

Matrix Underwriting Management



Property Owners Wording

Matrix Underwriting Management

Hornigals, Little Tey Road, Feering, Essex, CO5 9RS

This is to Certify that in accordance with the authorisation granted by **insurers** pursuant to the terms of a binding authority granted under the unique market reference number (UMR) specified in the Schedule to the undersigned and in consideration of the premium specified herein, the said **insurers** are hereby bound to insure in accordance with the terms and conditions contained herein or endorsed hereon.

Insurers hereby agree to the extent and in the manner hereinafter provided, to indemnify **you** against loss or damage sustained or legal liability for accidents happening during the period stated in the Schedule, after such loss, damage or liability are proved.

PROVIDED always that:

1. the liability of **insurers** shall not exceed the limits of liability expressed in the said Schedule or such other limits of liability as may be substituted therefor by memorandum hereon or attached hereto signed by or on behalf of **insurers**
2. this **policy** does not cover any item or Section for which there is no Sum Insured or Limit shown against that Item or Section in the Schedule
3. the subscribing **insurers'** obligations under contracts of insurance to which they subscribe 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** who for any reason does not satisfy all or part of their obligations.

In Witness whereof this **policy** has been signed on behalf of the **insurers** stated in the Schedule by

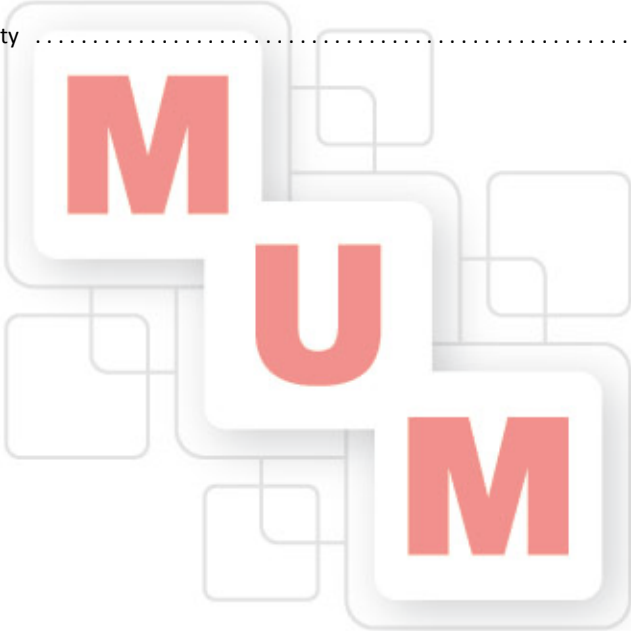
Matrix Underwriting Management Ltd

This **policy** is made and accepted subject to all the provisions, conditions, warranties and exclusions set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.

Insurers will indemnify or compensate **you**, by payment or, at their option, by replacement, reinstatement or repair in the event of loss, destruction, damage, accident or liability occurring during any **period of insurance**, subject to the terms and conditions of the **policy**.

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Introduction and Your Obligations

It is important that **You** read all **Your** documents carefully and let Your **Agent** know as soon as reasonably possible, and in any case within 3 (three) working days, if the insurance does not meet **Your** requirements or if any information is inaccurate or incomplete.

You are required to make a fair presentation of the risk to Insurers.

If **You** breach **Your** duty to provide a fair presentation and any such breach was deliberate or reckless, **Insurers** may regard the Policy as void and are not required to return any paid Premium to **You**.

If the breach was not deliberate or reckless, **Insurers'** remedy shall depend upon what **Insurers** would have done if **You** had complied with the duty of fair presentation:

1. **Insurers** may regard the Policy as void if **Insurers** would not have entered into the Policy on any terms in the absence of the breach. In this case, the **Insurers** must return the premium paid.
2. If the **Insurers** would have entered into the Policy, but on different terms (other than terms relating to premium) the Policy is to be treated as if those different terms applied from the outset, if the **Insurer** so requires.
3. If the **Insurers** would have entered into the Policy but would have charged a higher premium the **Insurers** may reduce proportionately the amount to be paid on a claim (and, if applicable, the amount already paid on prior claims).

Material facts

Material facts and circumstances are those which the Underwriter/**We** may wish to know in deciding whether to underwrite the risk and/or the terms upon which to underwrite the risk. They may be relevant either to the physical risk or to the personal background and characteristics (including financial) of **You** and/or any director, partner, officer and/or principal of **Your Business**. It is important that **Your Business** should have a system in place to ensure that all material facts and circumstances are disclosed.

Should **You** be in any doubt as to whether information is accurate or material, **You** should discuss it with **Your Agent**. If in doubt, **You** should disclose it. **We** are keen to work in partnership with **You** to avoid any misunderstandings.

Setting Your Sums Insured

This **Policy** requires **You** to specify a *Total Sum Insured* for each category of *Property Insured* and/or a *Sum Insured* for individual items of *Property Insured*. For example, if **You** wish to insure several different **buildings** under Section 1, the *Total Sum Insured* for **buildings** should represent the total cost of rebuilding all of these, as explained further below. **You** may also wish to specify a *Sum Insured* for each individual **building**.

For all items other than **buildings** the *Total Sum Insured/Sum Insured* should represent the cost of buying a new replacement of the item(s) in question.

To ensure that **You** recover an adequate indemnity in the event of a loss it is essential that the *Sums Insured* and *Total Sums Insured* are accurate. Otherwise, the amount payable by **Us** in the event of a claim may be reduced in proportion to the amount of any underinsurance. Accordingly, the *Sums Insured* and *Total Sums Insured* should reflect up-to-date cost of rebuilding and /or values (as appropriate) of all items which **You** want to insure.

Please note:

The cover provided for **Buildings** and *Contents* is on a Reinstatement basis which means that **You** should set the *Sums Insured* and *Total Sums Insured* for these items carefully by reference to the full cost of rebuilding the **Buildings** to a condition equivalent to when new, or replacing the *Contents* with equivalent new items. It is important that **You** include an allowance for the cost of *Debris Removal, Professional Fees* and any *Increased Cost of Construction* expenses that would be required in order to reinstate the property were it to be completely destroyed.

The definition of *Gross Profit* for the purposes of an insurance **Policy** will often vary from the definition appearing in **Your** accounts.

We would strongly recommend that **You** discuss these aspects with **Your Agent**.

Survey

At presentation and/or renewal **We** may require a survey of some or all of the *Property Insured*.

Your obligations in respect of survey requirements are set out more fully in General Condition 18 (Subjectivity) para b).

The Contract Wording

The Proposal, any Statement of Fact, the **Policy**, the Schedule (including any *Schedule* issued in addition or substitution) and any Endorsements shall be considered as one legal document.

Your Obligations under the Policy

The **Policy** imposes certain obligations upon **You** which if not complied with may invalidate the insurance or a claim. Some of these obligations are expressed to be **conditions precedent**. Because of the importance of these clauses, which **We** explain below, each time a clause is expressed to be a **condition precedent** **We** have used bold type to draw **Your** attention to it.

Conditions Precedent

Conditions precedent are extremely important. If **You** are in breach of any of these obligations at the time of a loss, **We** will have no obligation to indemnify **You** in relation to any claim for that loss. However if a **condition precedent** is intended to reduce the risk of loss of a particular kind, at a particular location or at a particular time, **We** will not rely on the breach of that **condition precedent** to exclude, limit or discharge *Our* liability if the breach could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred. Subject to any other rights which **We** may have under and/or with respect to the validity of the **Policy**, the **Policy** will remain in existence.

Steps to be taken if You cannot comply

If **You** are unable to comply with any **condition precedent** **You** should contact **Us** as soon as reasonably possible, and in any case within 3 (three) working days, through **Your Agent**. **We** will decide whether **We** might be prepared to agree a variation of the **Policy**. All conditions precedent remain effective unless **You** receive written confirmation of a variation from **Us** through **Your Agent**.

Claims procedure

General Condition 6. (Claims) explains **Your** obligations on the happening of any event which could result in a claim under this **policy** .

Please also take note of General Condition 10 (Fraud)

If **you** have a claim, or are aware of an incident that could result in a claim, please contact **Your Broker** immediately. They will report the details to Matrix Underwriting Management Ltd who will in turn report the loss to the applicable **Insurer**. Please note that cover under **Your** Policy may be provided by a number of different **Insurers** so until such time as Matrix Underwriting Management Ltd have full details of **Your** claim they will not know where to direct **Your** claim.

Please make sure that **You** provide us with contact details including a name and a telephone number.

Upon receipt of **Your** claim **Insurers** or their authorised representatives will be in touch with **You** directly.

Complaints Procedure:

If **you** have a Complaint which relates to either **your** policy or to a claim which **you** have submitted under **your** **policy** then please raise this in the first instance with **your** Broker who will aim to resolve **your** concerns by close of the next business day.

If **your** Broker is unable to deal with **your** concerns the matter will be forwarded onto **your Insurer** via Matrix Underwriting Management Ltd, Hornigals, Little Tey Road, Feering, Essex, CO5 9RS

Whilst reviewing **your** complaint **your Insurer** will:

- ▶ Acknowledge your complaint promptly
- ▶ Investigate your complaint quickly and thoroughly
- ▶ Keep you informed of the progress of your complaint
- ▶ Do everything possible to resolve your complaint

Your Insurer is obliged to provide **you** with a written offer of resolution within 8 weeks of the date **your** complaint was received.

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 independant 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.

