification Form(s)' clause.

9. In respect of any claims against the Insured under the Property Owner's Liability and Employers' Liability Sections of this Policy to which a Limit of Liability applies, the Insurer may at any time pay the amount of such Limit of Liability after deduction of any sums already paid/incurred or any lesser amount for which at the absolute discretion of the Insurer such claims can be settled. The Insurer will then give up control of the said claims and be under no further liability in respect of the same, except for Legal Costs for which the Insurer may be responsible prior to the date of such payment unless the Limit of Liability is inclusive of Legal Costs.

General Conditions

The following General Conditions shall apply to all Sections of this Policy unless stated otherwise:

1. Abandonment

The Insured shall not in any case be entitled to abandon any property to the Insurer whether taken possession of by the Insurer or not.

2. Action to Minimise Loss

It is a Condition Precedent that if any circumstance occurs which may give rise to a claim under this Policy the Insured shall take action to minimise the loss or Damage, to avoid interruption or interference with the Rental Operations and to prevent further Damage or Injury.

3. Alteration of Risk

If, after the beginning of the Period of Insurance, there is any alteration:

- A. by removal;
- B. whereby the risk of Damage, Injury or Legal Liability is increased;
- C. whereby the Insured's interest ceases except by will or operation of law;
- D. whereby any business of the Insured owned or operated for the purpose of Rental Operations is wound up or carried on by a liquidator or receiver, or put into administration or otherwise permanently discontinued; or
- E. any change is made in the description of the Rental Operations, Rental Property, or Insured Premises,

the Insured shall give written notice to the Insurer as soon as possible and in any event no later than 14 (fourteen) days from the date of the alteration or the Insured's knowledge of the alteration.

The Insurer reserve the right to amend the terms of this Policy at the time of such notification and no indemnity shall be provided until the Insured has accepted the terms in writing and by an Endorsement attaching to this Policy. Any change in the description of the Rental Operations, Rental Property, or Insured Premises and any material variation from the information supplied to the Insurer prior to the Period of Insurance and not notified to the Insurer is not indemnified under this Condition.

4. Assignment

Any assignment or transfer of the insurance provided by this Policy will not be valid without the prior written consent of the Insurer.

5. Cancellation

This Insurance may be cancelled at any time by the Insured, by giving notice in writing to the Insurer.

- A. If the Insured cancels the Policy during the first 14 (fourteen) days of inception of receipt of the insurance documents or the start of the Period of Insurance, whichever is the earlier (the cooling off period), the Insurer will refund the premium paid.
- B. If the Insured wishes to cancel the Policy after expiry of the cooling off period specified in A above, the Insured must give 14 (fourteen) days' notice by recorded delivery letter to the Insurer. The Insured shall be entitled to a return of premium in respect of the unexpired portion of the Period of Insurance only.
- C. If a claim has been submitted or paid or a circumstance notified to the Insurer as being likely to give rise to a claim during the Period of Insurance, no refund of premium shall be given under any circumstances.

This Insurance may also be cancelled by the Insurer, by sending 14 (fourteen) days' notice by recorded delivery letter to the last known address of the Insured stating the reason for cancellation. Where this Condition is exercised, the Insured is entitled to a return of premium in respect of the unexpired portion of the Period of Insurance, after any adjustment of the Premium paid as provided for by any conditions of this Policy, and subject to no claim having been paid or being outstanding (in whole or in part) in respect of the expired portion of the Period of Insurance.

In the event of receipt of notice of cancellation by either party after a claim has been paid, any premium outstanding shall become immediately payable.

6. Choice of Law and Jurisdiction

Unless otherwise agreed by the Insurer and the Insured, this Policy shall be subject to and construed solely in accordance with the laws of England and Wales, and any disputes not falling within the scope of any arbitration provisions herein shall be subject to the exclusive jurisdiction of the courts of England and Wales.

7. Conditions Precedent

Conditions Precedent to liability must be satisfied before the Insurer becomes liable to make any payment to the Insured under this Policy. In the event of the Insured's breach of any Conditions Precedent in respect of any claim the Insurer is entitled to decline liability and shall not be required to make any payment to the Insured for such claim.

