

Matrix Underwriting Management

Commercial Insurance Policy [COMM-0114]

Summary of Cover

This policy summary does not contain the full terms and conditions which can be found in the policy document, a copy of which is freely available at <http://www.matrixunderwriting.co.uk/insurance-policies.html> or on request from your Broker or Matrix Underwriting Management Ltd

Confidentiality

You are promised complete confidentiality and security in all matters relating to your insurance arrangements.

Minimum premiums

The policy may be subject to a minimum premium.

IMPORTANT

To obtain the full benefit from your insurance it is important that the sums insured are adequate at all times. If they are inadequate then in the event of a claim the amount payable will be reduced in proportion to the degree of underinsurance.

Seek professional advice to ensure that the sums insured are correct. Insurance cover does not commence until confirmed by Matrix Underwriting Management or through your professional adviser.

You will be required to complete a proposal form or a statement of fact will be issued. Insurance cover is subject to acceptance of the proposal form or statement of fact by Matrix Underwriting Management. To avoid any delay in the acceptance of your application please answer all questions fully and provide any supplementary information which is required.

General Policy Conditions and Exclusions

Your policy contains general policy conditions such as cancellation, change of risk, reinstatement of sums insured, reasonable care, subjectivity, compliance with warranties and fraud. This is not an exhaustive list. All sections may be subject to special conditions. Please refer to a specimen policy wording for full details.

Your policy contains general policy exclusions which are summarised below

- radioactive contamination (but such contamination caused by terrorists may be covered under the Terrorism section, if selected)
- war, invasion, civil war, rebellion or revolution
- any act of terrorism, other than in respect of bodily injury to an employee arising out of and in the course of employment in the business (Note: cover for most acts of terrorism is available under the Terrorism section)
- sonic bangs
- confiscation, nationalisation or requisition by any government or authority
- computer viruses
- gradual pollution or contamination
- property undergoing heating process
- overrunning or self-heating of electrical machines not resulting in fire
- theft by you or any of your directors, partners or employees
- theft, malicious damage, escape of water or oil or breakage of glass or sanitary ware when your business has ceased to trade or your premises are unfurnished or untenanted
- disappearance, unexplained loss or inventory shortage
- failure of any computer to recognise a valid date
- mould, mildew etc
- pollution
- infectious and contagious diseases
- asbestos

Additional Clauses

The Covers provided under Section 1 - Property Damage are extended to provide you with comprehensive protection.

- architects' and surveyors' fees
- capital additions up to 10% (maximum £500,000)
- collusion
- debris removal (including stock)
- refilling of fire extinguishing equipment following its use
- incompatibility of computer records up to £50,000
- involuntary betterment up to 10% or £50,000 whichever is the lesser amount
- reinstatement of landscaped gardens and grounds following damage by the fire brigade up to £50,000
- service pipes or cables
- temporary removal (including documents and computer systems records)
- damage to the premises (including glass) caused by theft involving forcible and violent entry
- costs of tracing source of water or oil leaks up to £10,000

Automatically included under Section 1 - Property Damage only

- theft of fixed materials forming part of the buildings up to £5,000
- contract price
- contracting purchaser
- customers' goods
- property at trade shows or exhibitions up to £10,000
- external CCTV and security lighting equipment up to £5,000
- replacement of locks and keys following theft of keys up to £2,000
- loss of metered gas or water up to £10,000
- public authorities costs

Section 1 - Property Damage

Loss or damage to Trade Contents or Buildings (and resultant loss of Rent, if required) caused by fire - lightning - explosion - earthquake - aircraft - theft involving forcible and violent entry or exit and theft involving assault of or violence to you or your employees - riot or civil commotion - malicious damage - impact - storm - flood - escape of water or oil - collapse of television or radio aerials - falling trees or branches - accidental damage - subsidence

Main exclusions

- the relevant excess as stated in the schedule
- damage caused by wear, tear or any gradually operating cause
- electrical or mechanical breakdown
- loss resulting from shop-lifting
- use of any article contrary to manufacturers' instructions or maintenance procedures
- damage to property by any process it is undergoing
- faulty or defective workmanship or operational error or omission
- loss consisting of change of temperature, colour, flavour, texture or finish
- loss to outbuilding and property therein other than by fire, lightning, explosion and aircraft unless same construction as main property.
- water damage to property in any basement or cellar unless 15cm off the floor.
- electronic data loss

Main Condition

- waste to be kept in metal receptacles and removed weekly a safe distance and fortnightly from the premises.