Definitions

Wherever the following words appear in bold in this **policy** they shall mean the following:

definition of	means	
accidental damage	damage caused by accidental and external means	
act of terrorism	<p><i>for the purpose of the Employers, Public, Property Owners and Products liability Sections of this policy only</i> an act whether involving violence or the free use of force or not or the threat or the preparation 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) which is designed to or does</p> <ol style="list-style-type: none">intimidate or influence a de jure or de facto government or the public or a section of the public ordisrupt any segment of the economy <p>and from its nature or context is done in connection with political social religious ideological or similar causes or objectives</p> <p><i>for the purpose of all other Sections of this policy</i> acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty's Government in the United Kingdom or any other government de jure or de facto</p>	
asbestos	asbestos, asbestos fibres, any derivatives of asbestos and any product containing asbestos, asbestos fibres or any derivatives of asbestos	
bodily injury	death, injury, illness, disease or shock	
broker/advisor/agent	The Broker named in the Policy Schedule	
buildings	the buildings and outbuildings including landlords fixtures and fittings , constructed as stated in accordance with details lodged with insurers , and their foundations, extensions, annexes, gangways, conveniences, outbuildings and sub-stations; walls, fences and gates; piping, ducting, cable wires and associated control gear and accessories, fuel tanks, telephone, gas, water and electric meters, fibre optic or integrated services, digital network lines, on the premises or in the buildings and extending to the perimeter thereof or the public mains but only to the extent of the insured's legal responsibility therefore, yards, car-parks, pavements, pathways and roadways; sanitary ware, fixed glass, fanlights, skylights and partitions for which the insured is legally responsible; all situate at the risk address or locations stated in the schedule	
business	the business stated in the schedule and in respect of the Employers, Public, Property Owners and Products liability Sections of this policy only	<ol style="list-style-type: none">provision and management of catering, social, sports, educational and welfare facilities for the benefit of employees, first aid, medical, ambulance, fire and security services and maintenance of the insured's premisesprivate duties undertaken by an employee for the insured, or, with the insured's consent, for any director, partner or official of the insuredownership and maintenance of buildings, premises and land used in connection therewithparticipation as an exhibitor at trade shows or exhibitions
business hours	the period during which the premises are open for business or otherwise occupied for the purposes of the business by the insured or any authorised employee	
certificate/policy	the use of these words throughout this document and in any schedule or endorsement attaching hereto shall be interchangeable and shall mean this document.	
employee/s	<ol style="list-style-type: none">any person under a contract of service or apprenticeship with the insured or with some other employer and who is supplied to or hired to or borrowed by the insuredany labour master or labour only sub-contractor or any person supplied by themany self employed person or voluntary helper performing work of a kind ordinarily performed under a contract of service or apprenticeship with the insured provided that such work is under the immediate supervision and control of the insuredany person who is engaged under a Government or otherwise authorised work experience, training, study, exchange or similar scheme <p>whilst working for the insured in connection with the business.</p>	
excess	the amount for which the insured will be responsible and which will be deducted from each and every claim	
fixtures and fittings	machinery, plant, trade and office furniture, fixtures, fittings, landlords fixtures and fittings, tenants improvements , blinds and signs and all other contents, as shown in the schedule under the short title of Fixtures and fittings being the property of the insured or for which the insured is legally responsible but	

Insurer, Underwriter, we, us, our	wherever the word Insurer, Underwriter, we, us or our appears in this policy or in any Schedule or Endorsement attaching hereto it shall mean the Insurance Company or Lloyd's Syndicate stated as the Insurer in the policy Schedule as appropriate to each section of cover.
keyholder	the insured or any person or keyholding company authorised by the insured who is available at all times to accept notification of faults or alarm signals relating to the intruder alarm installation and attend and allow access to the premises
keys	any items designed and intended to operate locking mechanisms
landlords fixtures and fittings	sanitary fittings, air conditioning and central heating systems and additional fixtures and fittings which form part of the permanent structure of the building
money	current currency, crossed and uncrossed bankers drafts, national giro drafts and payment orders, postal and money orders, dividend warrants and cheques other than pre-signed blank cheques, travellers cheques, national savings stamps and certificates, bus and rail travel cards and passes, telephone cards, current postage stamps and unused postal franking machine units, luncheon vouchers, gift tokens, trading stamps, national insurance stamps and stamped or impressed national insurance cards, holiday with pay stamps, premium bonds, VAT purchase invoices, credit card, cheque card and debit card sales vouchers, savings stamps, consumer redemption vouchers and National Lottery 'Instants' and other scratch cards, all pertaining to the business and belonging to the insured or for which the insured is legally responsible
period of insurance	the period stated in the schedule or any other period for which insurers have agreed to accept and for which the insured has paid or agreed to pay a premium
personal effects	personal items, clothing, tools and pedal cycles not otherwise insured belonging to directors, partners, employees , customers and visitors
pollution	for the purpose of the Employers, Public, Property Owners and Products liability Sections of this policy only pollution or contamination of the atmosphere, or of any water, land, buildings or other tangible property.
pollution or contamination	pollution, contamination, sooting, deposition, impairment with dust, chemical precipitation, poisoning, epidemic and disease (including but not limited to foot and mouth disease), adulteration, impurification or limitation or prevention of the use of objects because of hazards to health
premises	that part of the buildings , situate at the risk address or locations stated in the schedule, occupied by the insured for the purposes of the business
products	any goods, including containers, packaging, labelling and instructions for use, sold, supplied, processed, delivered, installed, tested, repaired, serviced, altered, treated or hired out by the insured in connection with the business from the premises and no longer in the insured's possession or control.
responsible person	the insured or any person authorised by the insured to be responsible for the security of the premises
stock	stock and materials in trade and work in progress all pertaining to the business , as shown in the schedule under the short title of Stock being the property of the insured or held by the insured in trust or on commission for which the insured is legally responsible but excluding property more specifically insured
tenant's improvements	tenant's improvements, alterations and decorations, as shown in the schedule under the short title of Tenant's improvements but excluding glass other than that insured by the Property Damage Glass Extension
territorial limits	Great Britain, Northern Ireland, the Isle of Man and the Channel Islands
the insured	the person, persons or company named in the schedule
unattended vehicle	any vehicle left without the insured or any employee or a responsible adult remaining therein at any time other than whilst the vehicle is being loaded, unloaded or refuelled
unoccupied	empty, vacant, unattended or no longer in use for a period of 30 consecutive days or longer
working day of the driver	the period in any day during which a vehicle is being used for purposes in connection with the business
you, your	the insured under this policy

General Conditions

1 Adjustment

If the premium for this **policy** or any section or any item thereof has been based wholly or partly on any estimates given by **the insured** then **the insured** must keep an accurate record of all the relative particulars and such record must at all times be available for examination by **insurers**. Within three months of the expiry of each **period of insurance** (unless stipulated otherwise in any section) **the insured** must supply to **insurers** such particulars as **insurers** may require and the premium for such expired period will then be adjusted and the difference shall be paid by or returned to **the insured** as the case may be subject to the retention by **insurers** of any minimum premium under this **policy** or any section thereof.

2 Not Used

3 Basis of claims settlement

Following loss, destruction or damage insured by Section 1 - Property Damage, and subject to the adequacy of the sums insured and to the Limits of liability thereunder **insurers** will pay in respect of

- a) rent- the loss of rent payable or rent receivable by **the insured** for the term of twelve months or such other term stated in the schedule during any period necessary for reinstatement or repair as a result of the **buildings** or any part thereof being rendered uninhabitable due to loss, destruction or damage caused by any of the perils insured by this section provided that **insurers'** liability for such loss of rent will not exceed such proportion of the sum insured on rent as the period necessary for reinstatement or repair bears to the term of rent insured
- b) all other property including **buildings** – subject to the following Special conditions the cost of reinstatement of the property lost, destroyed or damaged

Definition - for the purposes of Basis of claims settlement sub-paragraph b) only **reinstatement** means

- a) the rebuilding or replacement of the property lost, destroyed or damaged which provided the liability of **insurers** is not increased may be carried out
 - i) in any manner suitable to the requirements of **the insured**
 - ii) upon another site
- b) the repair or restoration of property damaged

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

Special conditions

- 1 No payment beyond the amount which would have been payable in the absence of Basis of claims settlement sub-paragraph b) shall be made
 - a) unless reinstatement commences and proceeds without unreasonable delay
 - b) until the cost of reinstatement shall have actually been incurred
 - c) if the property insured at the time of its loss, destruction or damage shall be insured by any other insurance effected by or on behalf of **the insured** which is not upon the same basis of claims settlement.
- 2 The liability of **insurers** for reinstatement of property damaged in part only shall not exceed the amount which would have been payable had such property been wholly destroyed.
- 3 All the terms and conditions of the **policy** shall apply:
 - a) in respect of any claim payable under the provisions of this Basis of claims settlement subparagraph except in so far as they are varied hereby
 - b) where claims are payable as if this Basis of claims settlement sub-paragraph had not been incorporated
- 4 General Condition 20 – Underinsurance is deemed to read
If at the time of reinstatement the sum representing 85% of the cost which would have been incurred in reinstatement of the whole of the property covered by any item subject to this Basis of claims settlement sub-paragraph exceeds its sum insured at the commencement of any loss, destruction or damage, then **the insured** shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss
- 5 Where for any reason no payment is to be made on the basis of reinstatement (liability being otherwise admitted) then the liability of **insurers** will be arrived at as if this basis of claims settlement had not been incorporated herein and sub-paragraph g) shall then be deemed to read all other property including **buildings** - in the case of **buildings**, the value of the **buildings** at the time of the loss, destruction or damage, or the amount of such loss, destruction or damage as the case may be, after due allowance for wear, tear or depreciation or at its option replace, reinstate or repair the lost, destroyed or damaged property and in the case of all other property, the cost of repair or replacement at the time of the loss, destruction or damage after due allowance for wear, tear or depreciation.

4 Cancellation

The insured may cancel this **policy** by giving written instructions to Matrix Underwriting Management

- a) within 14 days of issue, returning the **policy** document and schedule and receive a full refund of premium but if there has been an incident which has resulted or could result in a claim, **the insured** must reimburse **insurers** for any amounts **insurers** have paid or may be required to pay, in respect of that incident
- b) after 14 days of issue and receive pro rata proportional refund of the premium in respect of the unexpired term of this **policy** unless a claim or an incident likely to give rise to a claim has occurred during the current **period of insurance**;
 - i) if the cancellation occurs in the first **period of insurance** a maximum administration charge of 10% of the premium for that **period of insurance** will be deducted from any refund
 - ii) if the cancellation occurs in any subsequent **period of insurance** a maximum administration charge of 5% of the premium for that **period of insurance** will be deducted from any refund.

Insurers may cancel this **policy** or any section by sending a recorded delivery letter to the last known address of **the insured** giving seven days notice. In the event of cancellation by **insurers**, **insurers** will refund a pro rata proportion of the premium paid in respect of the unexpired term of this **policy** unless a claim or an incident likely to give rise to a claim has occurred during the current **period of insurance**. If **the insured** has agreed to pay the premiums by instalments and fails to pay any of those instalments, **insurers** reserves the right to cancel the **policy**.

5. Change in risk

This **policy** shall cease from the date of the change if

- a) the insured's interest ceases other than by death or
- b) the **business** be wound up or carried on by a liquidator or receiver or permanently discontinued or
- c) any alteration be made either in the **business** or in the **premises** or in any property therein or in any other circumstances which may increase the possibility of loss, destruction, damage or accidental **bodily injury** covered by this **policy** at any time after the commencement of this insurance unless **insurers** have agreed in writing to its continuance.

6 Claims

It is a **condition precedent** to the liability of **insurers** that on the happening of any event which could result in a claim under this **policy** the insured shall

- a) advise Matrix Underwriting Management in writing as soon as practicable and in writing if required
- b) not make any admission of liability or promise of payment without **insurers'** written consent
- c) immediately notify the police following loss, destruction or damage by theft, riot, vandalism or malicious act or if property be accidentally lost
- d) in respect of any loss, destruction or damage to the property insured submit, at the insured's own expense, a claim in writing with all such particulars and proofs as may be reasonably required within
 - i) seven days in the case of loss, destruction or damage caused by riot, civil commotion, strikes, labour disturbances or malicious persons
 - ii) thirty days in the case of any other loss, destruction or damage
- e) inform **insurers** immediately of any claim being made, or of any impending prosecution, inquest or fatal accident inquiry. Every letter, claim, writ or other document relating to any accident, claim, prosecution or civil proceedings must be sent to **insurers** immediately, unacknowledged
- f) give all such information and assistance as **insurers** may request.