8. Contract (Rights of Third Parties) Act 1999

This insurance does not confer or create any right enforceable under the Contracts (Rights of Third Parties) Act 1999 or any amending or subsequent legislation by any person who is not named as the Insured and both the Insurer and Insured may amend, cancel or lapse this insurance without giving notice to, or requiring the consent of, any other third party. However, this will not preclude rights enforceable under the Third Parties (Rights against Insurers) Act 2010.

9. Contribution

If at the time of any claim(s) covered by the [Section 1 - Property Damage](#), [Section 2 - Loss of Rent Receivable](#) and [Section 3 - Terrorism](#) Sections of this Policy, other insurance policies cover the same risk or part of the same risk, the Insurer shall not be liable for more than a percentage proportion of the claim calculated by reference to the policy limits of each applicable insurance policy.

If any such other insurance policies are subject to any condition relating to underinsurance (also known as Average), this Policy, if not already subject to any such condition, shall be subject to it in the same way.

If any such other insurance is subject to any provision whereby it is excluded from applying equally alongside this Policy, either in whole or in part, or from contributing proportionately as described above, the liability of the Insurer shall be limited to that proportion of the Damage which the Sum Insured under this Policy bears to the value of the property.

10. Declarations of Premium

If any part of the Premium is based on estimates provided by the Insured, the Insured shall keep an accurate record containing all relevant information and shall at any time allow the Insurer to inspect such record.

11. Employers' Liability Tracing office database

The Insurer is required by regulation to maintain a database of all the companies and subsidiary companies for which it provides insurance under the Employers' Liability (Compulsory Insurance) Regulations 1998 and to submit such details to the Employers' Liability Tracing Office database.

Where this Policy provides insurance under [Section 5 - Employers' Liability](#), it is a condition of this insurance that the Insured undertakes to supply full details (as required by the Employers' Liability Tracing Office) of the company and all subsidiary companies to the Insurer at inception of this policy and promptly thereafter following acquisition or disposal of any subsidiary company.

12. Excess

No indemnity is provided until the applicable Excess for any claim has been paid to and received by the Insurer hereon.

13. Fraudulent claims

If the Insured makes a fraudulent claim under this insurance, the Insurer:

- i. is not liable to pay the claim;
- ii. may recover from the Insured any sums paid by the Insurer to the Insured in respect of the claim;
- iii. may by notice to the Insured treat the contract as having been terminated with effect from the time of the fraudulent act; and
- iv. need not return any of the premiums paid.

14. Insurance Act 2015

Nothing in this insurance contract is intended to limit or affect the statutory rights or obligations of any of the parties to this contract under, and/or the effect of, Parts 2, 3, 4 or 5 of the Insurance Act 2015.

15. Investigation Rights following a Claim

In the event of a claim or notification of any circumstance which may give rise to a claim under this Policy, the Insurer (and every person authorised by them) has the right to enter the relevant premises, and to take and keep possession of any of the Property Insured (or require it to be delivered to them) for investigative purposes, and to deal with any salvage in a reasonable manner. No claim under this Policy shall be payable unless the terms of this Condition have been complied with. This Condition shall be evidence of permission from the Insured to the Insurer.

If the Insured or anyone acting on behalf of the Insured does not comply with the requirements of the Insurer or hinders or obstructs the Insurer in doing any of the above-mentioned acts, then all benefit under this Policy shall be forfeited.

16. Non aggregation

In the event a claim involves losses which may be covered under more than one Section of this Policy, the Insured shall be entitled to indemnification under only the Section providing more specific cover with regard to that claim or the Section with the highest limit with respect to that claim.

17. Compliance with Terms and Right of Recovery

Compliance with the terms of this Policy relating to anything to be done or complied with by the Insured is a condition precedent to any liability of the Insurer, except in so far as is necessary to comply with the requirements of any legislation enacted in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man relating to the compulsory insurance of Legal Liability to Persons Employed. The Insured shall repay to the Insurer all sums paid under of this Policy, with special reference to the [Section 5 Employers' Liability](#) section, which the Insurer would not have been liable to pay but for the provisions of such legislation.