Security

Your policy will contain a general condition precedent to the liability of the Underwriters that all security devices are put into full and effective operation whenever the premises are closed for business or left unattended.

Additionally, there may be specific warranties concerning security and fire alarms and fire extinguishing equipment as appropriate to particular premises.

All changes of or to security devices must be notified to Matrix Underwriting Management

Section 2 - Business Interruption

This section affords protection against financial loss during the indemnity period shown in the schedule following loss or damage by any of the perils selected by you under the Property Damage section. Reasonable costs incurred to maintain the business following loss or damage are included.

You can select one of three bases of cover

Gross Profit based on turnover/sales and appropriate to the majority of manufacturers and wholesalers where the sale of stock is the prime source of income

Gross Revenue based on income and appropriate to businesses where little or no stock is involved e.g. service or processing industries

Additional Expenditure a limited cover providing indemnity solely in respect of additional expenditure necessarily and reasonably incurred to resume or maintain the business.

The sum insured should be based on an estimate of your annual gross profit or gross revenue. Remember to make allowances for anticipated growth, inflationary factors and the period necessary to reinstate your business fully. If you need help on how to establish the correct sum insured please consult your professional insurance adviser.

If the sum insured selected under either of the Gross Profit or Gross Revenue bases is inadequate at the time of loss the amount paid will be proportionately reduced.

Additional cover

- prevention of access to the premises following damage to nearby property caused by a peril insured
- failure of public electricity, water or gas supplies following damage at the land based premises of the supplier
- closure by a competent authority because of defective sanitation, infestation by vermin or pests at the premises
- poisoning caused by food or drink
- infectious or contagious disease at the premises
- murder, suicide or rape in the vicinity of the premises
- loss caused by damage at the premises of any customer up to £25,000
- loss caused by damage at the premises of any supplier up to £25,000

Main exclusion

corruption of computer records by malicious persons or accidental damage

Section 3 - Money and Personal Assault

- in transit or in a bank night safe,
- on the premises during business hours,
- in a locked security safe,
- on the premises outside business hours and not in a locked security safe,
- at your home or the home of an authorised employee,

up to the limits shown in the schedule

Recorded crossed cheques, crossed postal orders, credit card sales vouchers and VAT purchase invoices are covered up to £250,000.

Automatically included

- repair or replacement as new of safes, postal franking machines, security cases, bags or waistcoats following theft up to £2,500 in any one period of insurance
- fraudulent use of any credit, debit, cash or charge card issued solely for the business up to £2,500 in any one period of insurance.

Main exclusions

- the relevant excess as stated in the schedule
- shortages due to error or omission
- fraud or dishonesty of any director, partner or employee unless the loss is discovered within seven working days of its occurrence
- dishonoured cheques or the use of counterfeit money
- loss from any coin-operated vending, gaming or amusement machine or payphone
- theft damage to tills or cash registers outside business hours unless the drawer has been left open

Note: special terms may apply to some types or values of money in transit by either your own employees or a specialist security company or organisation approved by Matrix Underwriting Management.

Personal Assault

Principals and employees (ages 16 - 65 inclusive) are automatically covered as part of the Money section for the following benefits if they sustain bodily injury or death following an assault whilst handling money on your business

Limit

- death, loss of limbs or eyes, permanent total disablement £10,000
- temporary total disablement (not exceeding 104 weeks) £100 per week

Also covered

- damage to personal effects £500 per person.

Main exclusions

- death or disablement caused by the influence of drugs or liquor
- any pre-existing physical or mental disability or infirmity, medical condition or chronic or recurring ailment, pregnancy, childbirth, Aids or an Aids related condition or other communicable disease.
- pain in or disorder of the spine

Section 4 – Glass

Providing protection for

- breakage of or damage to fixed plain plate or sheet or wired glass in doors and windows
- resultant damage to framework
- boarding up costs
- fixed mirrors, fixed glass in show cases, counters and display cabinets
- fixed external signs

Automatically included

- the cost of repair of alarm foil or other security devices
- lettering or designs on glass

up to £2,000.

Main exclusions

- the relevant excess as stated in the schedule
- glass which was flawed, broken or cracked before the insurance commenced
- breakage or damage due to insecure fitting or caused during installation or removal or whilst repairs or alterations are being carried out

Note: armoured, bent or other special glass is not insured unless advised to and accepted by Matrix Underwriting Management

Section 5 - Employers' Liability

Legal liability for injury to employees as required by current UK legislation, up to a limit of £10,000,000 (£5,000,000 if arising out of terrorism or asbestos) any one cause inclusive of legal defence costs.