7 Contracts (Rights of Third Parties) Act 1999

No person, persons, company or other party who is not named as **the insured** in this **policy** shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms or conditions of this **policy**. This shall not affect any right or remedy of a third party that exists or is available apart from that Act.

8 Death of the insured

In the event of the death of **the insured** **insurers** will in respect of liability or loss incurred by **the insured** indemnify the insured's personal representatives in the terms of and subject to the limitations of this **policy**, provided that such personal representatives shall as though they were **the insured** observe, fulfil and be subject to the terms and conditions of the **policy** as far as they can apply.

9 Disputes

Provided that liability under this **policy** has been admitted, if there is any dispute over the amount to be paid by **insurers** the matter will be referred to arbitration and the arbitrator will be appointed by the parties concerned according to the relevant statutory provisions in force at the time. In such a case there will be no right of action against **insurers** until an award is made.

10 Fraud

If the Insured makes a fraudulent claim under this Policy the Insurers shall not be liable to pay the Insured any sums in respect of the fraudulent claim. The Insurers may recover from the Insured any sums that the Insurers have already paid to the Insured in respect of the fraudulent claim. The Insurers may by notice to the Insured treat this Policy as terminated with effect from the date of the Insured's fraudulent act.

11 Insurance Premium Tax

The premium will be subject to insurance premium tax as set out in the Finance Act 1994 (or as amended by subsequent legislation) and detailed in the **policy** schedule or renewal notice.

12 Law applicable

Under United Kingdom law the parties to the contract have the right to choose the law which should apply. In the absence of any agreement to the contrary, English law will apply.

13 Other insurance

If at the time of any loss, destruction or damage or at the time of the occurrence of any incident which may result in **the insured** being held legally liable for the consequences thereof and which is covered under this **policy**, there is any other insurance in force which covers the same loss, destruction, damage or legal liability, **insurers'** liability will be limited to its rateable proportion.

14 Reasonable care

It is a **condition precedent** to the liability of **insurers** that **the insured** shall at his own expense

- a) take all reasonable precautions to prevent loss, destruction, damage, accident or **bodily injury**
- b) keep the **premises, buildings** and other maintainable property which is insured by this **policy** in a satisfactory state of repair
- c) comply with all relevant statutory requirements and other regulations imposed by any authority and manufacturers' recommendations all relating to the use inspection and safety of property and the safety of persons
- d) as soon as possible after discovery, cause any defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be effected as the circumstances may require
- e) exercise due care in the selection and supervision of **employees**.

15 Reinstatement of sum insured

It is agreed that in the absence of written notice by **the insured** to the contrary, **insurers'** liability shall not stand reduced by the amount of any loss, provided **the insured** undertakes to pay any appropriate premium for such automatic reinstatement of cover and implements immediately any recommendations made by **insurers** to prevent further loss, destruction or damage and effects all repair or replacement work without delay.

16 Rights

In the event of loss, destruction or damage to the property insured **insurers** will be entitled to enter any building where such loss, destruction or damage has happened and to take and keep possession of such property insured and to deal with the salvage in a reasonable manner and this **policy** shall be proof of leave and licence for such purpose. No property may be abandoned to **insurers**.

17 Security

It is a **condition precedent** to the liability of **insurers** that **the insured** shall ensure that all security devices shall not be withdrawn, altered or varied without prior consent from **insurers**

18 Subjectivity

The Proposal, any Statement of Fact, the **Policy**, the Schedule (including any *Schedule* issued in addition or substitution) and any Endorsements shall be considered as one legal document.

- a) **Insurers** will clearly state in the schedule if the cover provided by the **policy** is subject to **the insured**
 - i) providing **insurers** with any additional information requested by the required date(s)
 - ii) completing any actions agreed between **the insured** and **insurers** by the required date(s)
 - iii) allowing **insurers** to complete any actions agreed between **the insured** and **insurers**.
- b) If required by **insurers** **the insured** must allow **insurers** access to the **premises** and/ or the **business** to carry out survey(s) within 60 days of the inception or renewal date unless **insurers** agree otherwise in writing. Upon completion of these requirements (or if they are not completed by the required dates) **insurers** may, at **insurers'** option
 - i) modify the insured's premium
 - ii) issue a mid-term amendment to the insured's **policy** or section terms and conditions
 - iii) require **the insured** to make alterations to the **premises** insured by the required date(s)
 - iv) exercise **insurers'** right to cancel the **policy**
 - v) leave the **policy** or section terms and conditions and the premium unaltered

Insurers decision will be notified to **the insured** and where applicable specify the date(s) by which any action(s) agreed needs to be completed by **the insured** and/ or any decision by **insurers** will take effect. **Insurers** requirements and decisions will take effect from the date(s) specified unless and until **insurers** agree otherwise in writing. If **the insured** disagree with **insurers'** requirements and/ or decisions **insurers** will consider the insured's comments and where **insurers** consider appropriate will continue to negotiate with **the insured** to resolve the matter to the insured's and **Insurers** satisfaction. In the event that the matter cannot be resolved **the insured** and **insurers** may exercise the right to cancel this **policy** in accordance with the terms of General Condition 3 Cancellation.

Except where stated all other **policy** and section terms and conditions will continue to apply.

The above conditions do not affect **insurers'** right to void the **policy** if **insurers** discover information material to **insurers'** acceptance of the risk.

19 Subrogation

Before or after **insurers** has indemnified **the insured** **insurers** will be entitled to undertake in the name of and on behalf of **the insured** the absolute conduct, control and settlement of any proceedings and to take proceedings at its own expense and for its own benefit but in the name of **the insured** to recover compensation or secure indemnity from any third party in respect of anything covered by this **policy**.

20 Underinsurance

Each item insured under Section 1 – Property Damage is declared to be subject to this underinsurance condition. If the property insured by such item shall at the commencement of any loss, destruction or damage hereby insured against be collectively of greater value than such sum insured, then **the insured** shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss. Whenever this General Condition applies to a claim the provisions of this condition shall precede the application of any **excess** relevant to that claim.

21 Warranty

If the Insured breaches any warranty in this Policy, the Insurer's liability under the Policy shall be suspended from the time of the breach until the time when the breach is remedied (if it is capable of being remedied). The Insurer will have no liability to the Insured for any loss which occurs, or which is attributable to something happening, during the period when the Insurer's liability is suspended.

22 Data Protection Act 1998

Any information **you** provide to **insurers** will be processed by **insurers** in compliance with the provisions of the Data Protection Act 1998 for the purpose of providing insurance and handling claims, if any, which may necessitate providing such information to third parties.

General Exclusions

Insurers will not be liable for

- 1 loss, destruction or damage to any property whatsoever or any loss or expenses or any consequential loss or **bodily injury** or any legal liability of whatsoever nature directly or indirectly caused by contributed to by resulting from or arising out of or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - a) nuclear energy or radioactivity of any kind including but not limited to
 - i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - iii) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
 - b) any chemical, biological, bio-chemical or electromagnetic weapon
 - c) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority
 - d) an **act of terrorism** or any action taken in controlling, preventing, suppressing, retaliating against, responding to or in any way relating to an **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**). If **insurers** allege that by reason of this subparagraph any loss, destruction, damage, cost, expense, consequential loss or **bodily injury** is not covered by this **policy** the burden of proving the contrary shall be upon **the insured**
 - e) pressure waves caused by aircraft or other aerospace devices travelling at sonic or supersonic speeds
 - f) confiscation, nationalisation or requisition by order of any government or public, municipal, local or customs authority
 - g) erasure, loss, distortion or corruption of information on, or reduction in the functionality, availability or operation of any computer system, or any hardware, program, software, data, information repository, disk, microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of **the insured** or not, caused by the malicious introduction or incursion of any unauthorised, unintended, undesired or unexpected program, instruction or command or any other computer or electronic virus.
- 2 a) loss, destruction or damage to property caused by **pollution or contamination** except (unless otherwise excluded) loss, destruction or damage to the property insured caused by
 - i) **pollution or contamination** which itself results from a contingency hereby insured against (other than by leakage of oil or by **accidental damage** to underground service pipes or cables) which comprises a sudden identifiable, unintended and unexpected event and occurs in its entirety at a specific time and place during the **period of insurance**
 - ii) any contingency hereby insured against (other than by leakage of oil or by **accidental damage** to underground service pipes or cables) which itself results from **pollution or contamination**
- b) expenses, fines, penalties, remediation costs or other costs incurred or sustained or imposed on **the insured** which result from the order of any government agency, Court or an other authority, in connection with any **pollution or contamination** or other environmental impairment including seepage from any cause.
- c) loss under Section 2 - Business Interruption of this **policy** resulting from **pollution or contamination** but this will not exclude loss resulting from damage at the **premises** to property used by **the insured** for the purpose of the **business** (unless otherwise excluded) caused by
 - i) **pollution or contamination** at the **premises** which itself results from a contingency hereby insured against (other than by leakage of oil or by **accidental damage** to underground service pipes or cables) which comprises a sudden, identifiable, unintended and unexpected event and occurs in its entirety at a specific time and place during the **period of insurance**
 - ii) any contingency hereby insured against (other than by leakage of oil or by **accidental damage** to underground service pipes or cables) which itself results from **pollution or contamination**
 - iii) human infectious or contagious disease
- 3 loss, destruction or damage
 - a) to property undergoing any process involving the application of heat
 - b) to any electrical machine or apparatus or component thereof occasioned by its over-running, excessive pressure, short-circuiting or self-heating not resulting in fire
 - c) arising from theft or attempted theft where **the insured** or any director, partner or **employee** of **the insured** or any member of the insured's family or household be concerned as principal or accessory
 - d) due to theft or attempted theft, malicious damage, leakage of water following bursting or overflowing of water pipes, water apparatus or water tanks or from any automatic sprinkler installation, leakage of oil or breakage of glass and sanitary ware
 - i) during any period when the **business** has ceased to trade whether the **premises** are unfurnished or otherwise
 - ii) whilst the **buildings** are unfurnished or untenanted
 - e) due to disappearance, unexplained loss, inventory shortage, misfiling or misplacing of information
- 4 loss, destruction or damage or any expense or consequential loss happening in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of riot, civil commotion and (except in respect of loss, destruction or damage or any expense or consequential loss by fire or explosion) strikers, locked out workers or persons taking part in labour disturbances or malicious persons. If **insurers** allege that by reason of this subparagraph any loss, destruction, damage, cost, expense, consequential loss or **bodily injury** is not covered by this **policy** the burden of proving the contrary shall be upon **the insured**

- 5
 - a) loss, destruction or damage
 - b) consequential loss, additional expenditure or extra expenses
 - c) legal liability
 - d) other fees, costs, disbursements, awards or other expenses of whatsoever nature directly or indirectly caused by or consisting of or contributed to by or arising from the failure in whole or in part of
 - i) any computer
 - ii) any data processing equipment or media, microchip, integrated circuit or similar device
 - iii) any computer software

whether the property of **the insured** or not and whether occurring before, during or after the year 2000 to achieve all or any of the purposes and effects intended by the use of any number and/or word to denote a date, including the failure to

- (i) correctly recognise any date as its true calendar date
- (ii) recognise, capture, save, retain or restore and/or correctly manipulate, interpret, calculate or process any data or information or command or instruction as a result of treating any date otherwise than its true calendar date
- (iii) recognise, capture, save, retain, restore and/or correctly manipulate, interpret, calculate or process any data or information as the result of the operation of any command which has been programmed into any computer software or hardware being a command which causes the loss of data or the inability to recognise, capture, save, retain, restore and/or correctly manipulate, interpret, calculate or process any data on or after any date

but in respect of all sections other than Section 3 - Employers' Liability or Section 4 - Property Owners' Liability this shall not exclude subsequent loss, destruction or damage to property specifically insured by any item, section or endorsement of this **policy**, or any expense or any consequential loss additional expenditure or extra expense (not otherwise excluded) which itself results from the following contingencies or perils -

Fire, lightning, explosion, aircraft and other aerospace devices or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons, earthquake, subterranean fire, impact by any mechanically propelled vehicle or by goods falling therefrom or by animals, theft or any attempt thereat, storm, flood, or escape of water or oil from any pipe tank or apparatus.