18. Observance and Care

It is a Condition Precedent to liability that the Insured shall:

- A. comply with all statutory and other obligations and regulations imposed by any authority;
- B. maintain the Insured Premises, machinery, plant and equipment and other services (including fire, security and safety equipment) in a satisfactory state of repair;
- C. exercise reasonable care in the selection and supervision of Persons Employed and in the employment of competent staff;
- D. in the event of discovery of any defect or danger immediately cause such defect or danger to be made good or
- E. remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require;
- F. take all reasonable care to prevent any circumstances or to cease any activity which may give rise to liability under this Policy and
- G. act in accordance with all statutory obligations and regulations.

19. Payment of Premium

No indemnity is provided by this Policy until the premium has been paid to and received by the Insurer. If the premium is not paid and accepted by the Insurer on or before the premium payment date specified in the Schedule, the Insurer can give written notice to the Insured at its address specified on the Schedule cancelling the Policy.

20. Reasonable diligence

It is a Condition Precedent that the Insured shall take all reasonable precautions:

- A. for the safety of and to avoid, prevent or minimise any Damage to the Property Insured; and
 - B. to avoid, prevent or minimise any injury to others or Damage to their property;
- which might give rise to a claim under this Policy.

If the Insured does not take such reasonable precautions, the Insurer will be entitled to rely on this to exclude, limit or discharge their liability for any claim unless the Insured shows that its non-compliance with this term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

21. Reinstatement of Damage

If the Insurer elect or become bound to reinstate or replace any property, the Insured shall at its own expense provide all such plans, documents, books and information as the Insurer may reasonably require. The Insurer shall not be bound to reinstate exactly or completely, but only as circumstances permit and in a reasonably

sufficient manner, and shall not in any case be bound to pay out in respect of any one of the items of Property Insured more than its Sub-Limit.

22. The duty of fair presentation

- A. The Insured owes the Insurer a legal duty to make a fair presentation of the risk. That is, to disclose to the Insurer all information which the Insured knows, or ought to know, which is relevant to the Insurer's decision whether or not to provide this Insurance.
- B. If the Insured deliberately or recklessly breaches the duty of fair presentation, the Insurer will be entitled to avoid the insurance contract, refuse to pay all claims, and retain any premium paid.
- C. If the Insured's breach of duty is not deliberate or reckless, the Insurer will be entitled to a remedy based on what it would have done had the Insured complied with the duty.
 - i. If the Insurer would not have entered into the contract at all, the Insurer may avoid the contract and refuse all claims, but will return the premium paid.
 - ii. If the Insurer would have entered into the contract but on different terms (other than terms relating to the premium), the contract may be treated as if it was entered into on those different terms from the outset.
 - iii. If the Insurer would have entered into the contract but would have charged a higher premium, the Insurer may reduce proportionately the amount to be paid on a claim.

23. Risk Improvements Survey

The Insurer or a representative of the Insurer has the right to undertake a risk improvement survey of the Insured's premises.

Following the survey report, it is a Condition Precedent to Insurer's liability that the risk improvement requirements in the report are completed by the Insured on or before any specific completion deadline dates quoted by the Insurer. If the Insured is unable to comply with one or more of the risk improvement requirements by the date specified, the Insured or their representative should notify the Insurer within seven (7) days of their receipt of the report and agree alternative completion deadline date or dates. However, this shall not be permitted in respect of such risk improvement requirements which the Insured had agreed to complete immediately or within 14 days of the date of the survey.

If such deadline dates are unrealistic, the Insured shall be responsible to make this clear to the surveyor at the time of the survey, and to agree alternative deadline dates with the surveyor. If the Insured does not respond to the Insurer within seven (7) days of their receipt of the survey report it will be assumed that completion dates have been understood, accepted and will be complied with.

If the risk improvement requirements have not been completed in whole or in part by the completion deadline dates the Insurer shall have the right to:

- A. amend the Policy terms, conditions or exclusions and / or require completion of risk improvements issued in writing by the Insurer within a defined period, or
- B. terminate the Policy from inception, in writing to the Insured at the address in the Schedule.