Additional cover

- legal costs incurred in the defence of criminal proceedings brought for a breach of the Health and Safety at Work Act 1974 to a limit £250,000 in any one period of insurance.

Main exclusions

- work in connection with asbestos
- work in connection with power stations, refineries and in other hazardous situations
- actions brought outside Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

Sections 6a - Public Liability & 6b Property Owners

Legal liability for accidental injury to the public or damage to their property as a result of defects in your premises or negligence by you or your employees in the conduct of your business, up to the limit stated in the Schedule any one cause plus legal defence costs incurred with our written consent.

Additional cover

- contingent motor liability for non-owned vehicles
- damage to leased, hired or rented premises
- liability incurred under the Defective Premises Act 1972
- legal costs incurred in the defence of criminal proceedings brought for a breach of the Health and Safety at Work Act 1974 with a limit of £250,000 in any one period of insurance

Main exclusions

- work in connection with asbestos
- work in connection with power stations, refineries and in other hazardous situations
- watercraft unless hand propelled or less than 7 metres in length, or aircraft
- any machinery or boiler that does not have an inspection certificate as required by law
- vehicles used in circumstances where road traffic legislation requires insurance or security
- liability arising from products
- treatment, therapy, medical advice, fitness instruction or administration of drugs or medicines
- use of solaria, sunbeds, saunas and hydro-massage facilities
- the cost of cleaning up or removal of or damage to property arising out of asbestos
- professional liability
- provision of advice or any plan, design, formula or specification given separately for a fee
- fines, penalties or liquidated, punitive or exemplary damages
- the use of welding or flame cutting equipment or asphalt, bitumen or tar heaters away from your premises
- the relevant excess as stated in the schedule in respect of property damage claims occurring away from your premises
- actions brought outside Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- fungus, mould and mildew
- the excess shown in the schedule

Note: special conditions apply in respect of the use of blow lamps, blow torches or hot air guns and the burning of waste or other materials.

Section 7 - Products Liability

Legal liability for accidental injury to the public or damage to their property caused by products sold, supplied, processed, delivered, installed, tested, repaired, serviced, altered, treated or hired out by you and no longer in your possession or control, up to the limit shown in the schedule in any one period of insurance plus legal defence costs incurred with our written consent.

Additional cover

- legal costs incurred in the defence of criminal proceedings in respect of a breach of the Consumer Protection Act 1987 or the Food Safety Act 1990 with a limit £250,000 in any one period of insurance.

Territorial limits

- products sold or supplied anywhere in the world.

Main exclusions

- professional liability
- provision of advice or any plan, design, formula or specification given separately for a fee
- liability arising from properly prepared products failing to perform the function for which they were intended
- loss of or damage to products or the cost of making good or recalling products or rectifying defective work
- any drug or medical preparation obtainable on prescription from a medical practitioner
- any cosmetics, toiletries, animal feeds, seeds, fertilisers, insecticides or pesticides unless of proprietary manufacture
- the cost of cleaning up or removal of or damage to property arising out of asbestos
- liability arising in the USA or Canada from any products which with your knowledge will be sold or supplied to or used within those countries unless advised to and accepted by Matrix Underwriting Management
- liability arising from products which with your knowledge are used in the motor industry other than those not affecting the safety, stability, steering or braking of any vehicle
- liability arising from any products which with your knowledge are used in the aircraft, space, petrochemical, gas, offshore, ship building and repair or nuclear industries
- fines, penalties, or liquidated, punitive or exemplary damages
- actions brought outside Great Britain, the Isle of Man or the Channel Islands
- fungus, mould and mildew

Section 8 - Deterioration of Refrigerated Stock

Deterioration of stock caused by breakdown of refrigeration units or failure of public electricity supply.

Note: the cover requires you to have a manufacturer's guarantee or a maintenance contract for any refrigeration unit which does not have hermetically sealed motors and compressors.