6. any loss damage claim cost expenses or other sum directly or indirectly arising out of or relating to mould mildew fungus spores or other micro-organism of any type nature or description including but not limited to any substance whose presence poses an actual or potential threat to human health regardless whether there is
 - a) any physical loss or damage to insured property
 - b) any insured peril or cause whether or not contributing concurrently or in any sequence
 - c) any one loss occupancy or functionality or
 - d) any action required including but not limited to repair replacement removal cleanup abatement disposal relocation or steps taken to address medical or legal concerns.

7. any damage, cost or expense or legal liability directly or indirectly caused by arising out of, resulting as a consequence of or related to
 - a) the use of
 - b) the exposure to
 - c) the inclusion in any structure (whether an insured property or not) of
 - d) pollution or contamination by
 - e) the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale of asbestos or materials or products containing asbestos whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss. (This exclusion is not applicable to the Employers, Public, Property owners or Products liability sections of this policy which each have their own asbestos related exclusion)

Section 1 - Property Damage

Cover

Insurers will indemnify **the insured** in respect of loss, destruction or damage occurring at the **premises** to the property insured described in the schedule or any part of such property caused by the following perils

- 1 fire (whether resulting from explosion or otherwise) not occasioned by or happening through
 - a) its own spontaneous fermentation or heating
 - b) earthquake or subterranean fire
- 2 lightning
- 3 explosion but excluding loss, destruction or damage (other than loss, destruction or damage by fire resulting from explosion)
 - a) caused by or consisting of the bursting of a boiler (not being a boiler used for domestic purposes only) economiser or other vessel, machine or apparatus in which internal pressure is due to steam only and belonging to or under the control of **the insured**
 - b) in respect of and originating in any vessel machinery or apparatus or its contents, belonging to or under the control of **the insured** which requires to be examined to comply with any statutory regulations unless such vessel, machinery or apparatus shall be the subject of a **policy** or other contract providing the required inspection service
- 4 aircraft and other aerospace devices or articles dropped therefrom.
- 5 theft or any attempt thereat involving
 - a) forcible and violent entry to or exit from the **premises** or, when the **buildings** only are insured, forcible and violent entry to or exit from the **buildings**
 - b) assault or violence or threat thereof to **the insured** or any of his **employees** but excluding loss, destruction or damage to property from a garden, yard, open space or any open fronted or open sided building therein
- 6 riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons acting on behalf of or in connection with any political organisation but excluding loss, destruction or damage caused in Northern Ireland or resulting from cessation of work
- 7 malicious persons not acting on behalf of or in connection with any political organisation but excluding loss, destruction or damage by theft or any attempt thereat
- 8 earthquake or subterranean fire
- 9 impact by any mechanically propelled vehicle (whether the vehicle be licensed for normal road use or not) or by goods falling therefrom or by animals but excluding loss or destruction of or damage to property in transit
- 10 storm but excluding loss, destruction or damage
 - a) caused by
 - i) the escape of water from the normal confines of any natural or artificial watercourse, lake, reservoir, canal or dam
 - ii) inundation from the sea, whether resulting from storm or otherwise
 - iii) frost, subsidence, ground heave or landslip
 - b) attributable solely to change in the water table level
 - c) to fences and gates and loose or moveable property in the open
- 11 flood but excluding loss, destruction or damage
 - a) caused by frost, subsidence, ground heave or landslip
 - b) attributable solely to change in the water table level
 - c) to fences and gates and loose or moveable property in the open
- 12 bursting or overflowing of water pipes, water apparatus or water tanks but excluding loss destruction or damage by water discharged or leaking from any automatic sprinkler installation
- 13 water accidentally discharged or leaking from any automatic sprinkler installation in the **premises** or the **buildings** not occasioned by or happening through
 - a) freezing whilst the **premises** or the **buildings** in the insured's ownership or tenancy are empty or disused
 - b) explosion, the blowing up of **buildings**, blasting, earthquake or subterranean fire or heat caused by fire but excluding loss or destruction of or damage to such installation other than that caused by water accidentally discharged or leaking from any such installation subject to the following special conditions
 - i) **the insured** shall take all reasonable steps to prevent frost and other damage to any such automatic sprinkler installation and to prevent the freezing of water in any part of such installation and so far as his responsibility extends to maintain all such installations including the automatic external alarm signals in efficient working condition and in the event of any discharge or leakage from any such installation **the insured** shall do and permit to be done all things practicable whether by removal or otherwise to save and protect the property insured
 - ii) when any changes, repairs or alterations to any such automatic sprinkler installation are proposed written notice thereof is to be given to **insurers** and its agreement obtained in writing
 - iii) **insurers** shall have access to the **premises** and the **buildings** at all reasonable times for the purposes of inspection and if **insurers** notify **the insured** of defects in the construction or condition of any automatic sprinkler installation requiring alteration or repair **insurers** may also at their option by notice in writing suspend this insurance until such alterations or repairs be made and approved by **insurers**
- 14 leakage of oil from any fixed installation
- 15 breakage or collapse of television or radio aerials, aerial fittings or masts or satellite receiving equipment but excluding loss, destruction or damage caused by erection, dismantling, repair or maintenance thereof

- 16 falling trees or branches but excluding loss, destruction or damage
- a) caused by felling or lopping carried out by or on behalf of **the insured**
 - b) to fences and gates and loose or moveable property in the open
- 17 accidental damage but excluding
- a) loss, destruction or damage caused by or specifically excluded from the perils 1-16 above and 18 below
 - b) wear, tear or depreciation or diminution in value
 - c) loss, destruction or damage caused by or arising from or consisting of
 - i) frost, subsidence, ground heave or landslip or from settlement or bedding down of new structures
 - ii) collapse or cracking of **buildings**
 - iii) inherent vice, latent defect, defective design, plan or specification or the use of faulty materials
 - iv) faulty or defective workmanship operational error or omission on the part of **the insured** or any **employee of the insured**
 - v) marring, scratching, denting or mechanical or electrical defect, failure, breakdown or derangement
 - vi) atmospheric or climatic conditions or any other gradually operating cause, rot, fungus, rust, corrosion, woodworm, moths, insects, vermin or pests
 - vii) any process involving heating, drying, cleaning, dyeing, staining, repairing, restoring, renovating, fitting, installation, testing, commissioning, alteration or maintenance of any property
 - viii) use of any article contrary to manufacturers' instructions
 - ix) change in temperature colour flavour texture or finish
 - d) loss, destruction or damage to fences and gates and loose or moveable property in the open
- 18 subsidence or ground heave (of any part of the site on which the **buildings** stand) or landslip but excluding
- a) all such loss, destruction or damage caused by or due to
 - i) settlement or bedding down of new structures
 - ii) compaction of the infill to the floors
 - iii) the settlement or movement of newly made up ground
 - iv) river or coastal erosion or cliff-fall
 - v) defective design or workmanship or the use of faulty or defective materials
 - vi) demolition or structural repairs or alterations to the building
 - b) movement of solid floor slabs unless the foundations beneath the external walls of the building are damaged at the same time by the same cause
 - c) loss or destruction of or damage to fences, gates, hedges, oil-tanks, paths, patios, paved areas or other artificially covered surfaces, swimming pools, tennis courts and walls, free standing walls, unless the main building is damaged at the same time by the same cause
 - d) loss or destruction of or damage to loose or moveable property in the open
 - e) loss, destruction or damage for which compensation is provided by legislation
 - f) the relevant **excess** as stated in the schedule.

Additional cover

The cover under this section is extended to include the following

1. Architects' and surveyors' fees

Within the overall limit of the sum insured on **buildings** and other property, **insurers** will pay the cost of architects', surveyors', consulting engineers' legal and other fees necessarily and reasonably incurred in the reinstatement or repair of the property following loss, destruction or damage caused by any peril insured against but excluding fees charged for the preparation of any claim.

2. Buildings theft of fixed materials

This section extends to include loss, destruction or damage caused by theft or any attempted thereof of fixed materials forming part of the **buildings** but excluding loss, destruction or damage to walls, gates and fences.

3. Capital additions

The insurance by this section extends to include

- a) newly acquired and/or newly erected contents of common parts, household contents and **buildings** anywhere within Great Britain, the Isle of Man or the Channel Islands in so far as such property is not otherwise insured
- b) alterations, additions and improvements to existing machinery and plant and **buildings** at the **premises** but excluding any appreciation in value of such property during the **period of insurance**. Provided that
 - i) at any one situation or **premises** the liability of **insurers** shall not exceed 10% of the relevant sum insured on such property stated in the schedule or £500,000 whichever is the lesser
 - ii) **the insured** shall notify **insurers** of such capital additions as soon as possible and pay the appropriate additional premium that may be required to provide retrospective cover from the commencement date of the insured's liability for such property
 - iii) following such notification the provisions of this clause are fully reinstated.

4. Collusion

This section extends to include loss, destruction or damage caused by theft caused by theft or attempted theft where any **employee of the insured** be concerned as principal or accessory. Provided that

- a) General Exclusion 3c) shall not apply in respect of the insurance by this extension
- b) such loss or damage is accompanied by visible evidence of forcible and violent entry to or exit from the **premises**.

5. Contents of commons parts

Insurers will indemnify **the insured** in respect of loss, destruction or damage insured by this section to contents of common parts at the **premises** for an amount not exceeding £25,000 unless otherwise stated in the schedule.