If the Insurer elects to change the terms in accordance with A above, the Insured may:

- i. terminate the Policy within 14 days of receipt of the revised terms by giving notice in writing to the Insurer and the Insured shall be entitled to a pro rata return of premium for the unexpired Period of Insurance; or
- ii. continue the Policy at the revised terms for the remainder of the Period of Insurance.

24. Sanctions

The Insurer shall not be deemed to provide cover or be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

25. Several Liability

The subscribing Insurer's obligations hereunder are several and not joint, and are limited solely to the extent of their individual subscriptions. The subscribing Insurers are not responsible for the subscription of any co-subscribing Insurer(s) or underwriter(s) who for any reason does not satisfy all or any part of their obligations.

26. Subrogation

Any claimant under this Policy shall, at the request and expense of the Insurer, take and permit to be taken all necessary steps for enforcing rights and remedies against any other party in the name of the Insured, whether such steps are or become necessary before or after any payment is made by the Insurer.

27. Subrogation Waiver

Notwithstanding the subrogation condition above, in the event of a claim arising under this Policy the Insurer agree to waive any rights, remedies or relief to which they might become entitled by subrogation against:

- A. any Company which is a parent to subsidiary (or subsidiary to parent) of the Insured; or
- B. any Company which is a subsidiary of a parent Company of which the Insured themselves are a subsidiary;

in each case within the meaning of the Companies Act(s).

In respect of any other party, it is a Condition Precedent to cover that the Insured does not, without specific prior written agreement by the Insurer, agree to any term of any contract or agreement which restricts, reduces or waives the Insured's or the Insurer's right of recovery from any other party. When such prior written agreement is requested by the Insured, the Insurer shall be entitled to:

- i. charge an additional premium;
- ii. request that Insured seek to renegotiate its contract without such term(s);
- iii. exclude from cover liability for any amounts which would have been recoverable from another party in the absence of such term(s); and/or
- iv. apply a net contribution limit to the Insurer's indemnity in respect of the relevant project.

Further Information

Complaints Procedure

Please refer to the Complaint Procedure documentation provided along with Your Insurance documents.

Data Protection Information

Who We are

We are the Lloyd's underwriter(s) identified in the contract of insurance and/or in the certificate of insurance.

The basics

We collect and use relevant information about you to provide you with Your insurance cover or the insurance cover that benefits you and to meet our legal obligations.

This information includes details such as Your name, address and contact details and any other information that We collect about you in connection with the insurance cover from which You benefit. This information may include more sensitive details such as information about Your health and any criminal convictions You may have.

In certain circumstances, We may need Your consent to process certain categories of information about You (including sensitive details such as information about Your health and any criminal convictions You may have). Where We need Your consent, We will ask you for it separately. You do not have to give Your consent and You may withdraw Your consent at any time. However, if You do not give Your consent, or You withdraw Your consent, this may affect Our ability to provide the insurance cover from which You benefit and may prevent Us from providing cover for You or handling Your claims.

The way insurance works means that Your information may be shared with, and used by, a number of third parties in the insurance sector for example, insurers, agents or brokers, reinsurers, loss adjusters, sub-contractors, regulators, law enforcement agencies, fraud and crime prevention and detection agencies and compulsory insurance databases.

We will only disclose Your personal information in connection with the insurance cover that We provide and to the extent required or permitted by law.

Other people's details you provide to us

Where You provide us or Your agent or broker with details about other people, You must provide this notice to them.

Want more details?

For more information about how We use Your personal information please see our full privacy notice(s), which is/are available online on our website(s) or in other formats on request.

Contacting us and your rights

You have rights in relation to the information We hold about You, including the right to access Your information. If You wish to exercise Your rights, discuss how We use Your information or request a copy of our full privacy notice(s), please contact us, or the agent or broker that arranged Your insurance who will provide You with our contact details at:

Data Protection Officer
Brit Syndicates Limited
The Leadenhall Building
122 Leadenhall Street
London EC3V 4AB

Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if We cannot meet Our obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS.

Financial Services Compensation Scheme

10th Floor
Beaufort House
15 St Botolph Street
London EC3A 7QU
Tel: 020 7741 4100,
0800 678 1100
Fax:020 7741 4101
Website: www.fscs.org.u