Main exclusions

- the relevant excess as stated in the schedule
- deliberate act of the electricity supply authority
- loss in any unit which is over 10 years old at the commencement of any period of insurance

Section 9 - All Risks

You may cover specified equipment anywhere in the UK and if required Europe or anywhere in the world

Main exclusions

- the relevant excess as stated in the schedule
- wear, tear or depreciation or diminution in value
- inherent vice, latent defect, defective design or use of faulty materials
- faulty or defective workmanship, operational error, or use contrary to manufacturer 's instructions
- marring, scratching, denting or mechanical or electrical breakdown
- any gradually operating cause, rot, fungus, rust, corrosion or pests
- damage to property caused by any process it is undergoing
- loss consisting of change of temperature, colour, flavour, texture or finish
- theft from any vehicle which is not locked or secured in the locked boot or closed glove compartment when unattended or which is not locked and kept within a secure building overnight after the completion of any working day of the driver
- theft from any unattended building unless it is fully locked and the theft involves forcible and violent entry or exit
- theft or attempted theft of goods in open or soft topped or open or soft sided vehicles or trailers unless arising from theft or attempted theft of the conveying vehicle
- breakage of brittle articles unless forming part of photographic equipment.

Note: special terms may apply to some categories of equipment

Section 10 - Book Debts

Loss of outstanding debit balances owed by customers which you are unable to trace following loss of or damage to books of account and other records caused by a peril insured by Section 1, including the additional expenditure incurred in tracing the amounts owed.

If you have chosen to insure Gross Profit or Gross Revenue under the Business Interruption section, cover for outstanding debit balances for a sum insured of £25,000 will be provided automatically. Cover for higher sums insured is available on request.

Main exclusions

- deliberate falsification of business records
- erasure or distortion of information on computer systems and other records
- corruption of computer records by malicious persons or accidental damage

Section 11 - Goods in Transit

Providing protection for goods pertaining to the business which you have chosen to insure against loss or damage whilst in transit by your vehicles or other carriers anywhere in Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

Additional cover

- debris removal up to £2,500
- costs of transfer to another vehicle and completion of transit following fire or accident to the vehicle, up to £2,500
- loss of or damage to tarpaulins, sheets, ropes, chains, straps and packing materials up to £2,500.

Main exclusions

- the relevant excess as stated in the schedule
- theft from any vehicle owned or operated by you which is not locked when unattended or which is not locked and kept within a secure building or yard overnight or after the completion of the working day of the driver
- theft or attempted theft of goods in open or soft topped or open or soft sided vehicles or trailers unless arising from theft or attempted theft of the conveying vehicle
- storm or malicious damage to goods in open or soft topped or open or soft sided vehicles or trailers
- the following property unless specially agreed:
 - a) livestock or other living things
 - b) jewellery, watches, precious metals and stones, nonferrous metals, bullion, furs, works of art, money, securities or stamps
 - c) explosives or other dangerous goods.

Note: special terms may apply to some categories of goods

Section 12 - Loss of Licence

The depreciation in value of your interest in the premises or the business following forfeiture or non-renewal of your licence to sell excisable liquors at the premises, by any cause beyond your control.

The sum insured selected should represent the estimated total reduction in value of your interest in the premises or the business.

Additional cover

- costs and expenses in connection with any appeal against forfeiture or non-renewal.

Main exclusions

- non-renewal for which compensation is available under any Act of Parliament
- forfeiture or non-renewal due to Town and Country planning requirements, compulsory purchase or alterations in the law.

Information

Law applicable to the contract

Matrix underwriting Management proposes to choose English law as the law applicable to the contract unless we agree another choice of law with you prior to the start date.

Premiums

Premiums are payable annually. Insurance premium tax, as imposed by current legislation, is incorporated into all premiums.

Notification of a claim

If you have a claim, or are aware of an incident that could result in a claim, please contact Matrix Underwriting Management

Enquiries or complaints

If you have an enquiry or are dissatisfied regarding the suitability of this policy for your needs or the information you received whilst it was originally being arranged or discussed please contact your Broker, if you remain dissatisfied please contact Matrix Underwriting Management Ltd. It would be useful if you have the policy and/or the claim number available

If **you** are unhappy with the final decision made by **your insurer**, **you** may be eligible to refer your case to the Financial Ombudsman Service (FOS). The FOS is an independent body that arbitrates on complaints.

The FOS can be contacted at the following address:

South Key Plaza, 183 Marsh Wall, London E14 9SR

Telephone: 0800 0234567 (landline users)

0300 1239123 (mobile users)

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

You have six months from the date of the final response from your insurer to refer your complaint(s) to the FOS. This does not affect your right to take legal action, however, FOS will not adjudicate on any cases where litigation has commenced.