6. Contracting purchaser

If at the time of loss, destruction or damage to the **buildings the insured** shall have contracted to sell his interest in such **buildings** and the purchase shall not have been but shall be thereafter completed, the purchaser on the completion of the purchase if and so far as the **buildings** are not otherwise insured by or on behalf of the purchaser against such loss, destruction or damage shall be entitled to the benefit of this **policy** so far as it relates to such loss, destruction or damage without prejudice to the rights and liabilities of **the insured** or **insurers** under this **policy** up to the date of completion.

7. Debris removal costs of tenant's contents

This insurance is extended to include irrecoverable costs necessarily and reasonably incurred by **the insured** with the consent of **insurers** in removing from the **premises** the debris of contents not belonging to **the insured** following loss, destruction or damage by an insured peril. **Insurers** liability will not exceed £25,000 in any one **period of insurance**.

8. Debris removal costs

The insurance by each item insuring **buildings** and other property and the sums insured in respect thereof extends to include costs and expenses necessarily incurred by **the insured** with the consent of **insurers** in

- i) removing debris
- ii) dismantling or demolishing
- iii) shoring up or propping
- iv) clearance of drains

of the portion or portions of such insured property lost, destroyed or damaged by any peril insured against. Provided that **insurers** will not be liable under this clause for any such costs or expenses

- a) incurred in removing debris except from the site of such insured property so lost, destroyed or damaged and from the area immediately adjacent to such site
- b) arising from **pollution or contamination** of property not insured by this section.

9. Designation

For the purpose of determining where necessary the item against which any property is insured **insurers** agrees to accept the designation under which such property has been entered in the insured's books.

10. Not Used

11. Extensions

Except where specifically insured the **buildings** and contents of

- a) **outbuildings**, annexes, tanks, bunds, gangways and conveniences
- b) extensions adjoining or communicating with main **buildings** described herein are deemed to be insured under the most appropriate item operative in the **policy** schedule.

12. External CCTV equipment and security lighting

This section extends to include loss, destruction or damage to external CCTV equipment and security lighting at the **premises** for which **the insured** is legally responsible provided that such property is located and fixed in an inaccessible position. **Insurers** liability will not exceed £5,000 in any one **period of insurance**.

13. Extinguishment expenses

This section extends to include the reasonable cost of refilling fire extinguishing equipment and replacing sprinkler heads used solely as a consequence of loss, destruction or damage caused by any peril insured.

14. Foundations

It is understood and agreed that those portions of the foundations and incombustible floors of **buildings** more than 8cm below the level of the floors of the lowest storeys (whether such floors constitute the flooring of the basement or otherwise) are excluded from this insurance, except where such portions are within a radius of 60cm around and below any structural column or similar superstructure support.

15. Not used

16. Interested parties

Any act or omission by the leaseholder, lessee, mortgagor or **the insured** or by any tenant occupying or using the **buildings** which increases the possibility of loss, destruction or damage shall not prejudice **the insured** interest of the freeholder, lessor or mortgagee. Provided that

- a) such act or omission is entirely without the authority of and is unknown to or beyond the control of the freeholder, lessor or mortgagee
- b) immediately the freeholder, lessor or mortgagee shall become aware of any such act or omission they shall give immediate written notice thereof to **insurers** and pay an additional premium if required.

17. Involuntary betterment

In the event of loss, destruction or damage to property insured and where new property of like kind and quality is not obtainable, property as similar as possible to that lost, destroyed or damaged and which is capable of performing the same function shall be deemed to be new property of like kind and shall not be considered as betterment to **the insured**.

Provided that

- a) In the event of replacement with new property, **insurers** will pay the cost of purchasing and installing technologically current equipment, which is necessitated by incompatibility between
 - i) new equipment installed to replace lost, destroyed or damaged equipment: and
 - ii) undamaged existing equipment at the same or an interdependent location
- b) **Insurers** shall only be liable for the amount sufficient to enable **the insured** to resume operations in substantially the same manner as before the loss, destruction or damage
- c) **Insurers** shall only be liable for the difference between
 - i) the highest sales value of the undamaged existing equipment at the same or an interdependent location; and
 - ii) the installed cost of the technologically current equipment
- d) For the purposes of the application of any **excess** the loss, destruction or damage and the necessity to replace incompatible equipment shall be regarded as one occurrence.

Insurers liability under this clause is limited to 10% of the agreed reinstatement value of the damaged property or £50,000, whichever is the lesser amount.

18. Keys

This section is extended to include the reasonable costs necessarily incurred in replacing locks or **keys** to the **premises** or any safe or strongroom or intruder alarm therein or thereon following their theft or accidental loss

- a) from the Registered Office of **the insured** or the home of **the insured** or any director, partner or **employee** authorised to hold such **keys** or,
- b) anywhere else within the **territorial limits** whilst in the personal custody of **the insured** or any **employee** authorised to hold such **keys**

Insurers liability will not exceed £2,000 in any one **period of insurance**.

19. Landscapes

This section extends to include costs and expenses incurred by **the insured** with the consent of **insurers** in repairing or reinstating damage to the landscaped gardens and grounds, at the **premises**, caused by emergency services equipment and personnel attending the **premises** in response to fire or any other peril insured against.

Provided that **the insured** is legally responsible for the repair or reinstatement of such damage.

Insurers liability will not exceed £50,000 in any one **period of insurance**.

20. Loss of metered gas

This section extends to include the cost of loss of metered gas for which **the insured** is legally responsible arising from loss, destruction or damage at the **premises** caused by any peril insured.

Insurers liability will not exceed £10,000 in any one **period of insurance**.

21. Loss of metered water

This section extends to include the cost of loss of metered water for which **the insured** is legally responsible arising from loss, destruction or damage at the **premises** caused by any peril insured.

Insurers liability will not exceed £10,000 in any one **period of insurance**.

22. Non-invalidation

The insurance by this section shall not be invalidated by any act or omission or by any alteration unknown to or beyond the control of **the insured** whereby the risk of loss, destruction or damage is increased. Provided that immediately **the insured** shall become aware of any such act or omission or alteration they shall give immediate written notice thereof to **insurers** and pay an additional premium if required.

23. Other interests

The interest of other parties is noted in this section and the nature and extent of such interest is to be advised to **insurers**, if necessary, in the event of any claim.

24. Public authorities costs

Within the overall limit of the sum insured on **buildings** and other property and following loss, destruction or damage caused by any peril insured, **insurers** will pay the additional cost of reinstatement necessarily and reasonably incurred solely to comply with European Union Legislation or building or other regulations under or framed in pursuance of any Act of Parliament or Bye-Laws of any Public Authority in respect of

- a) the lost, destroyed or damaged property insured
- b) undamaged portions thereof

excluding

- a) any cost incurred in complying with such Legislation or regulations
 - i) in respect of damage occurring prior to the inception of this section
 - ii) under which notice has been served upon **the insured** prior to the occurrence of any loss, destruction or damage hereby insured
 - iii) for which there is an existing requirement which has to be implemented within a given period
 - iv) in respect of property entirely undamaged
- b) the additional cost that would have been required to make good the property lost, destroyed or damaged to a condition equal to its condition when new had the necessity to comply with such Legislation or regulations not arisen
- c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with such Legislation or regulations

Provided that

- 1 the work of reinstatement must be completed within 12 months of the date of the loss, destruction or damage insured or within such additional time as **insurers** may allow and may be carried out upon another site if such Legislation or regulations so necessitate subject to the liability of **insurers** not being increased

- 2 if the liability of **insurers** under any item of this section apart from this clause shall be reduced by the application of any of the terms and conditions of the **policy** then the liability of **insurers** under this clause in respect of such item shall be reduced in the same proportion
- 3 the total amount recoverable under any item insured by this section in respect of this clause shall not exceed:
 - i) in respect of any property lost, destroyed or damaged its sum insured
 - ii) in respect of undamaged portions of property (other than foundations) 15% of the total amount for which **insurers** would have been liable had the property been wholly destroyed
- 4 the total amount recoverable under any item insured by this section shall not exceed its sum insured

25. Service pipes or cables

This section extends to include

- a) the cost of reinstatement or repair to telecommunications, gas, water and electric service pipes, cables, instruments, meters and the like including their accessories and such property in adjoining yards, roadways or underground belonging to **the insured** or for which **the insured** is legally responsible
- b) any expenses necessarily and reasonably incurred in clearing, cleaning and/or repair of drains, gutters and sewers belonging to **the insured** or for which **the insured** is legally responsible following loss, destruction or damage insured by this section

26. Subrogation waiver

In the event of a claim arising under this section of the **policy insurers** agree to waive any rights, remedies or relief to which they might become entitled by subrogation against any company standing in the relation of parent or subsidiary (or subsidiary to parent) to **the insured**, or any company which is a subsidiary of a parent company of which **the insured** are themselves a subsidiary, in each case as defined in current legislation.

27. Temporary removal

This section extends to include loss, destruction or damage caused by any peril insured to the property insured whilst temporarily removed for cleaning renovation repair or other similar purposes, elsewhere on the same or to any other **premises** anywhere within the **territorial limits** including transit by road rail or inland waterway. Provided that

- a) the liability of **insurers** under this extension in respect of each item insured by this section for loss, destruction or damage occurring elsewhere than at the said **premises** shall not exceed 10% of the sum insured by the item
- b) **insurers** will not be liable for
 - i) property more specifically insured
 - ii) motor vehicles and motor chassis licensed for normal road use
 - iii) property held by **the insured** in trust other than machinery and plant.

28. Temporary repairs

This section is extended to include the costs of

- a) securing the site and **premises**
- b) weather proofing **buildings**
- c) the provision of temporary doors for the purpose of weather proofing or securing the building
- d) the necessary boarding up of fixed glass in windows, doors, skylights and fanlights for the purpose of securing the **buildings** necessarily and reasonably incurred following loss, destruction or damage at the **premises** by any peril insured.

29. Not used

30. Trace and access

In the event of loss, destruction or damage at the **premises** caused by peril 12 or peril 14 as described under Section 1 – Property Damage, this section extends to include costs necessarily and reasonably incurred with the consent of **insurers** in

- a) locating the source of such loss, destruction or damage in order to effect repairs
- b) making good.

Insurers liability will not exceed £10,000 in any one **period of insurance**.

31. Unoccupied buildings

Notice is to be given to **insurers** when any **buildings** or portions thereof become **unoccupied** by any authorised person or when any such **unoccupied** building or portion thereof is again occupied by any authorised person and a suitable additional premium paid if required.

32. Workmen

Workmen are allowed to work at the **premises** for the purposes of effecting any repairs, additions, alterations or decorations without prejudice to this insurance.

Special Extensions

1. Alternative accommodation

Insurers will indemnify **the insured** in respect the cost of alternative accommodation necessarily and reasonably incurred by any freeholder, lessee or mortgagee of any private residential **premises** following loss, destruction or damage by an insured peril resulting in

- i) such property being uninhabitable
- ii) access to such **premises** being denied by the actions or advice of a governmental or public authority arising from an emergency which is likely to endanger life or property in the vicinity of the property insured whether it is damaged or not.

Provided that **insurers'** liability will not exceed 10% of the building sum insured allocated to the said **premises** in the **policy** schedule (or appendix thereto) and will only be payable for a period necessary for reinstatement in accordance with the terms and conditions of this **policy**.

2. 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 use by unauthorised persons occupying or taking possession of the **premises** insured without the consent of **the insured** providing that **the insured** has taken all reasonable steps to terminate such unauthorised uses as soon as possible after discovery.

Insurers liability will not exceed £25,000 in respect of any one claim.

Limits of liability

Insurers liability in respect of any one occurrence will not exceed the sum insured against each item in the schedule nor in all the aggregation of the sums insured by this section.

Basis of claims settlement

As detailed under General Condition 3 - Basis of Claims Settlement

Special exclusions

Insurers will not be liable under this section for

1. loss or damage to any outbuilding or property stored in any outbuilding other than by Insured Perils 1 to 4 of Section 1 (Fire, Lightning, Explosion and Aircraft) unless such outbuilding be of the same construction and secured in the same manner as the main property insured hereunder and provided that such outbuilding also conforms to any Condition Endorsement or Warranty applicable to the main property insured hereunder
2. loss or damage to any property stored in any basement cellar or room partially or wholly below ground level caused by any of **the insured** Perils 10 to 14 (Storm, Flood, Burst Pipes, sprinkler leakage and leakage of oil etc) unless stored on racks, pallets or stillage at least 15 cm above floor level.
3. loss of metered gas or water other than that covered by Additional cover
4. loss, destruction or damage to electrical plant or apparatus caused by self ignition but this exclusion shall apply only to that part of the electrical plant or apparatus in which self ignition occurs
5. loss or damage caused by or consisting of Electronic Data Loss other than
 - a) where a Fire or Explosion occurs as a result of Electronic Data Loss which causes damage to Property Insured hereunder directly caused by such Fire or Explosion
 - b) to electronic data storage medium specified in the Schedule as a result of an Insured Peril.

The basis of valuation shall be the cost to repair, replace or restore such medium to the condition that existed immediately prior to the Damage, including the cost of reproducing any Electronic Data contained thereon, providing such medium is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed £50,000 any one occurrence or the sum insured shown in the schedule if less, incurred by **the insured** in recreating, gathering and assembling such Electronic Data. If the medium is not repaired, replaced or restored the basis of valuation shall be the cost of the blank medium. For the avoidance of doubt, the cover provided by this paragraph does not insure any amount pertaining to the value of such Electronic Data to **the insured** or any other party, or any Consequential Loss arising directly or indirectly from Electronic Data Loss, even if the Electronic Data cannot be recreated, gathered or assembled.

For the purpose of this Exclusion 'Electronic Data Loss' means loss (including but not limited to physical loss), damage, destruction, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus and/or the physical loss of the hardware and/or data-storage media and/or data-processing media on which the Electronic Data is stored) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
6. consequential loss of any kind or description (other than loss of rent when such loss is included in the insurance by this section)
7. the relevant **excess** as stated in the schedule.

Section 2 – Rent

Definitions for the purposes of this section only wherever the following words appear in bold they shall mean the following:

word/s	means
damage	physical loss, destruction or damage by any of the perils insured by Section 1 - Property Damage
indemnity period	the period beginning with the occurrence of the damage and ending not later than the maximum indemnity period thereafter during which the results of the business shall be affected in consequence of such damage
maximum indemnity period	the term stated in the schedule
gross rent receivable	the money paid or payable to the insured for tenancies and accommodation and other charges and services rendered in the course of the business at the premises

Cover

Insurers will indemnify **the insured** by payment in accordance with the provisions contained herein in respect of any item on **gross rent receivable** insured hereby for the amount of loss resulting from interruption or interference with the **business** carried on by **the insured** at the **premises** in consequence of any **damage** occurring at the **premises** to any building or other property or any part thereof used by **the insured** at the **premises** for the purposes of the **business**.

Provided that at the time of the happening of the **damage** there shall be in force an insurance covering the interest of **the insured** in the property at the **premises** against such **damage** and that payment shall have been made or liability admitted therefore under such insurance or that payment would have been made or liability would have been admitted therefore but for the operation of a proviso in such insurance excluding liability for losses below a specified amount.

Limit of liability

Insurers liability during any one **period of insurance** will not exceed the sum insured for shown on the schedule

Basis of claims settlement

Following **damage** insured by this section **insurers** will pay for

- loss of **gross rent receivable**
- increase in cost of working being the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in **gross 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 reduction in **gross rent receivable** thereby avoided less any sum saved during the **indemnity period** in respect of such of the charges and expenses of the **business** payable out of **gross rent receivable** as may cease or be reduced in consequence of the **damage**.

Provided that if the sum insured by this item be less than the annual **gross rent receivable** (or a proportionately increased multiple thereof where the **maximum indemnity period** exceeds twelve months) the amount payable shall be proportionately reduced.

Additional cover

The cover under this section is extended to include the following

1. Alternative trading

If during the **indemnity period** tenancies, accommodation or other services shall be rendered elsewhere than at the **premises** for the benefit of the **business** either by **the insured** or by others on his behalf the **money** paid or payable in respect of such tenancies, accommodation or other services shall be brought into account in arriving at the **gross rent receivable** during the **indemnity period**.

2. Capital additions

Cover is extended to include loss of **gross rent receivable** in respect of new extensions, alterations and improvements to existing **buildings** which are held covered before their inclusion in the schedule, for an amount not exceeding 10% of the sum insured in the schedule on **gross rent receivable** or £15,000 whichever is the lesser at the risk address concerned, but shall not include appreciation in value.

The insured must notify **insurers** of such capital additions as soon as possible and pay the appropriate additional premium that may be required to provide retrospective cover from the commencement date of the insured's liability for such property following such notification the provisions of this clause are fully reinstated.

3. Contagious diseases

Loss of **gross rent receivable** as insured by this section resulting from interruption or interference with the **business** in consequence of

- the occurrence at the **premises** of any outbreak of a human infectious or contagious disease other than acquired immune deficiency syndrome (AIDS) or an AIDS related condition
- the compulsory closure of the **premises** by order of any competent authority due to its defective sanitation or to the presence therein of vermin or pests

shall be deemed to be loss resulting from **damage** at the **buildings** owned or managed by **the insured** or on his behalf for the purposes of the **business**.

Insurers liability will not exceed £250,000 in any one **period of insurance**.

4. Contracting purchaser

If at the time of **damage** to the **buildings** **the insured** shall have contracted to sell his interest in such **buildings** the purchaser shall be entitled to the benefit of this **policy** provided that

- damage** occurs during the period from exchange of contracts to completion
- the completion is finalised
- gross rent receivable** is not otherwise insured.

5. Denial of access

Insurers will indemnify **the insured** in respect of loss of **gross rent receivable** insured by this section resulting from interruption of or interference with the **business** in consequence of **damage** to property in the vicinity of the **premises** which prevents or hinders the use of or prevents access to the **premises** or managing agents **premises** whether the **premises** be **damaged** or not but excluding **damage** to property of any public utility from which **the insured** obtains supplies or services.

Insurers liability will not exceed £25,000 in any one **period of insurance**.

6. Managing Agents fees

Insurers will indemnify **the insured** in respect of managing agents fees necessarily and reasonably incurred with **insurers'** consent in connection with re-letting **premises** following **damage** insured by this section.

Insurers liability will not exceed £5,000 in any one **period of insurance**.

7. Payments on account

Payments on account may be made to **the insured** during the **indemnity period** at the discretion of **insurers** subject to any necessary adjustment at the termination of such period.

8. Professional accountants

Any particulars or details contained in the insured's books of account or other **business** books or documents which may be required by **insurers** under the terms of General Condition 5 for the purpose of investigating or verifying any claim hereunder may be produced by professional accountants if at the time they are regularly acting as such for **the insured** and their report shall be prima facie evidence of the particulars and details to which such report relates. **Insurers** will pay to **the insured** under this section the reasonable charges payable by **the insured** to their professional accountants for producing any particulars or details or any other proofs, information or evidence as may be required by **insurers** under the terms of General Condition 5 and reporting that such particulars or details are in accordance with the insured's books of account or other **business** books or documents provided that the sum of the amount payable under this clause and the amount otherwise payable under the section shall in no case exceed the limit of liability.

9. Rent review

If **gross rent receivable** is subject to a review during the **period of insurance** **insurers** will automatically increase the sum insured on any item for **gross rent receivable** to reflect the revised amount of **gross rent receivable** provided that

- a) **the insured** must notify **insurers** of all such increases in **gross rent receivable** that exceed 100% of the **gross rent receivable** sum insured
- b) increase in **gross rent receivable** in respect of new extensions, alterations and improvements to existing **buildings** insured shall not be included under this clause.

The annual premium at the first renewal thereafter will be automatically increased to reflect the revised **gross rent receivable** sum insured.

10. Tenants' additional expenditure

Insurers will indemnify **the insured** in respect of tenants' additional expenditure necessarily and reasonably incurred with **insurers'** consent in connection with subsidence.

Insurers liability will not exceed £10,000 in any one **period of insurance**.

11. Utilities

Insurers will indemnify **the insured** in respect of loss of **gross rent receivable** insured by this section resulting from interruption of or interference with the **business** in consequence of **damage** to property at any

- a) generating station or sub-station of the public electricity supply undertaking
- b) land based **premises** of the public gas supply undertaking or of any natural gas producer linked directly therewith
- c) land based **premises** of the public water supply undertaking
- d) waterworks or pumping station of the public water supply undertaking
- e) land based **premises** of telecommunication undertaking

within the **territorial limits** from which **the insured** obtains electricity, gas or water or telecommunication services.

Special conditions

- 1 The insurance by this section shall not apply if the **business** be wound up, permanently discontinued or carried on by a liquidator or receiver.
- 2 The premium paid may be adjusted on receipt by **insurers** of a declaration of **gross rent receivable** earned during the financial year most nearly concurrent with the **period of insurance** as reported by the insured's professional accountants. If any **damage** shall have occurred giving rise to a claim for loss of **gross rent receivable** the said declaration shall be increased by **insurers** for the purpose of premium adjustment by the amount by which the **gross rent receivable** was reduced during the financial year solely in consequence of the **damage**. If the declaration (increased in consequence of any **damage** and proportionately increased where the **maximum indemnity period** exceeds twelve months) is less than the sum insured on **gross rent receivable** for the relative **period of insurance** **insurers** will allow a pro rata return of premium not exceeding 50% of the premium paid but subject to the retention by **insurers** of any minimum premium under this section.

Section 3 - Employers' Liability

Cover

Insurers will indemnify **the insured** against all amounts which **the insured** shall become legally liable to pay as damages in respect of accidental **bodily injury** to any **employee** if such injury arises out of and in the course of his employment by **the insured** in the **business** and occurring

- a) during the **period of insurance**
- b) within the **territorial limits**
- c) elsewhere in the world in respect of any journey or temporary visit in connection with the **business** by **the insured** or any director, partner or **employee of the insured** normally resident within the **territorial limits** provided such journey or visit is not for the purpose of performing manual work

Additional cover

The cover under this section is extended to include the following

1. Compensation for court attendance

In the event of any of the undermentioned persons attending court as a witness at the request of **insurers** in connection with a claim in respect of which **the insured** is entitled to indemnity under this section **insurers** 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** £250
- b) any **employee** £100.

2. Corporate Manslaughter

Insurers will indemnify **the insured** against

- a) legal costs and expenses incurred with the prior written consent of **insurers** and
- b) prosecution costs awarded against **the insured**

in the defence of any criminal proceedings including an appeal against conviction arising from such proceedings brought under The Corporate Manslaughter and Corporate Homicide Act 2007 as a result of any death arising out of the ownership of the Building and land insured under Section 1 during the **period of insurance** and which may be the subject of indemnity under this section.

Provided that

- i) the liability of **insurers** under this extension shall not exceed £2,000,000 during any one **period of insurance**.
- ii) all amounts payable under this extension will form part of and not be in addition to the limit of indemnity stated in the **policy** schedule.
- iii) where **insurers** have already provided an indemnity in respect of any legal costs or expenses incurred in connection with the defence of any criminal proceedings including appeals against conviction arising from such proceedings brought under The Corporate Manslaughter and Corporate Homicide Act 2007 arising out of the same occurrence which gave rise to such proceedings any amount paid or payable by **insurers** will be deducted from the amount payable under this extension.
- iv) **insurers** agree in writing to the appointment of any solicitor or council who is to act on behalf of **the insured** prior to their appointment.

3. Cross liabilities

Where there is more than one person named as **the insured** in the schedule this section shall apply separately to each named person as if each is insured by a separate **policy**, provided always that the maximum liability of **insurers** in the aggregate for damages to all parties insured shall not exceed the Limit of liability.

4. Health and Safety at Work etc. Act 1974

Insurers will indemnify **the insured** and, at the request of **the insured**, any director, partner or **employee of the insured** against legal costs and expenses incurred, with **insurers'** written consent, in the defence of any criminal proceedings brought in respect of a breach of the Health and Safety at Work etc. Act 1974 committed or alleged to have been committed during the **period of insurance**, including legal costs and expenses incurred with the written consent of **insurers** in an appeal against conviction arising from such proceedings.

Insurers will not be liable for

- a) fines and penalties of any kind
- b) legal costs and expenses where an indemnity is provided by any other insurance
- c) proceedings arising out of any deliberate act or omission by **the insured**
- d) more than £250,000 in any one **period of insurance**.

5. Indemnity to other persons

Insurers will indemnify at the request of **the insured**

- a) any director, partner or **employee of the insured**
- b) any officer, committee member or other person employed by the insured's catering, social, sports, educational or welfare organisations or first aid, medical, ambulance, fire or security services
- c) any director, partner or official for whom with the consent of **the insured** an **employee** is undertaking private work
- d) any principal or public or local authority as far as is necessary to meet the requirements of any contract or agreement entered into by **the insured** for the performance of work
- e) the owner of plant hired by **the insured** but only to the extent of the conditions of hire
- f) any legal representative of any of the above in the event of their death

against legal liability in respect of which **the insured** would have been entitled to indemnity under this **policy** if the claim had been made against **the insured**.

Provided that

- i) any person indemnified is not entitled to indemnity under any other insurance
- ii) any person indemnified shall observe, fulfil and be subject to the terms and conditions of the **policy** as far as they can apply
- iii) **insurers** will retain the sole conduct and control of any claim
- iv) the maximum liability of **insurers** in the aggregate for damages to **the insured** and any such persons shall not exceed the limit of liability.

Limit of Liability

Insurers liability in respect of

- a) accidental **bodily injury** to **employees**
- b) all legal costs recoverable from **the insured** by any claimant
- c) any other costs and expenses of litigation incurred with **insurers'** written consent
- d) solicitors' and counsels' fees for legal representation at any coroner's inquest or fatal accident inquiry
- e) the costs incurred, with **insurers'** written consent, for defending in a Court of Summary Jurisdiction any proceedings arising out of any alleged breach of statutory duty in respect of any cause which may be the subject of indemnity under this section of the **policy** arising out of and in the course of employment in the **business** will not exceed the amount stated in the schedule in respect of any one claim against **the insured** or series of claims against **the insured** arising out of one cause.

Exclusions

Insurers will not be liable for

- i) any fines or penalties or the cost of implementing any remedial order or publicity order.
- ii) an appeal against any fines penalties remedial order or publicity order.
- iii) any costs incurred which result from the failure to comply with any remedial order or publicity order.
- iv) costs and expenses in connection with an appeal unless advice has been obtained from solicitors or council that there are strong prospects of success.
- v) costs and expenses in connection with the defence of any criminal proceedings resulting from any deliberate or intentional criminal act or omission by **the insured** or any director partner or **employee** of **the insured**.
- vi) costs and expenses provided by any other source or any other insurance or where but for the existence of this extension would have been provided by such source or insurance.
- vii) costs and expenses in connection with the defence of any criminal proceedings unless such proceedings are brought against **the insured** in a Court of Law in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

Special exclusion

Insurers will not be liable under this section in respect of liability arising from and or caused by

- 1 any processes or work in connection with any of the following
 - a) the manufacture mining processing distribution testing remediation removal storage disposal sale use or exposure to **asbestos** or materials or **products** containing **asbestos**, other than to the extent that an indemnity is deemed to be required in accordance with the provisions of any law relating to compulsory insurance of liability to **employees**, in which case a sub-limit of £5,000,000 shall apply, inclusive of all damages, costs and expenses payable in respect of any one claim arising out of any one event or all events of a series consequent on or attributable to one source or original cause
 - b) power stations, nuclear installations or establishments
 - c) refineries, bulk storage or production **premises** in the oil, gas or chemical industries
 - d) offshore installations, oil or gas rigs
Definition - for the purposes of this Special exclusion only
offshore installation means any platform or rig or any aircraft or vessel servicing a platform or rig. - it is understood that any person is deemed to be 'offshore' as from the time when they embark onto a conveyance at the point of final departure to an offshore installation and that any person shall continue to be deemed 'offshore' until such time as they disembark from any conveyance onto land upon their return from an offshore installation.
 - e) railways or railway installations
 - f) towers, steeples, chimney shafts, bridges, viaducts, dams, reservoirs, wells, tunnels, mines, quarries or blast furnaces
 - g) aircraft, aerospace devices, hovercraft, watercraft other than hand propelled watercraft and other watercraft not exceeding 7 metres in length
 - h) work underground, underwater or airside
 - i) loading or discharging of vessels or other work on ships
 - j) piling or the use of explosives
 - k) any demolition, other than structures not exceeding two stories (plus basement) in height and where such work is incidental to but forms part of a contract undertaken by **the insured**.
- 2 damages for **bodily injury** unless the action is brought against **the insured** in a Court of Law in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.
- 3 terrorism other than to the extent that an indemnity is deemed to be required in accordance with any law relating to compulsory insurance of **employees** in which case a sub-limit of £5,000,000 shall apply inclusive of all damages costs and expenses payable in respect of any one claim or series of claims against **the insured**.

Special conditions

- 1 The indemnity granted includes protection to **the insured** as required by any law relating to compulsory insurance of the employer's legal liability to his **employees** whilst employed in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands but **the insured** shall repay to **insurers** all sums paid by **insurers** which **insurers** would not have been liable to pay but for the provisions of such law.
- 2 **Insurers** may at any time pay to **the insured** the amount of the Limit of liability less any amount already paid, or any lesser amount for which any claim or claims can be settled and shall then cease to have the conduct and control of the negotiations, actions or proceedings and be under no further liability in respect of such claim or claims except for costs and expenses incurred prior to the date of such payment.
- 3 If this **policy** or this section is cancelled then any Certificate of Employers' Liability insurance issued by **insurers** is deemed to be cancelled at the same time.
4. It is a **condition precedent** to the liability of **insurers** that **the insured** do not manufacture mine process distribute test remediate remove store dispose sell or use **asbestos** or materials or **products** containing **asbestos**.

Section 4 – Property Owners’ Liability

Cover

Insurers will indemnify **the insured** against all amounts which **the insured** shall become legally liable to pay as damages in respect of

- a) accidental **bodily injury** to any person
- b) accidental loss or destruction of or **accidental damage** to material property arising out of the ownership of the Building and land insured under Section 1 during the **period of insurance**

Additional cover

The cover under this section is extended to include the following

1. Compensation for court attendance

In the event of any of the undermentioned persons attending court as a witness at the request of **insurers** in connection with a claim in respect of which **the insured** is entitled to indemnity under this section **insurers** 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** £250
- b) any **employee** £100.

2. Corporate Manslaughter

Insurers will indemnify **the insured** against

- a) legal costs and expenses incurred with the prior written consent of **insurers** and
- b) prosecution costs awarded against **the insured**

in the defence of any criminal proceedings including an appeal against conviction arising from such proceedings brought under The Corporate Manslaughter and Corporate Homicide Act 2007 as a result of any death arising out of the ownership of the Building and land insured under Section 1 during the **period of insurance** and which may be the subject of indemnity under this section.

Provided that

- i) the liability of **insurers** under this extension shall not exceed £2,000,000 during any one **period of insurance**.
- ii) all amounts payable under this extension will form part of and not be in addition to the limit of indemnity stated in the **policy** schedule.
- iii) where **insurers** have already provided an indemnity in respect of any legal costs or expenses incurred in connection with the defence of any criminal proceedings including appeals against conviction arising from such proceedings brought under The Corporate Manslaughter and Corporate Homicide Act 2007 arising out of the same occurrence which gave rise to such proceedings any amount paid or payable by **insurers** will be deducted from the amount payable under this extension.
- iv) **insurers** agree in writing to the appointment of any solicitor or council who is to act on behalf of **the insured** prior to their appointment.

2. Cross liabilities

Where there is more than one person named as **the insured** in the schedule this section shall apply separately to each named person as if each is insured by a separate **policy**, provided always that the maximum liability of **insurers** in the aggregate for damages to all parties insured shall not exceed the Limit of liability.

3. Defective Premises Act 1972

Insurers will indemnify **the insured** against all amounts which **the insured** shall become legally liable to pay as damages in respect of accidental **bodily injury** to any person or accidental loss or destruction of or **accidental damage** to material property occurring during a period of seven years immediately following disposal by **the insured** of **buildings** that have been insured by Section 1 - Property Damage of this **policy**. Provided that such liability is incurred in connection with such **buildings** and by virtue of Section 3 of the Defective Premises Act 1972.

Insurers will not be liable

- a) if at the date of their disposal by **the insured** such **buildings** were not insured by this **policy** or any other policies in respect of which this **policy** has been issued in substitution
- b) for the cost of repairing or rectifying any defect or alleged defect in such **buildings**
- c) if **the insured** is entitled to indemnity under any other **policy**.

4. Indemnity to other persons

Insurers will indemnify at the request of **the insured**

- a) any director, partner or **employee** of **the insured**
 - b) any officer, committee member or other person employed by the insured’s catering, social, sports, educational or welfare organisations or first aid, medical, ambulance, fire or security services
 - c) any director, partner or official for whom with the consent of **the insured** an **employee** is undertaking private work
 - d) any principal or public or local authority as far as is necessary to meet the requirements of any contract or agreement entered into by **the insured** for the performance of work
 - e) the owner of plant hired by **the insured** but only to the extent of the conditions of hire
 - f) any legal representative of any of the above in the event of their death
- against legal liability in respect of which **the insured** would have been entitled to indemnity under this **policy** if the claim had been made against **the insured**.

Provided that

- i) any person indemnified is not entitled to indemnity under any other insurance
- ii) any person indemnified shall observe, fulfil and be subject to the terms and conditions of the **policy** as far as they can apply
- iii) **insurers** will retain the sole conduct and control of any claim
- iv) the maximum liability of **insurers** in the aggregate for damages to **the insured** and any such persons shall not exceed the limit of liability.

5. Indemnity to managing agents

Insurers will indemnify at the request of **the insured**, any managing agent acting on behalf of **the insured** in connection with the **business** against legal liability in respect of which **the insured** would have been entitled to indemnity under this **policy** if the claim had been made against **the insured**. **Insurers** agree to waive all rights of subrogation against such managing agents

Provided that

- i) any managing agent indemnified is not entitled to indemnity under any other insurance
- ii) any managing agent indemnified shall observe, fulfil and be subject to the terms and conditions of the **policy** as far as they can apply
- iii) **insurers** will retain the sole conduct and control of any claim
- iv) the maximum liability of **insurers** in the aggregate for damages to **the insured** and any such managing agents shall not exceed the limit of liability.

6. Leased, hired and rented premises

In the event of any **premises** being leased, hired or rented to or in the custody of or under the control of **the insured**, Special exclusion 3 relating to such property shall be deemed not to apply.

Provided that **insurers** will not be liable in respect of

- a) liability assumed by **the insured** under a contract or under a tenancy or other agreement if such liability would not have attached in the absence of such contract or agreement
- b) the relevant **excess** as stated in the schedule except in respect of loss, destruction or damage caused by fire or explosion.

Limit of liability

Insurers liability in respect of damages for any occurrence giving rise to any one claim against **the insured** or series of claims against **the insured** arising out of one cause will not exceed the amount stated in the schedule.

Insurers will also pay

- a) all legal costs recoverable from **the insured** by any claimant
- b) any other costs and expenses of litigation incurred with **insurers** written consent
- c) solicitors' and counsels' fees for legal representation at any coroner's inquest or fatal accident inquiry
- d) the costs incurred, with **insurers** written consent, for defending in a Court of Summary Jurisdiction any proceedings arising out of any alleged breach of statutory duty in respect of any cause which may be the subject of indemnity under this section of the **policy**.

Exclusions

Insurers will not be liable for

- i) any fines or penalties or the cost of implementing any remedial order or publicity order.
- ii) an appeal against any fines penalties remedial order or publicity order.
- iii) any costs incurred which result from the failure to comply with any remedial order or publicity order.
- iv) costs and expenses in connection with an appeal unless advice has been obtained from solicitors or council that there are strong prospects of success.
- v) costs and expenses in connection with the defence of any criminal proceedings resulting from any deliberate or intentional criminal act or omission by **the insured** or any director partner or **employee of the insured**.
- vi) costs and expenses provided by any other source or any other insurance or where but for the existence of this extension would have been provided by such source or insurance.
- vii) costs and expenses in connection with the defence of any criminal proceedings unless such proceedings are brought against **the insured** in a Court of Law in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands.

Special exclusions

Insurers will not be liable under this section in respect of

- 1 **bodily injury** to any **employee** arising out of and in the course of his employment by **the insured** in the **business**
- 2
 - a) loss or destruction of or damage to property
 - b) **bodily injury** sustained by any person arising from the ownership, possession or use by or on behalf of **the insured** of
 - i) any aircraft, aerospace device, hovercraft or watercraft other than hand propelled watercraft and other watercraft not exceeding 7 metres in length
 - ii) any lift, elevator, hoist, crane, steam boiler or other apparatus operating under steam pressure, for which a statutory inspection certificate is required but which is not in force
 - iii) any mechanically propelled vehicle or plant or trailer attached thereto in circumstances in respect of which insurance or security is necessary to meet the requirements of road traffic legislation
- 3 loss or destruction of or damage to
 - a) property owned by or leased, hired or rented to **the insured**
 - b) property belonging to or held in trust by or in the custody of or under the control of **the insured** or any director, partner or **employee of the insured** other than
 - i) personal property of directors, partners or **employees**
 - ii) the property of customers or visitors temporarily on or about the **premises**, but excluding all property undergoing or awaiting testing, repair, servicing, alteration, maintenance, cleaning or inspection
- 4 liability which attaches solely under the terms of any contract or agreement if such liability would not have attached in the absence of such contract or agreement
- 5 liability arising from or caused by
 - a) breach of professional duty
 - b) the provision of advice or any plan, design, formula or specification given separately for a fee
 - c) the use of welding or flame cutting equipment or asphalt bitumen or tar heaters away from the **premises**
 - d) loss or destruction of or damage to property, **buildings** or land caused by vibration or by the removal or weakening of support

- 6 liability arising from and or caused by any processes or work in connection with any of the following
- a) the manufacture mining processing distribution testing remediation removal storage disposal sale use or exposure to **asbestos** or materials or **products** containing **asbestos**
 - b) power stations, nuclear installations or establishments
 - c) refineries, bulk storage or production **premises** in the oil, gas or chemical industries
 - d) offshore installations, oil or gas rigs
Definition - for the purposes of this Special exclusion only
offshore installation means any platform or rig or any aircraft or vessel servicing a platform or rig
it is understood that any person is deemed to be 'offshore' as from the time when they embark onto a conveyance at the point of final departure to an offshore installation and that any person shall continue to be deemed 'offshore' until such time as they disembark from any conveyance onto land upon their return from an offshore installation.
 - e) railways or railway installations
 - f) towers, steeples, chimney shafts, bridges, viaducts, dams, reservoirs, wells, tunnels, mines, quarries or blast furnaces
 - g) work underground, underwater or airside
 - h) loading or discharging of vessels or other work on ships
 - i) piling or the use of explosives
 - j) any demolition unless such work forms part of a contract for construction, alteration, maintenance or repair and prior permission for any such demolition is obtained in writing by **the insured** from **insurers**
- 7 **bodily injury** or loss or destruction of or damage to property caused by **products** (other than food or drink for consumption at the **premises** by directors, partners, **employees** or visitors of **the insured**)
- 8 loss or destruction of or damage to **products** nor the cost of making good or recalling such **products**
- 9 loss or destruction of or damage to that part of any property upon which **the insured** is or has been working
- 10 **bodily injury**, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any component building material that must be removed, encapsulated, or otherwise abated because its presence or release is a hazard to human health
- 11 liability at law for loss, damage, cost or expense of whatsoever nature directly or indirectly arising out of, contributed by, caused by, resulting from, or in connection with any of the following, or any action taken in controlling, preventing, suppressing, retaliating against or responding to any of the following, regardless of any other cause or event contributing concurrently or in any other sequence of the loss:
- i) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, revolution, rebellion, insurrection, uprising, military or usurped power, confiscation by order of any public authority or government de jure or de facto or martial law; or
 - ii) riots, strikes or civil commotion; or
 - iii) any **act of terrorism**
- If **insurers** allege that by reason of this Special exclusion any actual or alleged losses, liabilities, damages, injuries, defence costs, costs or expenses is not covered by this section the burden of proving the contrary shall be upon **the insured**
- 12 fines, penalties or liquidated, punitive or exemplary damages
- 13 damages for **bodily injury** or loss or destruction of or damage to property unless the action is brought against **the insured** in a Court of Law in Great Britain, Northern Ireland, the Isle of Man or the Channel Islands
- 14 a) damages, direct or consequential, on account of "**bodily injury**", "property damage," "personal or advertising injury," or "medical payments" arising out of, resulting from, caused by, contributed to, or in any way related to any fungus of any kind whatsoever, including but not limited to mildew, mould, spore(s) or allergens or
- b) any costs or expenses associated, in any way, with the abatement, mitigation, remediation, containment, detoxification, neutralization, monitoring, removal, disposal, or any obligation to investigate or assess the presence or effects of any fungus of any kind whatsoever, including but not limited to mildew, mould, spore(s) or allergens or
- c) any obligation or duty to defend any actions on account of "**bodily injury**", "property damage," "personal or advertising injury," or "medical payments" arising out of, resulting from, or in any way related to any fungus of any kind whatsoever, including but not limited to mildew, mould, spore(s) or allergens
- irrespective of the cause of such fungus, mildew, mould, spore(s) or allergens, and whenever or wherever occurring for purposes of this exclusion, "**bodily injury**" shall include mental anguish, mental injury and/or emotional distress
- 15 legal liability arising out of **pollution** except to the extent that **the insured** demonstrates that such **pollution**;
- a) was the direct result of a sudden, identifiable, unintended and unexpected incident occurring in its entirety at a specific time and place during the Period of this Insurance
 - b) was not the direct result of **the insured** failing to take reasonable precautions to prevent such **pollution**
- Provided always that all such **pollution** which arises out of one incident shall be considered for the purposes of this **policy** to have occurred at the time such incident takes place and that **insurers** total liability to pay damages (including claimants' costs, fees and expenses) under this clause shall not exceed the Limit of Indemnity stated in the Schedule in the aggregate in respect of the Period of this Insurance
- 16 the relevant **excess** as stated in the schedule in respect of loss or destruction of or damage to property

Special conditions

- 1 It is a condition precedent to the liability of **insurers** that the undernoted precautions shall be complied with whenever there be any burning of waste or other materials
 - a) the work shall be in a clear area at a distance of at least 15 metres from any property
 - b) waste or other materials shall be checked to ensure that no explosive substances or pressurised containers are present
 - c) suitable fire extinguishing appliances shall be available for instant use and in the immediate proximity of any fire for controlling or extinguishing the fire
 - d) fires will not be left unattended
 - e) reasonable precautions shall be taken to prevent the escape of smoke or dust in a way which might cause nuisance or danger to persons passing by or to the property of any person
 - f) all fires shall be extinguished at least one hour before leaving the area
- 2 **Insurers** may at any time pay to **the insured** the amount of the Limit of liability less any amount already paid, or any lesser amount for which any claim or claims can be settled and shall then cease to have the conduct and control of the negotiations, action or proceedings and be under no further liability in respect of such claim or claims except for costs and expenses incurred prior to the date of such payment.